

MARKETING

Shoppers want brands to focus on pay equity, fair labor: AMA

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Bentley's COVID Impact Fund has helped members of the LGBTQ+ access better health services. Image credit: Bentley Motors

By SARAH RAMIREZ

Consumer expectations for corporate responsibility is going beyond sustainability.

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According to the American Marketing Association New York (AMA-NY) and the "Future of Marketing" survey, both consumers and marketers agree that companies that the top purpose companies should promote is being a good employer. Consumers are increasingly looking to support brands that prioritize pay equity and fair labor practices.

"I was struck by what consumers expect from companies," said Craig Charney, research director at AMA-NY and CEO of Charney Research, New York.

"On the one hand, to be good companies both to their employees and to their communities, on the other to react to the social challenges that have grown in centrality in recent years racial justice and environmental sustainability," he said.

The report is based on a survey of more than 500 U.S. consumers and 400 marketers.

Consumer concerns

More than a third of consumers cited being a good employer as an issue that companies should address, leading all other concerns. Forty-seven percent of marketers cited fair employment, again leading all issues.

Among consumers, promoting racial equity was the second leading concern with 26 percent thinking this is an area companies should address. A quarter of consumers also cited corporate citizenship by giving back to their communities or environmental sustainability.

Twenty percent of all consumers or less cited voting rights and democracy, women's rights, workplace diversity and inclusion, criminal justice reform or LGBTQ+ issues.

With 68 percent of U.S. consumers reporting that they are more likely to buy from a company with a good track record on the social purposes they care about, companies are fairly aligned with the concerns shoppers cited.

According to marketers, their companies agree with consumers on four of five top priorities: fair employment, racial

equity, corporate citizenship and sustainability. The fifth concern for companies is workplace DEI, as opposed to voting rights.

Brands should also keep in mind that consumer priorities vary across demographics.

"Older and younger consumers both care about how businesses respond to social issues, but different issues," Mr. Charney said. "Boomers have been in the workforce a long time, so it's not surprising that they care most about companies as employers and corporate citizens.

"Interestingly they also care most among the generations for corporate support of democracy," he said. "Gen Z, in contrast, has spent much less time in the workforce, and focuses more on racial equality, diversity and women's rights.

"However, we should note that both emphasize corporate action on the environment about equally."

Consumers in minority groups are also more likely to prioritize racial equality as a social goal for brands, cited by 34 and 32 percent of Latino and Black consumers, respectively. In contrast, 22 percent of white consumers mentioned racial equity, making it the fourth most important priority among this demographic.

In addition to the two-thirds of consumers who are more likely to buy from a company aligned with their social purposes, almost half are willing to pay more for brands fulfilling these goals. Upper-income consumers and those under 40 are particularly likely to spend more on these companies.

"When it comes to upper-income consumers, they are more willing to buy from companies they view as purpose-driven because they can afford to," Mr. Charney said. "A majority, 51 percent, of those with annual incomes over \$125,000 would do so, compared to just 15 percent of those under \$25,000."

Luxury efforts

Luxury brands are increasingly emphasizing their efforts to address workplace issues, particularly around gender equality.

French luxury conglomerate LVMH Mot Hennessy Louis Vuitton fostered a group-wide global discussion to encourage gender equity in line with International Women's Day.

From March 8-15, LVMH employees were encouraged to exchange ideas regarding gender equity through the group's internal digital platform, NEXT, which connects all employees across industries and regions. Following internal discussions, the company will host sessions to explore solutions and workshops to work together in developing ways to address these issues within LVMH ([see story](#)).

U.S. retailer Neiman Marcus Group is honoring Women's History Month in collaboration with more than 100 influential leaders.

The group has announced a series of women's leadership panels throughout March in stores across the country, showcasing the impact of women in leadership positions across sectors. Some prominent names featured on the panels include American actress and filmmaker Maggie Gyllenhaal, American film director Janicza Bravo and American actress Rosario Dawson ([see story](#)).

"The bad news is that the glossy reports and ads on corporate responsibility or ESG performance beloved of PR departments are the least trusted source of information on those topics," Mr. Charney said. "The good news? Getting into the news or third-party ratings on your projects are the most trusted sources."