



# Brand Briefing

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## Brands and responsible business

### A new study into the role of branding

Brands rest on reputations and branded companies make significant investments in Corporate Social Responsibility (CSR). Responsible, sustainable activity is now a core part of business best practice, while Government and business are working increasingly together to achieve public policy goals. However are these efforts being measured and how may Government and business best work together?

#### Background

In 2009 the British Brands Group commissioned Fleishman-Hillard to conduct a study on the investment made by brands into sustainable business practices and the developing partnership approach between Government and brands to deliver public policy goals. This included a review of projects such as Change4Life and the Campaign for Smarter Drinking. The study builds on the British Brands Group's work during 2008 to assess the economic value of UK brands.

#### Key findings

- Brands make significant investments in CSR programmes and sustainable activity – this includes making staff available to work with communities, developing sustainable supply chains and developing healthier products;
- Social responsibility is increasingly a part of core business activity;
- There is currently no comprehensive model for assessing the **social, economic and environmental value** of branded companies' contribution through CSR;
- Brands are increasingly partnering with Government to support the delivery of public policy;
- Approximately **£370 million** has been invested by brands to support public policy partnerships;
- Early assessments of the impact of this investment show significant returns:
  - Voluntary salt reduction targets have decreased salt consumption by 0.9g per day compared to 2000/1, preventing around **6,000 premature deaths** every year saving **£1.5 billion** to the economy<sup>1</sup>;
  - Chewing Gum Action Group raised awareness of the responsible disposal of gum from 37% to 42% and **reduced the “gum counts” by 62%** in some areas<sup>2</sup>;
  - Defra has estimated that partnerships with retailers have reduced plastic bags distributed by 48% **saving 130,000 tonnes of CO2**<sup>3</sup>;
- Branded companies are eager to see these partnerships continue.

<sup>1</sup> Based on Office of Fair Trading figures

<sup>2</sup> Based on 2008 data – the gum count is incidences of gum being dropped

<sup>3</sup> Based on 2009 data

## Implications

There are two surprises from this Fleishman-Hillard study:

- (1) the lack of effective measurement tools to assess the social, economic and environmental value of branded companies' significant CSR activity; and
- (2) the potential for branded companies to drive behavioural change in partnership with Government, delivering significant savings for the UK public sector.

This study provides some clear conclusions for branded companies and policymakers to ensure continued partnership and investment in effective CSR activity:

- Brands should explore new mechanisms to evaluate the social, economic and environmental impacts of their CSR activities;
- One possible solution is the Social Return on Investment (SROI) evaluation framework developed by nef consulting. SROI projections following a £2 billion waterfront re-development project ranged from **£5 billion to £6 billion** in socio-economic outcomes alone;
- There are a number of lessons for brands and Government in how public policy partnerships can be advanced in future:

### **Lessons for Government:**

- show understanding of industry and engender an atmosphere of trust;
- ensure clear goals are set at the beginning of a partnership;
- keep bureaucracy to a minimum;
- dialogue is crucial to successful partnerships.

### **Lessons for brands:**

- fully engage with a partnership's goals;
  - acting together is better than acting alone;
  - partnership working should be a natural progression for brands as they expand their corporate responsibility activities.
- Government is **reliant on the expertise of brands** to ensure these partnerships are successful. Equally, brands rely on the 'power' of Government to ensure partnerships are successful.

## Conclusion

Branded companies are undertaking a significant amount of CSR activity. Furthermore, they are integrating this activity into the core of their businesses in order to deliver the greatest benefits for the communities in which they work while increasing productivity and profitability. Brands are also becoming important partners in Government programmes, contributing marketing and communications expertise as well as core funding to deliver public policy objectives. Early assessments of the impact of this investment show significant returns. If this involvement and partnership is to flourish, its true social, economic and environmental value needs to be understood and partnerships must be structured to reflect the needs of both sides.