



The Truth About Transparency

Q: McDonald's seems to be the latest in a trend of companies promoting greater transparency about their food. Is it true customers expect to know everything? And, if so, how do I respond?

A: Transparency is indeed an important and growing trend in many industries today. In fast food, perhaps the two biggest moves toward greater transparency in food sourcing and composition were made by Chipotle and McDonald's. Chipotle started in earnest in 2010 by beefing up (pardon the pun) its "Food With Integrity" mission and launching a multi-pronged initiative to "change the way people think about what they eat." The effort included "Back to the Start," an emotionally powerful animated short video about the importance of sustainable sourcing.

More recently, McDonald's launched a communications campaign called "Our Food. Your Questions." that includes a section on its website where it answers people's questions and a video series featuring former "MythBusters" star Grant Imahara as he visits and reports on McDonald's suppliers. The effort was received so well in Canada and Australia that the company rolled it out in the U.S. last fall.

Both developments—and the many others like it—are a reflection of a growing desire among consumers to understand the operating practices of the companies they buy products from. As reported in the 2013 Cone Communications/Echo Global CSR Study, nearly 90 percent of Americans want companies to tell them what they're doing to operate more responsibly, and three-quarters wish companies would explain how their food purchasing decisions impact the environment. For quite some time, consumers have wanted to purchase goods that reflect their values. Whereas previously the prevailing values might have been status and individuality, today responsibility and altruism are becoming just as important.

Inquiring minds want to be informed about not only your food quality and supply chain, but also pricing, wages and treatment of employees, nutritional profiles, food preparation, and environmental impact and waste. It's not that consumers expect perfection. In fact, 85 percent of the Cone Communications/Echo study participants said it's OK if a company is not perfect, as long as it is honest about its efforts. It's transparency that matters.

So you would do well to be more open and honest with your customers and share about your business practices. Doing so will appease people's concerns—whether they exist and are voiced now or whether they're still latent and bubbling beneath the surface. Unfortunately, silence may be interpreted as guilt. Moreover, operating with transparency creates a more personal connection between your brand and your customers. A brand

that is perceived to be more honest can appear more human. You might actually develop more trust than what had existed before—and greater trust leads to greater patronage and loyalty.

But pursuing this path is not without peril. Transparency can backfire if you don't plan for and execute it with care. Follow these principles to help ensure you derive the benefits from greater transparency and avoid the transparency traps.

Prepare for increased scrutiny. Whether you promote the local farms you source from or explain the rising costs that prompt a price increase, you open yourself up to people researching your claims. Be sure you're operating with integrity and you can back up your story. What's more, you're inviting people into a conversation, sometimes a very public one given the extensive social networks that some people have. Once you open the door, don't be surprised if people's expectations are raised and they start inquiring about other aspects of your business.

Be clear. The Cone Communications/Echo research found that 70 percent of people are confused by the messages companies use to talk about their corporate social responsibility initiatives. And in other research by Cone, nine in 10 Americans say they will stop buying a product if they feel they are being deceived. Make sure you use plain language and avoid technical terms and industry jargon. If you're explaining ingredients, sources, or food preparation techniques, be particularly sensitive to messages that may be factually accurate but confuse the average person.

Take a proactive stance. As George Washington once said, "It is much easier at all times to prevent an evil than to rectify mistakes." Transparency is most effective—and best received—when it comes before a concern is raised. If you operate just down the street from where people are protesting employee pay, you might consider communicating about your employees' wages (if they're up to snuff, of course). If the people in your community show an affinity to green issues, messages about your stewardship of the environment would be appropriate. Instead of hoping a hot topic fades away, use transparency as a way to attract people to you.

Use the right communication channels. Unless you want transparency to be your primary point of differentiation (as Chipotle seems to) or you need a major image makeover (as McDonald's does), messages about your business practices don't belong in your primary marketing communications. Take a cue from Taco Bell, which last year quietly launched a website page to detail the "other ingredients" in its beef and provide other disclosures about its food. Similarly, Shake Shack used its blog to explain the return of its classic crinkle fry after customers revolted against a new formulation it had tried. Public but not prominent communication channels allow you to make information available without distracting from your most demand-driving messages. 