



Why Marketers Need To Stop Giving Back

This article is by Denise Lee Yohn, a brand-building expert, speaker and writer. She is the author of What Great Brands Do: The Seven Brand-Building Principles that Separate the Best from the Rest (Jossey-Bass, January, 2014.) Read more by Denise at <http://deniseleeyohn.com/bites/best-bites>.

If your company prides itself on giving back to the community by way of charitable gifts, it's time to rethink what you're doing and why.

Gone are the days when companies were viewed as socially responsible merely as a result of contributing to the local college or supporting their branch of the United Way. Monetary contributions alone aren't good enough anymore.



(Photo credit: Wikipedia)

Today's consumers want companies to make a more comprehensive impact on society. According to Edelman, a public relations firm, 87 percent of consumers surveyed said business should place at least as much emphasis on social interests as on business interests.

A company's reputation used to be based on product quality, value for money and financial performance. Today, we evaluate companies on their social impact: treatment of employees, community involvement and ethical and environmental issues.

Great Brands Create Positive Social Change

Great brands don't just support existing causes or charities—they pioneer positive social change. They create value for themselves and for others through their day-to-day operations. Some modify or redesign their products and services to address social issues, while others change their suppliers or standard operating procedures. What all great brands have in common is using a holistic approach to make the world a better place.

In the case of Chipotle, that means delivering “food with integrity.” Steve Ells, founder and CEO, explains, “Food with Integrity is our commitment to always look closer, dig deeper and work harder to ensure that our actions are making things better, not worse. It’s our promise to run our business in a way that doesn’t exploit animals, people or the environment. It is the philosophy that guides every decision we make at Chipotle.”

This game-changing restaurant chain gets 100 percent of its beef, pork and chicken from ranches that meet or exceed its standards for naturally raised meats. And when it occasionally experiences a shortage, the restaurants that are affected inform their customers of this. But Chipotle doesn’t stop there. In an effort to educate people about the perils of the industrialized food supply and the extensive benefits of naturally raising livestock and crops, Chipotle created a short film and a game app for digital devices called “The Scarecrow.” The object of the game is to bring back real food. Ace all four levels and Chipotle gives you a free burrito. Now that’s creating shared value!

Chipotle’s efforts are creating value for its executives, employees and investors (internal stakeholders) as well as its suppliers, agencies, strategic partners, industry influencers, local communities and customers (external stakeholders). The widely publicized donations and promotions that many companies tried to pass off as “corporate social responsibility” just don’t cut it anymore.

Create Shared Value

To make a social impact that’s truly valuable, begin by taking a close look at your business model. Do you need to tweak your daily operations? Or do you need to redesign your model? Or start an entirely new business?

What does your market ecosystem consist of?

Who are your most valuable stakeholders?

What goals do you and your most important stakeholders have in common?

What is the true value that you create and how do you do it?

Which business activities are critical to your company’s success?

Which activities or practices are optional or distracting?

Do your business outputs (products, revenues) justify the inputs (assets, relationships, resources)?

What resources are you exploiting or wasting?

What problems are symptoms of the way you conduct business?

Answering these questions is the first step toward creating holistic, human-centered systems that deliver true value.

Great brands don’t have to “give back” by way of charitable contributions because they operate with an integrated approach that makes everything they do part of the valuable package they offer. When your business is designed and operated to help both planet and people to thrive, your brand creates value that’s far-reaching and long-lasting — and produces results far beyond your commercial footprint.