

Authentic Communications to Sweep Away Uncertainty

According to the media, the UK economy is facing an imminent recession with rising commodity prices, negative growth and massive job losses – all pointing to turbulent times ahead for business and society.

Like many people, I like a good horror story but this particular blockbuster verges on scare mongering. All serious analysts are suggesting that UK growth will slow over the next two or three quarters but the prospects of a major recession remain slim.

While the economy might not be in such dire straits, it would be wrong to dismiss the psychological impact the tougher economic climate will have. UK consumers have seen living costs rise and experienced a real drop in disposable income.

Faced with falling consumer confidence many businesses are pessimistic and uncertain how to react. One area that is coming under increased scrutiny is the way companies communicate about their corporate responsibilities. All too often, communication in this area is poorly thought through, poorly executed and delivers little value.

In a time of economic uncertainty the need to communicate effectively becomes more urgent than ever. The secret to success centres on being authentic – by doing what you say and in saying what you do.

Doing what you say obviously involves living up to your values on social and environmental commitments. Concern for the environment makes perfect business sense in a tough economic climate. Record high oil prices means energy efficiency is vital for every business no matter what sector it operates in. And, in the face of rising commodity prices, smart businesses are concerned about reducing their use of raw materials, recycling where possible and cutting waste to a minimum.

On social issues too, living by your values is imperative. Companies simply cannot ignore the pressures they face to behave in a responsible way. Earlier this year Primark was accused by the BBC of using child labour in factories in India. Tesco also faced accusations from War on Want that workers in Bangalore were producing clothes

for the retailer at half the living wage and were forced to work overtime.

Such allegations cause real damage to brand image, even among retailers aimed at the value end of the price spectrum. The idea that shoppers on tight budgets are not concerned with ethical issues is both patronising and wrong. There is strong evidence to show that social and environmental issues impinge on consumer behaviour across the board.

So, people want to know how you are responding to these issues, which brings us to the other element of success – saying what you do. It is clear than many companies are still struggling in this area.

Last year, the Advertising Standards Agency (ASA) saw a five fold increase in complaints about adverts making claims for the sustainable credentials of a wide range of products and services – some of the high profile brands that were censured included Shell, Suzuki, Ryanair and Toyota.

While advertising is only one aspect of communications, the costs of getting it wrong are huge. Who would want to be the agency executive that has to explain to the client why the latest “green ad” has been pulled by the ASA? To avoid such a scenario, what are the key things to think about in communicating responsible business behaviour?

Keys to Authentic Communications

- Be Yourself
- Recognise stakeholder concerns
- Deal with the bad news
- Exploit the power of digital

First of all, be yourself. Don't be afraid to celebrate who you are as a company and what you do. Remember that first and foremost you are a business – so talk about the wealth you create and the benefits you bring to society through your core business activities.

Second, people want to hear about their concerns as well as your activities. Stakeholders don't necessarily need to know about your ten-point plan for sustainability, but they are interested in how you can

help them reduce energy consumption. In short, you have to respect the point of view of your stakeholders and talk about the specific issues that interest them.

Third, you need a little bit of humility in your communications. All too often, companies come across as being completely successful at managing their social and environmental issues. This jars with many and can reinforce negative perceptions. While it is nice to talk about your achievements, this must be balanced with discussion of the bad news, the challenges and the unsolved issues.

Finally, remember the power of digital communications. Those responsible for spreading the word about corporate responsibility have been relatively slow to adopt on-line channels. While there are some really innovative examples – BT, Centrica and Timberland spring to mind – most companies could do more to make digital work harder for them.

Without doubt the state of the economy does effect peoples' behaviour. But this will always be a short-term trend. More profound decisions about which company to work for, which company to invest in and which company to buy from are influenced by deeper, more complex criteria. Authentic communications have a much greater chance of influencing these preferences rather than economic imperatives.

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