

Companies must share to show they care

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Corporate social investment is not perceived to be biased or selfish.

IN 2003, Anglo American committed itself to a R30-million community partnership project to help accelerate the provision of HIV/Aids services in about 200 of South Africa's public clinics.

This investment was over and above the millions of rand Anglo American had already committed to helping more than 30 000 HIV-infected Anglo American employees.

In 2004, South Africans ranked Anglo American among the top 10 companies, which have done the most to uplift the community.

Anglo American's investment in a non-core initiative demonstrates the commitment of corporations to direct investment in projects that enhance the well-being of communities.

In return, these investments generate a positive image of the corporation in the communities within which it operates.

Corporate social investment, albeit defined differently, has always been a feature of corporations to varying degrees. However, Naomi Klein's declaration of war on brands in *No Logo* heralded the beginnings of a revolution in traditional corporate marketing practices, and community social investment in particular.

Klein says: "Brands have come to represent a fascist state where we all salute the logo and have little opportunity for criticism because our newspapers, television stations, Internet servers, streets and retail spaces are all controlled by multinational corporate interests."

A 2000 poll on social responsibility established that 67% of consumers feel "business must go beyond the obligations of paying taxes, employing people and corporate governance, and make a contribution to society".

"Sceptical consumers are bringing down the long accepted monuments of business, government, celebrity and society. Large corporations no longer hold our trust," adds Klein.

By 2003, corporate social investment held centre stage as the new tool for enhancing brand image. In South Africa, more than R2-billion of the R12-billion-plus annual marketing spend was earmarked for social investment.

World Vision defines corporate social investment as "a deliberate decision by a company to adopt as part of its value system the contribution to community development".

In the past 10 years Corporate Social and Market Research has established a benchmark ranking of South Africa's most caring companies. Caring for the community (38%) heads the list in the 2003 survey.

Other aspects demonstrating care include: creating employment (17%); caring for employees (13%); supporting education (12%); supporting poverty relief (8%); sport sponsorship (6%); customer care (5%); and HIV/Aids prevention (3%).

These community definitions, a mandate for corporate SA, have led to the inclusion of corporate social investment requirements in corporate governance reporting: "Every company should report at least annually on the nature and extent of its social, transformation, ethical, safety, health and environmental management policies and practices."

Corporate social investment is now seen as a business imperative.

Mervyn King, chairman of King II, says: "Companies today affect all aspects of our lives. They in fact link us to the communities in which we live and create mutual rights and obligations in society to the extent that a company is as much a citizen as an individual."

Traditionally, marketers used advertising and public relations as the primary tools for building brand image. But sponsorship goes a step further by reaching out to communities.

The BMI Sport Info survey established in 1992 that more than 40% of sport sponsors — sport sponsorship accounts for over 65% of all sponsorship — used their sponsorship to build awareness (90%), image and brand (70%) and community involvement (45%). Community social investment is, in essence, the sponsorship of initiatives beneficial to communities which impact on and/or are impacted on by corporations.

This is not to suggest that advertising, public relations and sponsorship have lost their appeal as effective tools for reaching consumers. Unlike advertising, and to an extent sponsorship and public relations, corporate social investment is not perceived as one-sided, biased, selfish, and company-oriented. It is perceived to be consumer-oriented and by extension to be community-oriented.

Savvy marketers know that the secret lies in integrating all the key tools of marketing — advertising, sponsorship and community investment — to reach the hearts of consumers and communities.

In two unrelated surveys — Markinor/Sunday Times Top Brands (2004) and Corporate Social and Market Research (2003) — seven of the top 10 companies ranked by consumers as the most admired (Coca-Cola, Eskom, Telkom, ABSA, SABMiller, Pick 'n Pay and Vodacom) are ranked among the top 10 most caring companies, or companies that have done the most to uplift the community.

Four of those — Vodacom, Pick 'n Pay, Coca-Cola and SABMiller — are also among the top 10 advertisers (Nielsen).

The pillars of corporate SA — Eskom, Anglo American, Sasol, Telkom, Pick 'n Pay, Coca-Cola — each invest between R25-million and R100-million in corporate social investment to balance their demand-creation investments (advertising, public relations, sponsorships) with community enhancing investments.

It is no coincidence that the most admired companies are also those rated as being the most caring. Communities grant corporations the licence to operate. For their investment in the community, corporations are rewarded with loyalty

and a positive image.

It should make sense that without a healthy, happy and supportive community, corporations will not have the required labour force to create their products and services, nor the customers to consume them. Corporate social investment is no longer a “nice to have”. It is a business imperative.

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