

Interview: Professional Marketing Magazine & Michael Ziviani on Corporate Citizenship

Professional Marketing Magazine, Dec. 2008

Q&A: Vivienne Reiner with Michael Ziviani, CEO
Precise Value

VR: I am specifically interested in hearing about the research your organisation has done in terms of communication and CSR programs I believe you have developed some tools in this area that help clients by taking the guesswork out of CSR.

MZ: Yes, as independent analysts we set about taking the guesswork out of managing all types of communications in the media. CSR is fast becoming a specific area where clients seek to understand and work with the media landscape. We help them achieve the maximum return on their effort and investment.

Cause sponsorship is just one way that an organisation can establish and communicate its Social Responsibility. We have developed a choice framework that guides their choice of a CSR cause towards those capable of yielding the most CSR value in the eyes of stakeholders. This framework was born out of collaboration with the University of Adelaide.

We also developed a custom media evaluation and analysis service called PREnhance®. Our approach goes far beyond article or key word counts and was developed in Australia with input by the CSIRO. Our clients are communications professionals in the top 100 organisations. They use this tool to understand and quantify the standing of their organisation in the media.

The insights they gain show how to improve results for an optimal CSR position.

We can extract more worth by going the next analytical step of relating communications to business outcomes. Such quantification is important because it helps prove the value achieved in terms familiar to the boardroom. In turn this helps ensure communications professionals get the resources they deserve.

VR: To put it into context, could you also tell me about Precise's background in CSR and what you are doing, both in Adelaide and beyond.

MZ: Our CSR interest grew out of the considerable media analysis work we have done in PREnhance®. Some specific projects in litter reduction and climate change also helped build our CSR experience. The MOSS association shaped our CSR outlook over the last several years with some very worthwhile conferences and networks.

We noticed clients with a commitment to CSR seemed to be less affected by negative media and/or recovered more quickly from a negative issue. In fact, averaged over time our results suggest the tone of CSR media is about double that of general media. Our quest is to explain why.

We believe a new era of communications is unfolding and that requires new tools to help manage an increasingly complex environment.

Our focus is intelligent analysis and interpretation. This has led to the development of a Blog analysis service which dovetails into our Word-of-Mouth analysis. The cornerstone of this work is tying various communications outputs to hard business outcomes like market share or share price.

With our formal background in market research, communications and software we are carefully crafting a significant Research & Development effort to support future growth. Most of our work is interstate now so Precise is really a national company with its head office in Adelaide. It is a city free of media clutter and frequently unreached by national campaigns. Hence, it has traditionally been a base for testing new products and has a similar 'clear-air' benefit to us for our [media] analysis work.

VR: How important would you say CSR is to an organisation's reputation?

MZ: Many years of brand equity research teaches us that there are not two worlds out there. Most things you do will affect your brand and reputation in some way and to some extent. CSR provides a wonderfully rich palette of colour choice with which to paint your brand backdrop. It can really help you capture and define your brand essence. This opens up almost endless possibilities for differentiation and for building reputation over time.

The current context to this is our hyper-concern with the environment as suggested by the 2008 Grey Eye on Australia research. This work found that 87% of respondents say companies should tell people what they are doing about the environment. Further, 68% say they are more likely to trust a company that looks after the environment (Grey (2008), Eye On Australia

2008, url: <http://www.eyeaonaustralia.com.au>)

At its logical conclusion, we believe differentiation and reputation can enable a direct financial benefit, like a price premium. However, the huge range of options and decisions necessary for achieving this underscores the need for careful design and ongoing adjustment.

If an organisation has a strong value structure and its people strive to work by these values then the overall organisational communication effort will flow and build reputation.

Here are some recent examples of how reputation can be boosted by CSR:

- Share price premium: Jane Fuller, The Financial Times', finance editor, wrote in July 2003, "Companies which are less exposed to social and environmental risks are more highly valued by the market."
- Staff preference for organisations that are active in CSR organisation: A study of 2100 MBA students found that more than half would take lower salary to work for a socially responsible organisation (Lee, Kotler (2004) 'Corporate Social Responsibility', Wiley USA, pp16)
- Green product specification demand- CSR positioning: 'South Australian wines go 'green', (May 29, 2008, James Ferre) <http://www.ausfoodnews.com.au/2008/05/29/south-australian-wines-go-%E2%80%98green%E2%80%99.html>) "Tesco's, the UK's single largest distributor of Australian wines, is aggressively pursuing a "Greener Living" campaign... "Sir Terry Leahy, the Chief Executive of Tesco was recently reported saying that he wanted to

devise a system of labelling that would enable shoppers to compare a product's carbon footprint just as easily as they can currently compare its price or nutritional value. I am told that Marks & Spencer has similar plans, as does the US shopping chain Wal Mart. The US is [Australia's] second largest wine export destination.” (May 29, 2008, James Ferre, 'South Australian wines go 'green'.

VR: How can organisations gain a foothold in the now lucrative area of sustainability marketing?

MZ: To enter this market as a provider of services a supplier must to prove how you bring value and can help guide organisations trying to work their way through the maze of sustainability marketing. Those committed to embedding CSR within the DNA of their organisation will want you to prove your commitment to ensuring partnership and universal integration is successful. Good clients will take the time up front to make sure they get it right. There needs to be a solid and scalable foundation which will handle the emerging challenges that companies will face over the next decades. It is the doing which needs to be paramount rather than the marketing of it. Beyond this, some general tips are:

1. Believe in what you do
2. Ensure your values align with those of your clients.
3. Have integrity in all your dealings
4. Be passionate about making a difference.

VR: Can too much PR in this area be a bad thing e.g consumers may become suspicious of Greenwash?

MZ: Too much PR in any area will result in burn out of message and loss of interest. PR thrives on ebb and flow within a rhythm of news and interest stories. Top PR professionals sense and work with that rhythm appropriately.

Communications are typically output from various parts of an organisation. As such, there are many potential touch points for CSR values to be expressed – front line service staff, philanthropy, advertising messages, sponsorships/events, staff volunteerism and so on. A co-ordinated approach and message strategy is required to achieve consistent. PR professionals are perhaps best positioned to assist in that role.

From an unbiased analytical perspective, it's easy for us to see Greenwash happening. Lots of PR activity may not translate into media or the media becomes cynical. The golden rule here is authenticity. Subtlety, interest and timing are the supporting cast. Sometimes less is more.

There is certainly a temptation to layer a veneer of Green across the company. This is indicative of the early stage market position of CSR in Australia where accuracy may fall victim to expediency. As the market matures, so too does the ability of consumers to see through that veneer. And the interest of regulators is being similarly piqued. So you need to be accurate and genuine. In fact the ACCC have turned their attention to the whole area of Green claims in marketing with an issues paper published in May 2008. The paper cites one case where the ACCC addressed Greenwashing directly by seeking court-enforceable undertakings from a business.

This ordered the business to change its claims about a product.

You can be fairly certain that those organisations clinging to just a thin CSR veneer are not tracking their brand equity in any depth. Consumers are not silly and disenchantment will inevitably lead to divorce.

Here is the link to the very readable paper by Louise Sylvan, Deputy Chair ACCC:
<http://www.accc.gov.au/content/item.phtml?itemId=826938&nodeId=076f0ada7d4d555540b83ba6fba76b0&fn=Green%20marketing%20and%20the%20ACCC.pdf>

Page 8 of this paper lists some examples of where the ACCC has addressed Greenwashing directly with businesses.

VR: How important is it to engage stakeholders in CSR in general – e.g what impact can it have on the bottom line in the long term.

MZ: The diagram shows the multi-dimensional nature of CSR. The extent to which you understand and engage stakeholders will typically define success. However, this is not always easy It's about aim and alignment. If you do not understand stakeholders it is unlikely you will align with their needs and therefore they will not be engaged.

Two universally important steps are:

- Design and test the 'fit' of your CSR with the target audience outcomes.
- Quantify those outcomes to show value – ideally in terms of positive shifts in target audience perceptions and also in hard business outcomes.

Do your research and have hard data wherever

possible. Internally this will make building your business case much easier. Externally it will ensure focus on the right message to the right target. You need to give yourself the best chance of success because the alternative will not endear further support!

- A spectacular example of the benefits of stakeholder engagement is given by Lee, Kotler (2004) Corporate Social Responsibility pp15. In the LA South Central Riots of 1992, McDonalds CSR activity in Ronald McDonald house and employment plans prevented all 60 outlets in the riot area from being targeted which did not evoke a theme of Trust suggesting an opportunity to refine activity.

The analysis also produced a CSR Reference Portfolio. That is, a cross-section of articles which showcase various approaches to CSR and Sustainability activity. Precise has assessed and scored these articles and the learning from them is available for review. To organise a time please [contact us](#).

About Precise

Established in 1999, Precise specialises in premium quality communications analysis services for Blue Chip clients. We apply best-practice techniques to profile opportunities and quantify results in concrete business outcomes.