

Why more businesses are focusing on social responsibility

BY DELIA PAUNESCU / ASSISTANT EDITOR

ith the landscape of business changing rapidly, companies today need more than just traditional products or marketing communications to reach customers. A growing number of businesses have begun incorporating charitable works more directly into their corporate message and, in fact, their business models. According to experts, many are seeing results both positive and profitable.

In sponsoring local charities, providing employees with volunteer time or even just recycling inhouse, most optical establishments have long been involved in doing good and providing community service on some level. Increasingly, though, companies and business owners are working to build the message of social responsibility into the fiber of the organization. Businesses interested in upping both their community efforts and company profile can accomplish this with relative ease and, as such, provide unlimited attention to their cause.

The term generally used to describe this new business phenomenon is "social purpose." "A social purpose business is a for-profit business venture created to promote social change through profitable enterprise," Stephanie Lowell writes in *The Harvard Business School Guide to Careers in the Nonprofit Sector.* These businesses not only aim to generate a profit, but have the added goal of directly impacting a social need while doing so—what Lowell calls "a double bottom line."

"While it might be said that the purpose of business is to create economic value, what we've proposed is that it is intertwined with societal benefit," David Zapol, director at global social impact consulting firm FSG, based in Boston, told *Vision Monday*. "Any company that is creating value has an

opportunity to look for that overlap between business and the social needs that it is addressing." He cited in an article titled "Creating Shared Value" written by the founders of FSG and published in the Harvard Business Review in January 2011, which stated that the capitalist system is under siege and "businesses are caught in the vicious circle of diminished public trust and outdated approach to value creation." Zapol added, "The economic downturn has been a big part of the shift. Business as usual isn't enough anymore. Is pure profit motivation enough to ensure a sound economy? As part of society, companies that embrace their role in addressing social problems are able to identify new product and market opportunities. In this context, consumers increasingly demand that companies play a part in their local and global communities."

It seems that consumers agree. Findings from Continued on page 54

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Socially Conscious Business Resonates Globally

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the public relations firm Edelman Business + Social Purpose's 2010 "goodpurpose" study show that 69 percent of consumers globally believe corporations are in a uniquely powerful position to make a positive impact on good causes. That number jumps to 80 percent in the U.S. Similarly, nearly two-thirds of global respondents (64 percent) believe it is no longer enough for corporations to give money, but rather they must integrate good causes into their everyday business.

Global business chair Carol Cone, at the New York City-based Edelman firm, told Vision Monday that all companies today must have a component of a social issue knitted within their operations. "There's a lot of choice in the marketplace and a lot of social challenges that aren't being addressed by the government. Businesses are finding they can have more humanity by tying themselves with human values," she said. Over the past years, goodpurpose data showed that 86 percent of respondents felt companies should place an equal emphasis on social interests as well as business ventures. Referencing information from the forthcoming 2012 survey, Cone added that the trend is continuing to get stronger due to the transparency required of companies by today's consumer.

"The challenge for companies today is to reinvent and rebuild their industries in a way that does good in the world, be it going carbon neutral or redesigning your supply chain to ensure sustainability is factored into every step. Doing good is no longer just in the domain of the elite who can afford more expensive

products. Today, companies can save money and find their innovative edge by asking the question and pursuing the idea of Making Good." —Dev Aujla, founder of MakingGood.org

Though some business experts implicate the economy, the history of causal business practices didn't develop with the latest recession. Years ago, corporate social responsibility (CSR) started out as a transactional relationship between a brand and a nonprofit, Scott Beaudoin, SVP, deputy consumer practice director and North America director of cause marketing/CSR for public relations firm MSLGROUP in New York City, told Vision Monday. "Back in the '80s, supporting the cause was about developing that emotional connection to drive sales. Business now realizes that there is shared value in societal organization and causes that are relevant to their consumers. Corporate social responsibility came into light because society started turning to companies that were being good corporate citizens," he said, adding that purpose and profit are no longer mutually exclusive. "All stakeholders expect businesses to be in business to make a profit but they should be doing it in a purposeful way."

As the idea of social purpose marketing is catching on with corporations, consumers are responding to the trend and sometimes are even ahead of it. In the most recent Social Purpose Index from MSLGROUP, 96 percent of Americans say they can identify two to three causes that are important

to them personally. Curiously, only 37 percent of Americans have actually purchased a product associated with a cause in the past year. The Index suggests that the gap between socially-conscious consumers and their actual cause-related purchase decisions can be explained through heightened skepticism, or "a result of many companies support-



ing causes that don't necessarily make sense for their business or their brands." MSLGROUP's survey goes on to cite that 74 percent of Americans agree that there is often too much of a disconnect between the causes companies support and the brands and products they sell. Nearly as many respondents (67 percent) feel that companies only support causes to sell products.

Beaudoin explained: "Through the internet and social media, people today are given unprecedented access into a company and brands realize they need to be transparent and authentic. Purpose is no longer a division, but the north star of the company. CEOs and CMOs are looking at purpose as an opportunity to help lead them into the new world. In a lot of sectors where trust has been stripped away, social purpose is elevating the company to move forward by having them ask 'How do we become more responsible citizens? What is our vision for the future?' and then using that as a rally cry both internally and externally."

David Lubensky, founder of Bagatto, a San Francisco-based ethnographic research firm calls the trend "self-centered consciousness." He believes consumers want companies to meet their personal needs and positively impact society. "While consumers continue to prioritize personal and practical concerns like

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COMPANY PROFILE

TOMS' Mycoskie: 'Start Something That Matters'

BY DEIRDRE CARROLL / SENIOR EDITOR

t is impossible to have a conversation about social purpose companies without including TOMS. The company has become ubiquitous in the category and its founder and "chief giver," Blake Mycoskie, the standard-bearer of the growing One for One movement.

What started as wanting to give shoes to those in need on a trip to Argentina six years ago has culminated in a giving program that now works with charitable partners around the globe. In 2011, after four years spent learning as much as possible about how the company could help address an entirely new need throughout the world, they introduced the next chapter of their One for One movement—TOMS Eyewear.

"I could have easily started a non-profit that relied on donors, but I worried about a time that the donors found a different passion and stopped supporting my organization. With TOMS' model we've found a sustainable way to give and provide to those in need constantly and consistently," Mycoskie told *Vision Monday*. "When I first started TOMS in 2006, my goal was to be able to give 250 pairs of shoes to children I had previously met and now, through the support of our customers, TOMS has given over two million pairs of new shoes to children in need around the world and is providing for eyecare programs in Nepal, Tibet and Cambodia."

Whether it's giving shoes or helping to restore sight, at TOMS it all starts with need. The need is addressed by a simple cause and effect relationship—when one person buys, one person is helped. "Giving is the heart of TOMS' business, and the company now gives shoes to children in need in over 40 countries and helps give sight to people in need in nine," he added.

And his success has not gone unnoticed. In 2009, Mycoskie and TOMS received the Award

for Corporate Excellence (ACE) from the Secretary of State, Hillary Clinton. The award recognizes a company's commitment to corporate social responsibility, innovation, exemplary practices and democratic values worldwide.

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"I think we have to constantly remind ourselves of the purpose of our work and the lives we are affecting," said Mycoskie. "It's so easy to get caught in the day to day, remembering to send an email or get approval on a proposal. At TOMS, we focus our efforts on building responsible, long-term, and sustainable relationships with Giving Partners that contribute to the health, education and well-being of those we are helping.

"We also have a responsibility to be in constant communication with our community, showing them the positive difference they are making through the purchase of a

TOMS product. We do this by sharing photos and stories from our Giving Partners who are delivering TOMS shoes and sight services around the world because of their support."

Mycoskie is so passionate about inspiring young people to help make tomorrow better, that through a newly launched initiative announced just this month called TOMS Ticket to Give, the company is allowing their community to see One for One in action and the experience of giving first hand. "Every week on TOMS.com, a TOMS customer will be selected to join us on a Shoe or Sight Giving Trip and return forever changed," he explained. "This is our way of giving back to customers who support TOMS each and every day."



and chief giver of TOMS.

Mycoskie has many ideas on how everyday people can make a difference, many of which are outlined in the book he authored last year, *Start Something That Matters* (Spiegel & Grau/Random House). The book is one more example of how he has 'put his money where his mouth is' so to speak; not only is Random House donating a book to a child in need through the First Book organization for every *Start Something* book sold, but

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TOMS: A Future Full of Socially Minded Businesses

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Mycoskie himself has set aside 50 percent of the proceeds from its sale for the Start Something That Matters Fund which supports readers inspired by the book who want to make a positive impact on the world.

In fact, he hopes to see a future full of socially minded businesses and consumers. Based upon his experience, Mycoskie believes that companies can easily increase or implement social purpose initiatives into their own businesses. "Ultimately, we hope to inspire the community at large to incorporate giving in what they do, professionally as well as their personal lives. The littlest things can make a difference such as initiating green practices within an organization or completely redevel-



COMPANY PROF

141 Sees Change Through a Transparent Giving Model

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BY DEIRDRE CARROLL / SENIOR EDITOR

yle Yamaguchi started 141 Eyewear in 2009 with his wife Shu-Chu Wu. "I've wanted to start a company since college," said Yamaguchi. "I was working for Nike and Shu-Chu is an optician so we decided to leverage our strengths-mine being product development—to start a frame brand. But we wanted to differentiate ourselves and give back."

After nearly a year of research, including attending Lions Club sight missions and leveraging a relationship with a local eyewear retailer to test their product in-store, 141's first eyewear collection launched in July 2010. With that debut was the crystallization of the company's mission statement—they would give one (1) pair of eyewear to a person in need for (4) every one (1) pair of eyewear they sold—thus 141 was born. It sounded

simple in theory but, as the couple soon learned, it was quite a bit more difficult in practice.

"Our first mission was to Taiwan, which was great, but when we returned we realized that there are so many people, so many kids, in need in the U.S.," he said. "It is so much easier to give in Taiwan; in the U.S. there is so much bureaucracy and red tape but going forward we chose to give in the U.S. because there are so many kids here who need help and the transparency of giving locally is important to us."

By giving domestically, 141 can not only participate in several clinics a year but they can encourage their accounts to be directly involved. "We urge the doctors and opticians, even consumers, to participate so they can see what and how we are giving. They can come to our clinics and see it firsthand. So many companies

have popped up claiming to give back but if I can't

figure out exactly how they are giving, how are they being held accountable? We don't want people to be skeptical or suspicious. We want folks to know we're for real, we're serious. The companies that will succeed are genuine, honest and transparent and being transparent means allowing people to really see what your giving model is," added Yamaguchi.

That degree of transparency isn't without its challenges. "The giving side is almost harder than the business side and giving in the U.S. multiplies that challenge," he acknowledged. "It's like running two businesses at once and devoting equal time to each. Our first clinic was organized by us but we real-



during their 2011 Portland clinic.

ized quickly that we did not have the resources to continue to do that in terms of equipment, lenses and personnel."

A partnership with OneSight in 2011 now allows 141 to more easily facilitate their giving. "In 2011, we sold 2,000 frames at wholesale, so this year that's

141 founders Kyle Yamaguchi and Shu-Chu Wu.

you buy, we give. 14

141

what we are giving away. One-Sight does approximately 30 clinics a year, we're organizing six of our own and we're also holding back product for accounts that already have giv-

ing programs in place. In 2012, we've forecasted that we'll sell 4,000 frames and we'll be ready to start giving those back in January 2013," according to Yamaguchi. "The more we sell, the more we give. One cannot live without the other."

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COMPANY PROFILE

Marchon's Fresh Take on How to 'Make a Difference'

BY DEIRDRE CARROLL / SENIOR EDITOR

ike many great projects, the inspiration for Marchon's Eye Make a Difference campaign was born from people just sitting around throwing ideas off each other. "Claudio [Gottardi, Marchon's president and CEO] and I were brainstorming," said Mark Ginsberg, Marchon's senior vice president of global marketing. "We were tired of the same old ideas. We wanted a new marketing campaign that would be socially relevant and more responsible and that tied into a greater move on Marchon's part to increase our social purpose initiatives."

The Eye Make a Difference campaign became a perfect example of how any established company can begin to raise its social responsibility profile. "Part of the Marchon DNA has always been philanthropy but we've never told that story until now and the best fit was to tie it to our Marchon branded product," he added.

The advertising campaign was developed around the Marchon core collection and features everyday people wearing various styles. Their images are used on posters, counter cards and other P.O.P. materials available to optical dispensers who carry the company's house brand.

But these aren't just regular people. They are real people doing extraordinary things

through charitable groups or personal organizations and Marchon is trying to help them spread their message.

"We wanted to raise the profile of lesser known charities and showcase everyday people, the ones who wear the product, who are doing extraordinary things. In lieu of hiring models and paying their fees we are making donations to their charities and giving them a platform to tell their stories," explained Ginsberg.

Since being established in early 2011, Marchon has recognized Michael Wenger of Open Action, Shay Kelley of Project 50/50 and most recently, Dr. Gerard D'Aversa and his daughter, Jaclyn, of Unite

for Sight, all of which have made a direct difference in people's lives. In addition, Marchon has donated \$10,000 to their charity. Those recognized in the Eye Make a Difference campaign are on the smaller scale and the \$10,000 can make a significant impact to their cause.

Also fronting the Eye Make a Difference campaign in Europe are Mariella Carimini and Silvia Gottardi of Donne al Volante (Women at the Wheel) from Italy, the first charity from abroad being recognized by the company.

But Marchon has no plans to stop there. On



D'Aversa and daughter in their Eye Make a Difference campaign image for Marchon.

Marchon.com, the company asks visitors if they are, or know, someone who is making a difference. Nominations are accepted through the site and those suggested might just become the future face of the Eye Make a Difference campaign. Those chosen not only get to bring more awareness to their cause but Marchon provides them with a monetary donation to support their endeavor.

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Purpose-Driven Brands Engage Consumers

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health, safety, price and quality, they are also looking to make a difference in the world," he said.

And according to the 2010 Cause Evolution Study from Cone's PR agency, they are looking for those brands to tell them about these differences rather blatantly. The study found that 88 percent of Americans say it is acceptable for companies to involve a cause or issue in their marketing while 85 percent of consumers have a more positive image of a product or company when it supports a cause they care about. In fact, 90 percent of consumers want companies to tell them the ways they are supporting causes; most important to respondents is economic development (job creation, income generation and wealth accumulation) and education. Put another way, the study said "more than 278 million people in the U.S. want to know

what a company is doing to benefit a cause." For now, it looks like the trend is here to stay, but only when it's the real thing.

Nonprofit blog Shop With Meaning (shop-

withmeaning.org) was founded by Rory Wehrlie to highlight purpose-driven brands for consumers on a daily basis. He told *Vision Monday* that being clear, concise and transparent is key in today's economy. "If a company has a social mission that is honest at its core, then consumers will recognize and appreciate the efforts. Demonstrating a genuine commitment to making the world a better place is at the heart of how companies need to



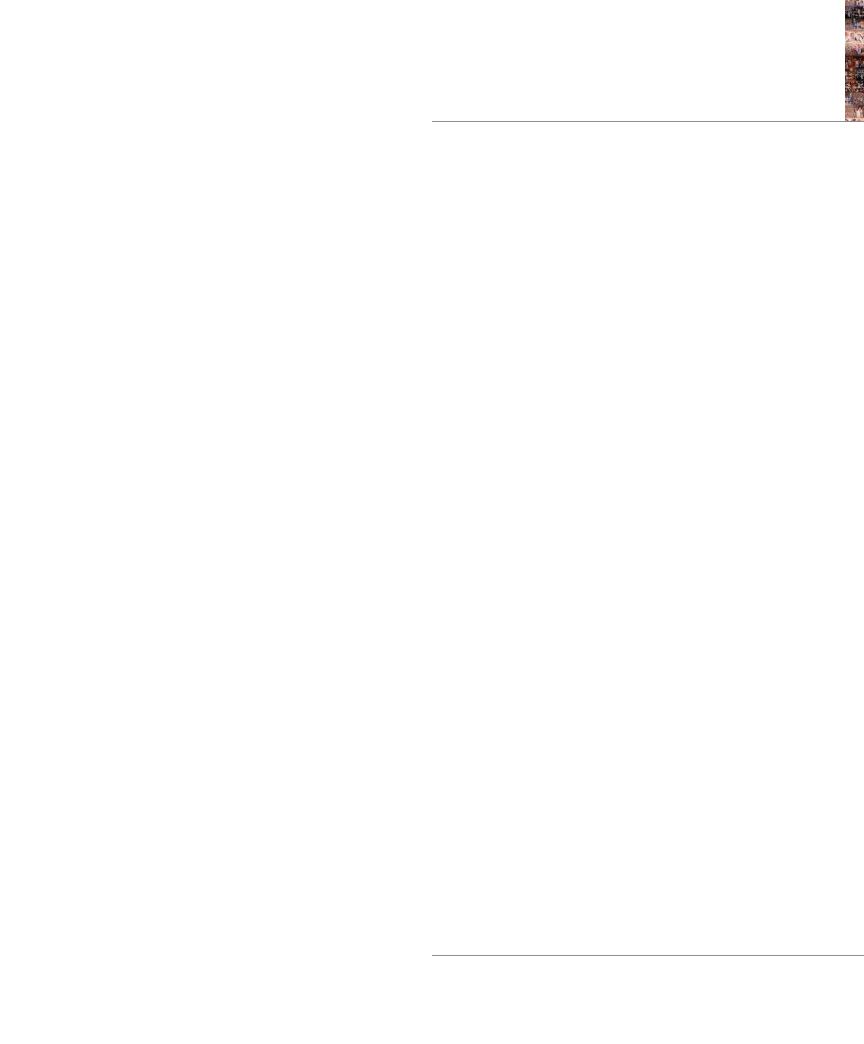
"Any company that is creating value has an opportunity to look for that overlap between business and the social needs that it is addressing."

-David Zapol, director at FSG

communicate their mission to customers," he said.

Wehrlie insisted that consumers will immediately recognize a disingenuous message and cast it away as self-serving. On the other hand, he said, "when a company genuinely supports a social cause, consumers rally behind the company and are more likely to support it, including sharing a company's products and story to friends

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Communicating a Deeper Message

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on social media."

Opposing the one-way message proliferation about a product in the past, Beaudoin of MSLGROUP reiterates that social media is today's most important means of communication between companies and their customers. "As brands develop their opportunities to engage through digital tools, they want an authentic way to do that. In the past, they focused on traditional advertising. But engagement today is driven by a much more emotional conversation that



"Have the recipients of your good work tell the stories of what you're doing. Then try to measure the outcomes. How many people have you touched?

How much have you donated to research?
What are the outcomes of that research?
Employees, as well as consumers, want to know the impact of what you're doing.
Not telling them is leaving you open for criticisms." —Carol Cone, global practice chair, Edelman Business + Social Purpose

isn't focused on product benefits. It needs to be about human truths that are relevant to consumers." He added, "In order to create one-to-one relationships with consumers, we must be able to identify a tension, an issue or a passion point that our consumers are going to engage in."

According to Shop with Meaning's Wehrlie, brands that associate intimately with a social cause can expect to see higher brand recall and increased purchase intent versus those that don't incorporate a

cause-related message. He noted that while charitable components often cap financial donations or only run for a limited time, true social purpose companies' support of the cause increases along with sales. "There is no limit on growth since the company itself is built with the intent of making the world a better place," he said.

Cone added, "You don't have to be a social purpose company at the core. There are very few who can make that work. But what is important is finding an issue that makes sense and remaining focused. If you try to do too much, it won't mean anything." She added, "Consumers are giving companies license to communicate, they want to know what a company is doing. Make sure you remember that social engagement is a journey and talk about the successes as well as the challenges."

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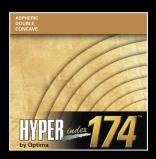
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