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## **ROLE OF “CITIZEN CONSUMER” TO TACKLE SOCIAL ISSUES RISES, AS EXPECTATION OF GOVERNMENT TO LEAD DECLINES**

**87% Expect Business to Consider Societal Interests at least Equal to Business Interests**

**-- Pepsi, Newman’s Own and Nike Top Consumer-selected List of Purpose-Driven Brands --**

November 4, 2010, NEW YORK – Americans expect significant involvement from business to tackle social issues, according to the 2010 Edelman goodpurpose® global Study. Eighty-seven percent of Americans believe that business needs to place at least equal weight on society’s interests as on those of business. A full eighty percent feel that corporations are in a uniquely powerful position to make a positive impact on good causes. Nearly two-thirds (62 percent) feel that it is no longer enough for corporations to simply give money away to good causes, they need to integrate them into their day-to-day business.

“Cause related-marketing, as we know it, is dead. Purpose must now be engrained into the core of a company or brand’s proposition. It is no longer enough to slap a ribbon on a product. It must be authentic, long-term and participatory,” said Carol Cone, proclaimed “mother of cause marketing” and managing director, Brand & Corporate Citizenship, Edelman. “Americans are seeking deeper involvement in social issues and expect brands and companies to provide various means of engagement. We call this the rise of the ‘citizen consumer’.”

### ***Business and Individuals Will Need to do More***

Consumers’ expectation of government to do the most for good causes has declined dramatically since 2009, while their expectation of “people like me” has jumped. Thirty percent of U.S. consumers now believe that the government should be doing the most to support good causes, down 11 points from 2009 – while 23 percent believe that “people like me” should be doing the most, up 8 points from last year. Seventy-four percent believe brands and consumers could do more to support good causes by working together.

“2010 produced a string of events that propelled our collective social consciousness into overdrive,” said Mitch Markson, chief creative officer, Edelman, and the founder of Edelman goodpurpose. “From the continuation of a deep recession, to the devastating earthquake in Haiti, to the protracted oil disaster in the Gulf; these events have created a tremendous outcry from consumers that companies not only need to act as responsible citizens, but they also need to lead innovative solutions in a way that only business can. The results of the election this week may indicate voters’ declining trust in government to solve the most pressing social issues of the day. Business and individuals will have to do more.”



### ***Purpose is Now the “5<sup>th</sup> P” in Marketing***

For four years in a row, U.S. consumers rank purpose as significantly more important than design/innovation or brand loyalty as a purchase trigger when quality and price are the same. According to the 2010 goodpurpose Study, nearly half (47 percent) of Americans cite social purpose as the number one deciding factor, while twenty-seven percent cite loyalty to the brand and twenty-six percent cite design or innovation when quality and price are the same.

“Purpose is now the fifth P of marketing. It’s a vital addition to the age-old marketing mix of product, price, place, and promotion,” said Markson. “Purpose allows brands to have a deeper level of engagement with their consumers—and it also allows consumers to put their own mark on brand marketing by collaborating with brands to tackle important social issues.”

Despite the prolonged recession, nearly three out of four Americans (72 percent) report that they are more likely to give their business to a company that has fair prices and supports good cause than to a company that provides deep discounts but does not contribute to good causes. In fact, more than half of consumers say that they are willing to pay more for a product that donates a portion of its profits to a good cause.

### ***Consumers Also Willing to Punish***

While a significant number of American consumers are willing to purchase, recommend and promote companies that show a commitment to good causes, many are also willing to punish those that do not. More than one-third of Americans would punish a company that doesn’t actively support a good cause by criticizing it to others (34 percent), refusing to buy its products/ services (36 percent), or sharing negative opinions and experiences (37 percent). Nearly one half (47 percent) would not invest in such a company.

“Consider that 53 percent of American Millennials would help promote a socially responsible brand by promoting it on Facebook or Twitter,” Markson said. “This should sound an alarm to companies, especially given the increasing voice that social media gives today’s consumer.”

### ***Citizens in Emerging Markets Surge Ahead***

While American consumers remain highly involved in supporting good causes, they are now outpaced by a surge of

When American consumers were asked (unaided) to name what “brand or brands come to mind as placing as much or more importance on supporting a good cause as they place on profits,” the top five brands were:

- 1. Pepsi\***
- 2. Newman’s Own**
- 3. Nike**
- 4. Coca-Cola**
- 5. Tide**



citizen consumerism in the emerging markets. Consumers in Brazil, China, India, and Mexico are more likely than Americans to purchase and promote brands that support good causes. They also demonstrate higher expectations of brands to support good causes. Approximately 8 in 10 consumers in the emerging markets (Brazil: 87 percent, Mexico: 85 percent, China and India: 79 percent) expect brands to do something to support a good cause, while only sixty-three percent of Americans agree.

“Brazil, China, India and Mexico have reached a tipping point in terms of economic development and their consumers no longer need to make trade-offs,” said Cone. “In emerging markets, the dramatic rise of ‘the citizen consumer’ has happened so quickly because battles over societal issues like natural resources and human rights have taken place right in their backyards. They understand purpose and want it to be at the center of their lives and their everyday interactions with brands.”

### ***Additional Key Findings***

#### *Green/Environment:*

- 78% of American consumers believe government and business need to work together more closely to ensure the environment is protected
- 75% of Americans believe projects that protect and sustain the environment can help grow the economy
- More than two-thirds (67%) would support legislation that requires corporation to meet certain environmental standards even if it would negatively impact a corporations profits.
- More than half (59%) would support legislation that requires government to fund partnerships between public and private organizations to help protect the environment.

#### *Purpose as the 5th “P”:*

- More than one-third of Americans (34%) say they would prefer to receive a donation to a good cause as a gift rather than an item that a friend had picked out “knowing that you would like it.”
- 79% of Americans think it is OK for brands to support good causes and make money at the same time
- When asked which they would be more likely to buy: a product or a product that donates a portion of its profits to a good cause but costs more:
  - A beverage: 62% would pay 5% more (56% globally); 61% would pay 10% more (51% globally)
  - A piece of clothing: 58% would pay 5% more (51% globally); 54% would pay 10% more (45% globally)
  - A household appliance: 52% would pay 5% more (47% globally); 46% would pay 10% more (41% globally)

\*Disclosure: Pepsi is an Edelman client.

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**About the Edelman goodpurpose Study**

The 2010 GoodPurpose study is the firm's 4th annual global consumer study that explores consumer attitudes around social purpose, including their commitment to specific social issues and their expectations of brands and corporations. The survey was conducted by the StrategyOne and consisted of 20-minute interviews in 13 countries among 7,259 adults. Online interviews were conducted in Brazil, Canada, France, Germany, Italy, Japan, Mexico, the Netherlands, UAE, the United Kingdom, and the United States. Face-to-face interviews were conducted in China and India. The study is representative of the country population, except in UAE. UAE is representative of the online population. For more information, visit [www.goodpurposecommunity.com](http://www.goodpurposecommunity.com).

**About Edelman**

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