

Good Company

There has never been a more important opportunity for companies to take a leadership role in serving our society

GBENN • September 10, 2021

We create a market advantage
for organizations that create a
sustainable future



- Understand market needs/beliefs/ expectations & identify white space
- Determine which sustainability programs and services matter most
- Create Communications Constructs
- Craft communications plans
- Create digital properties for storytelling & engagement.
- Create regular cadence of content/campaigns to bring constructs to life
- Pitch & secure speaking engagements, awards, bylined articles

Drive

preference for a corporation and its individual brands

Propel

sales for individual brands

- Align corporate sustainability story with individual brand stories
- Determine customers/consumers for whom sustainability matters most
- Create Playbook to guide all communications
- Create content libraries
- Create, manage & optimize paid & organic social & digital campaigns
- Create sales tools & support

How Shelton Group creates a sustainable advantage

Inspire

better employee recruitment and loyalty

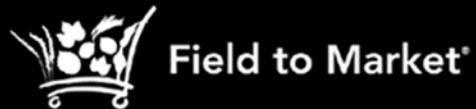
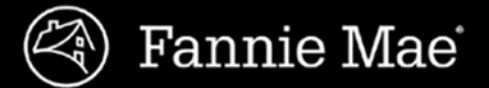
- Measure how/if ESG is a factor in hiring
- Bake ESG questions into employee satisfaction surveys
- Roll out & create internal communications/employee engagement efforts

Enhance

ESG ratings and investor outcomes

- Align website content with ratings agencies' expectations
- Create digital portals for investors that communicate ratings & ESG data quickly & efficiently
- Create reports (CSR, Sustainability, Impact)
- Craft content & tools for IR team
- Executive summaries for ratings agencies

The company we keep



We start here...

Energy Pulse[®]

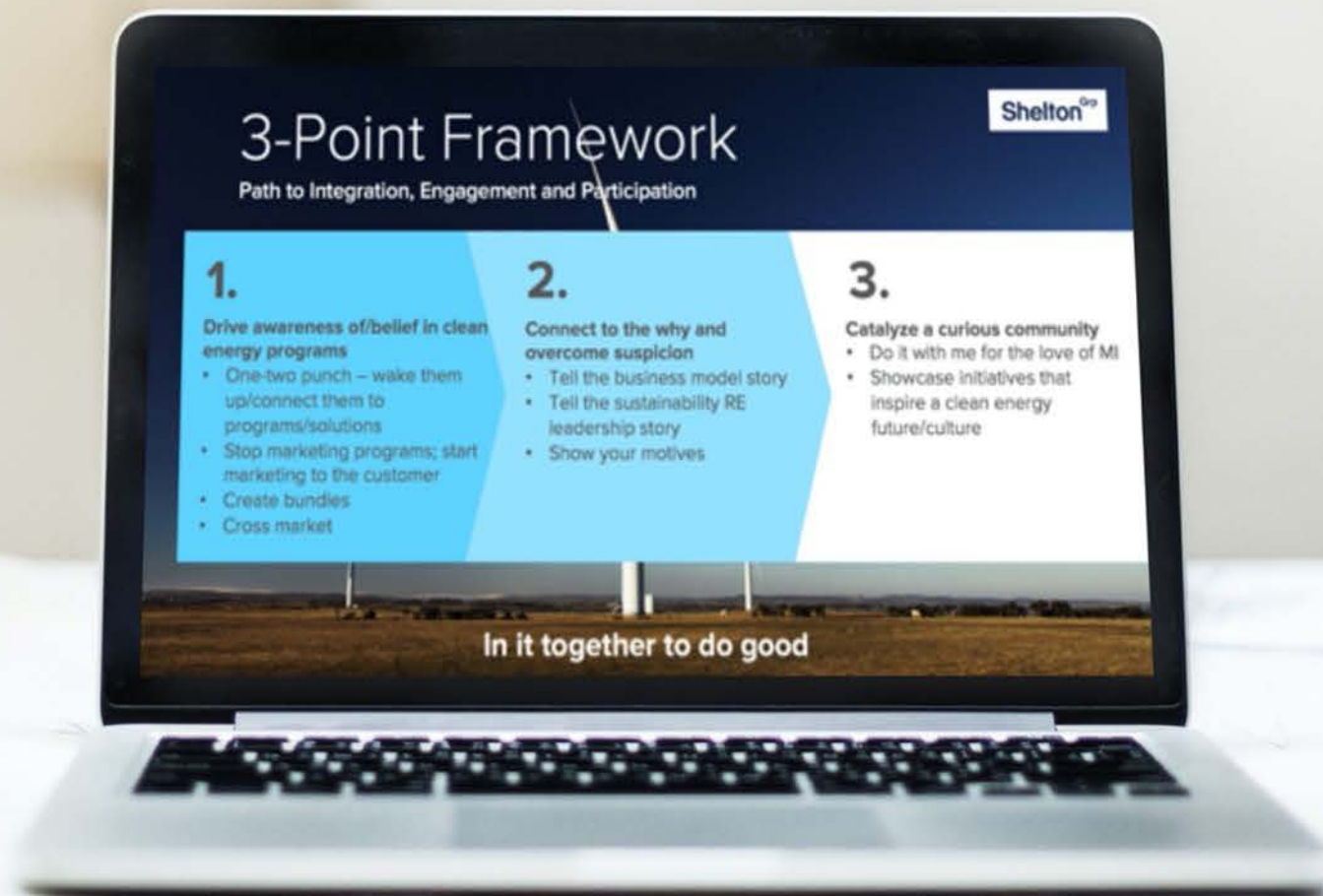
Eco Pulse[®]

B2B Pulse[®]

Brands & Stands

Social purpose is the new black

...and we end with marketing strategies and plans that drive brand preference, propel sales, enhance investor outcomes and inspire employees...



...and communications that
drive brand preference,
propel sales, enhance
investor outcomes and
inspire employees



Methodology

As part of its ongoing polling of Americans to deeply understand their beliefs and expectations around sustainability, Shelton Group fielded a survey to explore how Americans define good and bad companies and how those perceptions drive purchase decisions.

This online survey was fielded December 2020-January 2021 and included a total of 2,000 U.S. respondents.

Respondent Demographics

The survey sample was stratified to mirror the U.S. population, using quotas for geography, age, gender, education and race; data were weighted slightly to match U.S. population distributions. The margin of error is +/- 3.1%.

What's a “Good Company or Brand?”

Specifically, we asked respondents to “Name three companies or brands you consider to be good. It’s up to you to decide what ‘good’ is.” Here’s how Americans answered:

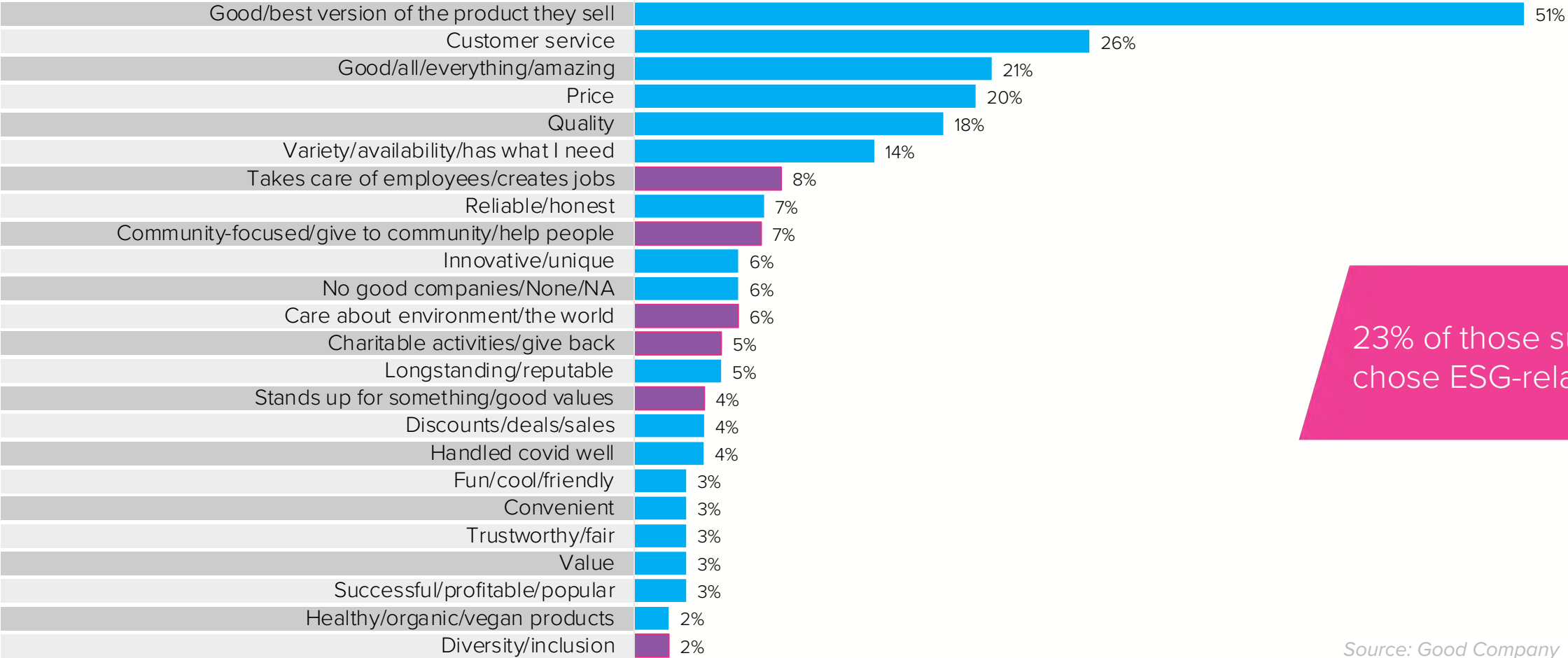
Amazon got the most mentions, followed by Walmart and Apple.

Target and Nike
fared well too.



n=2,000 Brands shown had 5 or more mentions

And here's why:



23% of those surveyed
chose ESG-related answers

Source: Good Company
Why do you think this is a good
company? n=1,686

So then, what's a **“Bad Company or Brand?”**

Next we asked, “Name three companies or brands you consider to be bad. It’s up to you to decide what ‘bad’ is.” Again, here’s how Americans responded:



Perhaps not surprising, given the political cycle we were in, Facebook was at the top of the list.

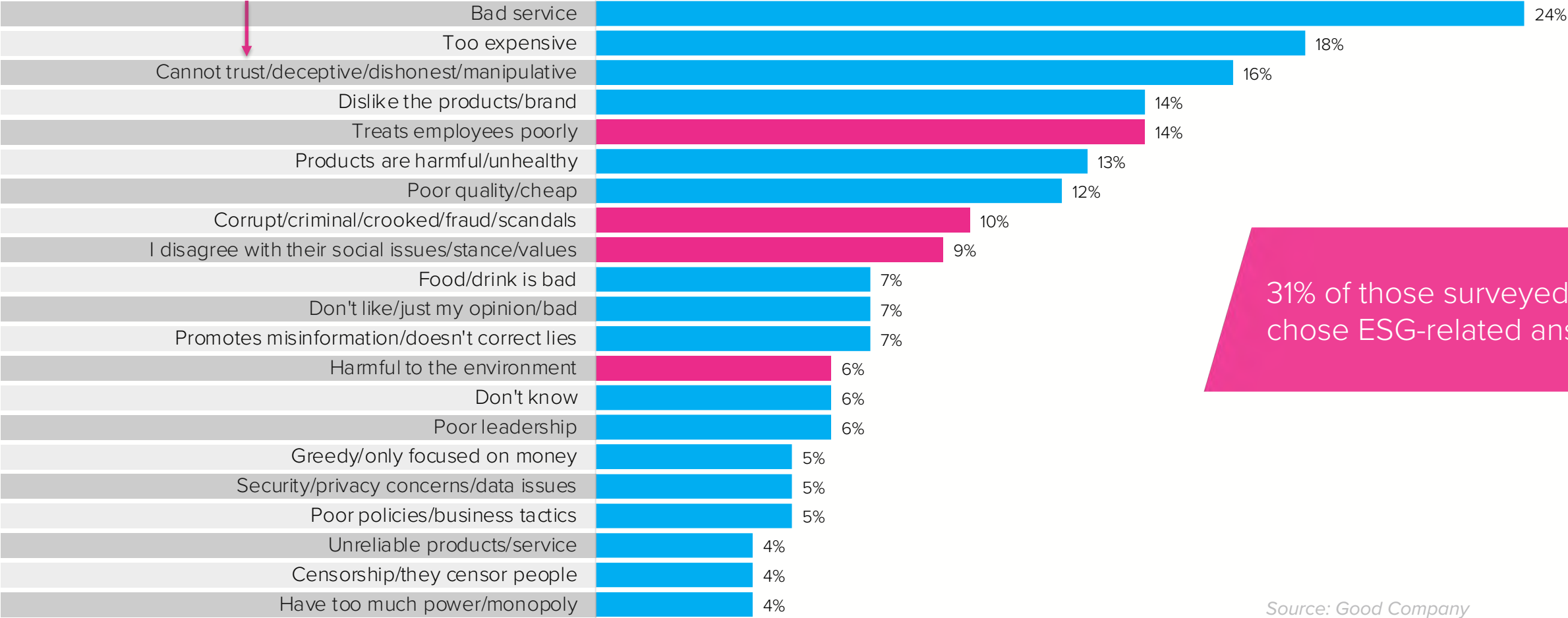
Walmart, which is number two on the good list, is also number two on the bad list, followed by Wells Fargo.

Amazon and Nike are also prominent on both lists.

n=2,000

Brands shown had 5 or more mentions











And here's why:



31% of those surveyed chose ESG-related answers

Source: Good Company
Why do you think this is a bad company? n=1,326

Let's compare

Good List (# of mentions)	Bad List (# of mentions)
1.  (349)	5.  (126)
2.  (235)	2.  (162)
3.  (220)	6.  (64)
4.  (121)	12.  (39)
5.  (101)	5.  (78)
6.  (99)	7.  (59)
7.  Microsoft (91)	N/A

Let's compare

What gets you on the good list?

1. Good products (51%)
2. Good customer service (26%)
3. ESG – Employee treatment, community giving, environmental concern, charitable giving, good values/stands (23%)

What gets you on the bad list?

1. ESG – Employee treatment, dishonesty/fraud/scandal, values/stands, environmental harm (31%)
2. Bad service (24%)
3. Being deemed too expensive (18%)

What does this mean?

ESG-related actions can be a driver of favorable perceptions (and loyalty)...but it is an even more powerful driver for unfavorable perceptions and disloyalty.

- Treating employees well earns you some “Good Points” (8%); treating employees poorly chalks up a lot more “Bad Points” (14%).
- Taking a social stand/displaying your values buys you a few “Good Points” (4%); taking a stand/displaying values consumers don’t agree with gets you far more “Bad Points” (9%).
- **Giving to communities and charities earns you a lot of “Good Points” (9%); not giving to communities and charities doesn’t actually cost you any points.**

So what does
Good vs. Bad
have to do with
driving purchase?

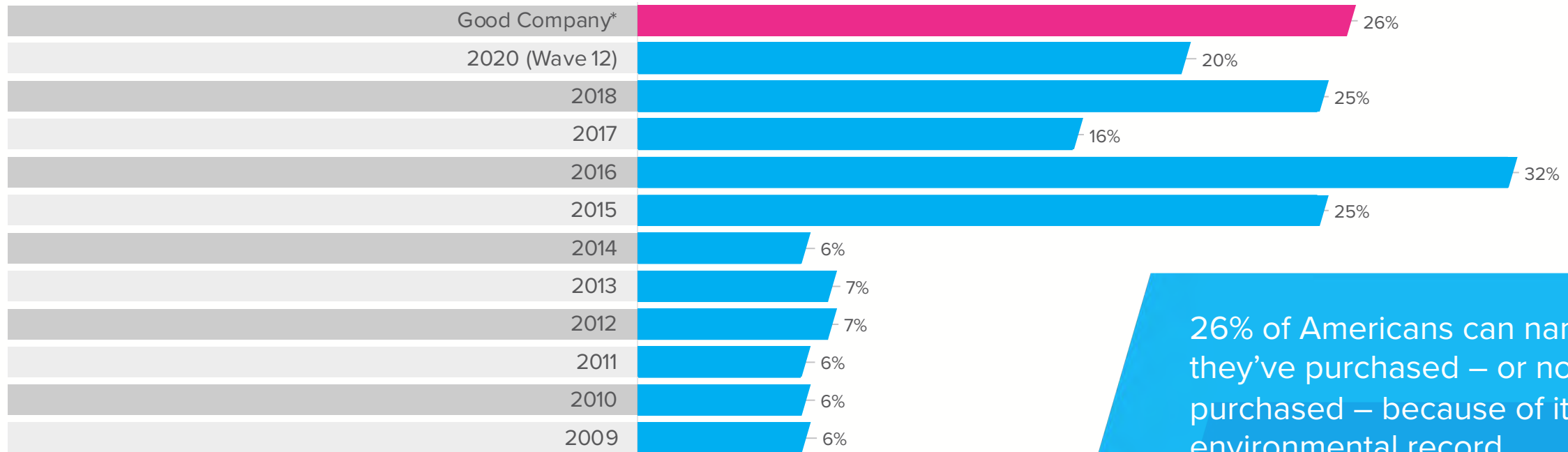


42%

want to be seen as
someone who buys
eco-friendly products

Source: *Eco Pulse*, Shelton Group, December 2020
n=2,006

We asked, “Have you ever chosen one brand or product over another or stopped purchasing a brand or product based on the social or environmental record of its manufacturer? Name the brand.”



26% of Americans can name a brand they've purchased – or not purchased – because of its social or environmental record.

Source: Good Company 2020
Good Company data is social or environmental combined; all other years chose/stop purchasing based on environmental record
n=2,000

Most cited brands chosen for their social or environmental record:



**Brands shown had 2 or more mentions*

Source: Good Company

Please tell us what brand/product you've chosen to purchase because of the social or environmental record of its manufacturer.
n=317

Most cited brands NOT chosen because of their social or environmental record:



**Brands shown had 2 or more mentions*

Source: Good Company
Please tell us what brand/product you've stopped purchasing because of the social or environmental record of its manufacturer. n=277

Let's compare again

Good List (# of mentions)	Bad List (# of mentions)	Chosen b/c of social/enviro record (# of mentions)	NOT Chosen b/c of social/enviro record (# of mentions)
1. amazon (349)	5. amazon (126)	1. amazon (31)	1. NIKE (36)
2. Walmart (235)	2. Walmart (162)	2. NIKE (29)	2. Chick-fil-A (36)
3. Apple (220)	6. Apple (64)	3. Apple (19)	3. ExxonMobil (15)
4. TARGET (121)	12. TARGET (39)	4. TARGET (11)	4. HOBBY LOBBY (12)
5. NIKE (101)	5. NIKE (78)	5. Microsoft (8)	5. Walmart (9)
6. Google (99)	7. Google (59)	6. Google (7)	6. amazon (7)
7. Microsoft (91)	N/A	7. Walmart (7)	7. bp (6)

Believe in something. Even if it
means sacrificing everything.

Let's take a closer look at Nike

 Just do it.

A black and white close-up portrait of Colin Kaepernick, looking directly at the camera with a serious expression. His eyes are prominent, and he has a beard. The background is dark.

Believe in something. Even if it
means sacrificing everything.

Nike used Colin Kaepernick in its 2018 ad campaign,
after his 2016 release from the NFL following his
kneeling protest during the national anthem.

 Just do it.

Did it pay off?

- Immediately following the campaign, **sales jumped 10% for Nike**, prompting commentary like this: *"It looks like a real rebuke for folks who said, 'We'll boycott Nike,'" University of Michigan Business School professor Jerry Davis told ABC News. "It turns out Democrats buy a lot more sneakers than Republicans. **The demo that is willing to spend \$200 on Nike sneakers is not the demo that's going to boycott them because of Kaepernick.**"*
- In 2020, Nike was still reaping the benefits of the campaign in both brand reputation and sales numbers, despite continued criticism from some camps.
 - June 2020: *"In 2018, Harris found 21 percent of respondents vowed to boycott Nike products after the marketing campaign was released, which is down to 14 percent in the most recent poll. **Nike's overall reputation got a 54 percent positive opinion, up six points from 2018.**"*
 - July 2020: *"Since Nike's new deal with Kaepernick, the sportswear company's value is reportedly up **\$26.2 billion.**"*

10%

sales jump

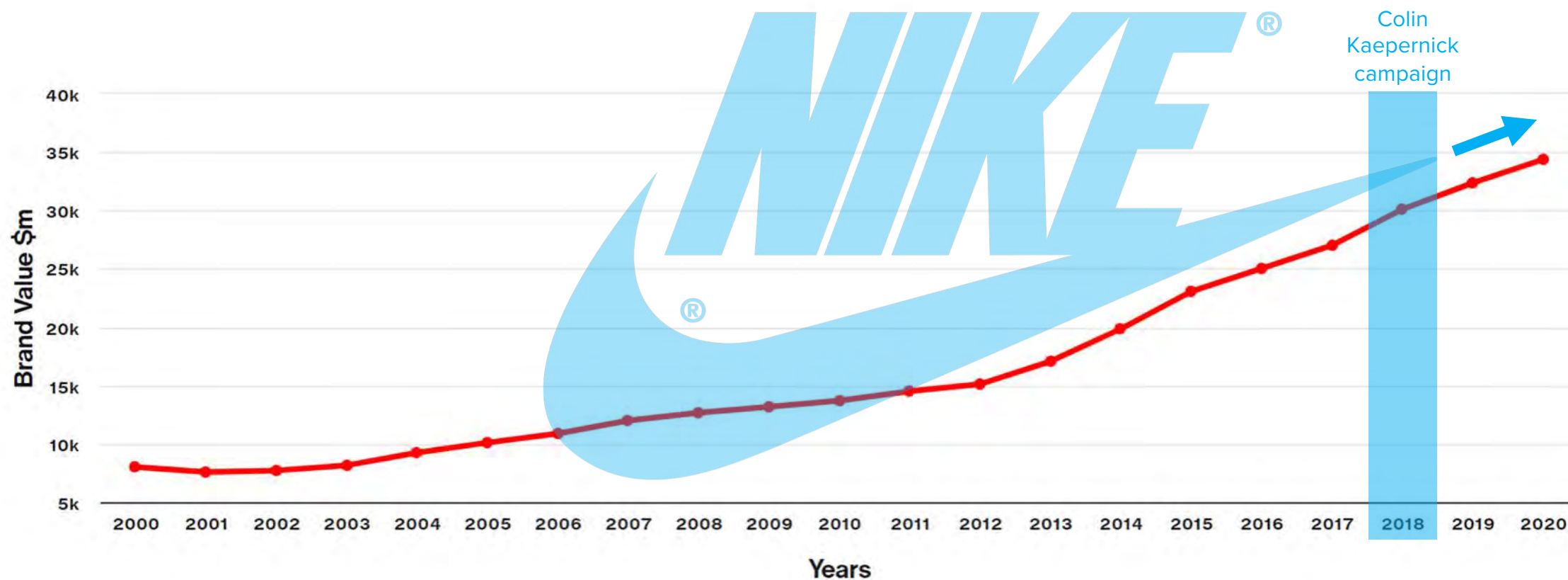
54%

positive opinion

26.2B

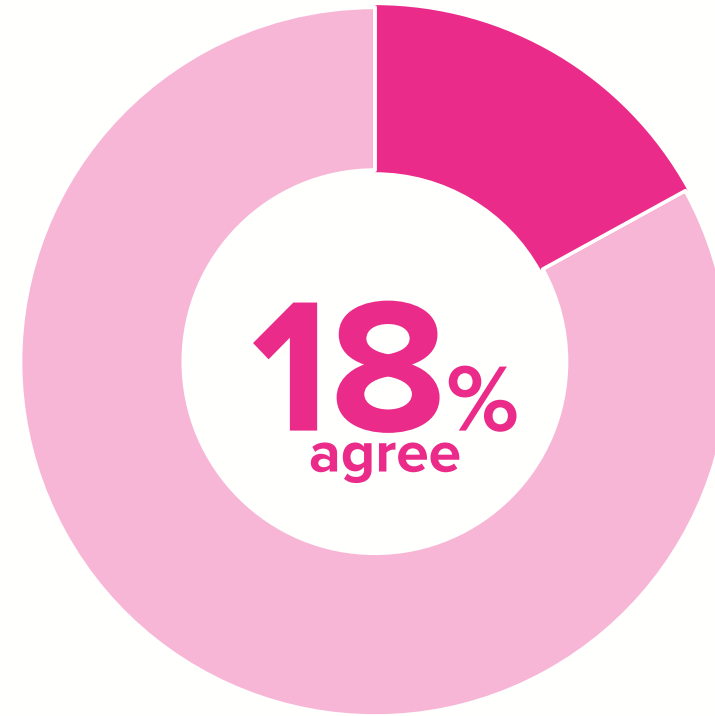
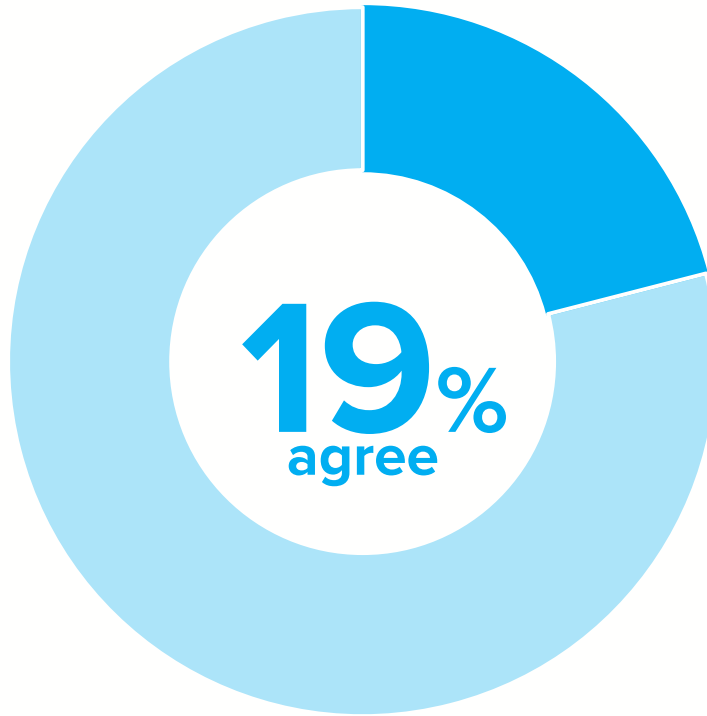
reported value increase

In short, taking a stand was worth it for Nike



<https://interbrand.com/best-global-brands/nike/>

Social stands can have both positive and negative effects on consumer purchase behavior.



Nike is a classic case of consumers both choosing and not choosing a brand for its social positions.

I've **CHOSEN** a brand/product based on the social or environmental record of its manufacturer

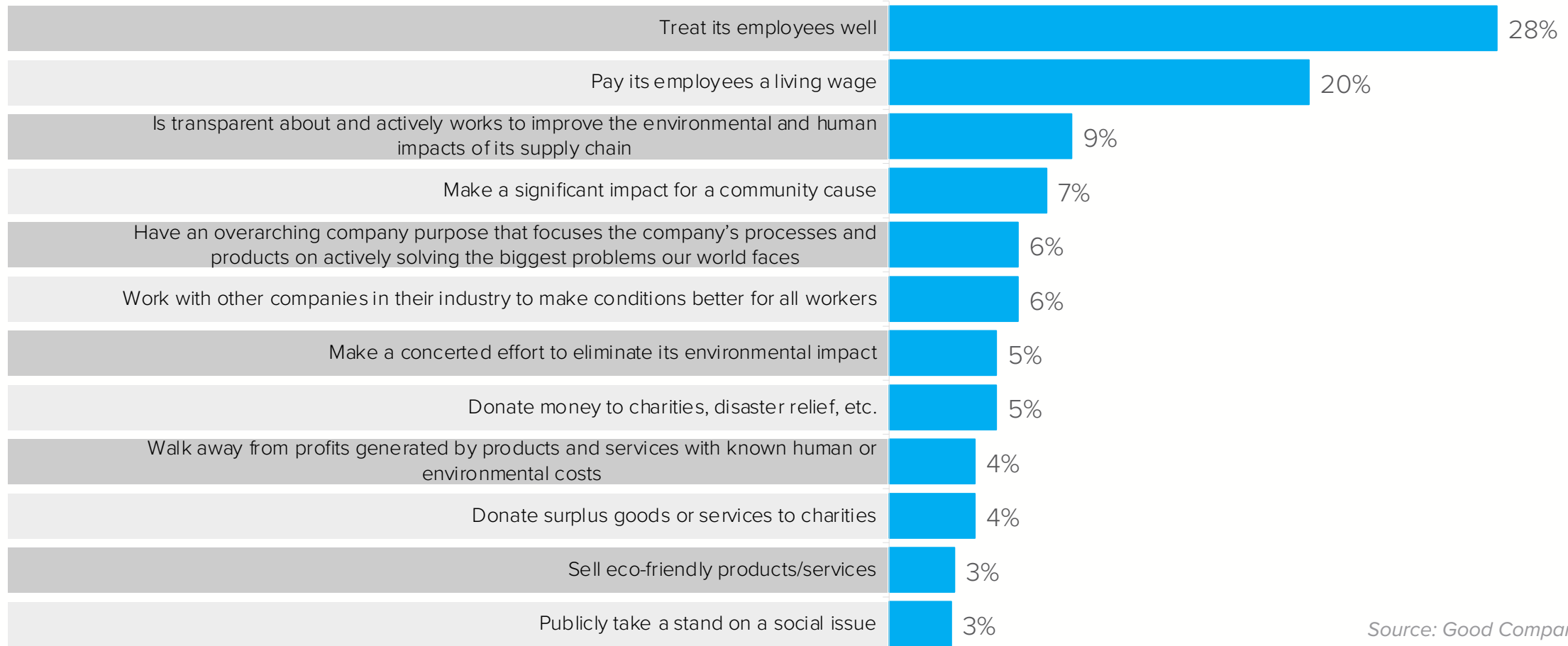
I've **STOPPED PURCHASING** a brand/product based on the social or environmental record of its manufacturer

A low-angle, upward-looking photograph of several modern skyscrapers with glass and metal facades. The sun is visible in the upper right, creating a bright lens flare and illuminating the scene. The sky is a clear, vibrant blue with a few wispy clouds.

What makes a company

“Good?”

When forced to choose the number-one thing companies must do, the primary responsibility of a “good” company is treating its employees well.



Source: Good Company
Out of those options you chose, which one is the number one thing a company must do? n=2,000

What is most important for driving purchase?



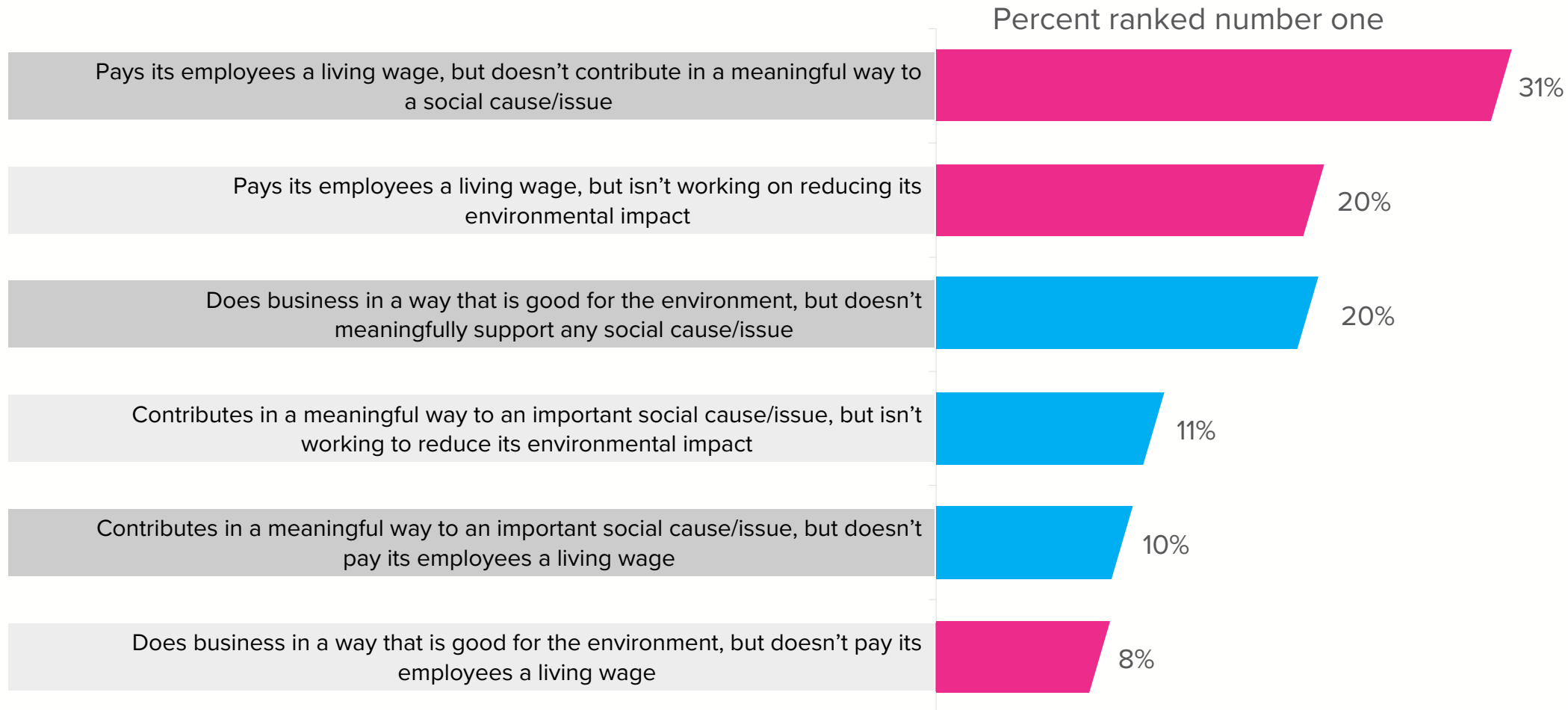
Purchase decisions generally align with the same factors that define a good company.

■ Not at all important ■ Slightly important ■ Moderately important ■ Very important ■ Extremely important



Responses to: "When determining which companies or brands to buy from, how important are the following to you?" n=2,000

So if you do right by the environment but not by employees,
you still lose out.



Response to: "In thinking about the **companies** that make the products you buy, which of the following descriptions of a **company** matches who you would you most likely buy from, if everything else about the product/service was equal? (Rank top 3 most appealing.)" n=2,000

When it comes to the environment...

#1

Recycle

#2

Manufacture in the United States

#3

Make recyclable products

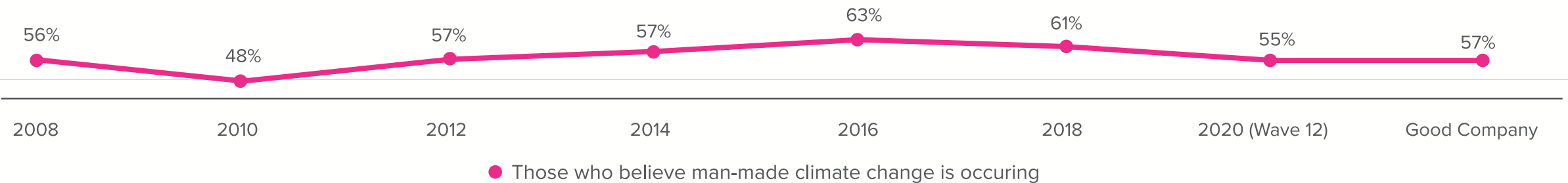
*Source: Eco Pulse® Wave 13 2020
Please choose the three most
important things that companies
should be doing to positively impact
your purchase decisions. n=2,006*

By the way...



57%

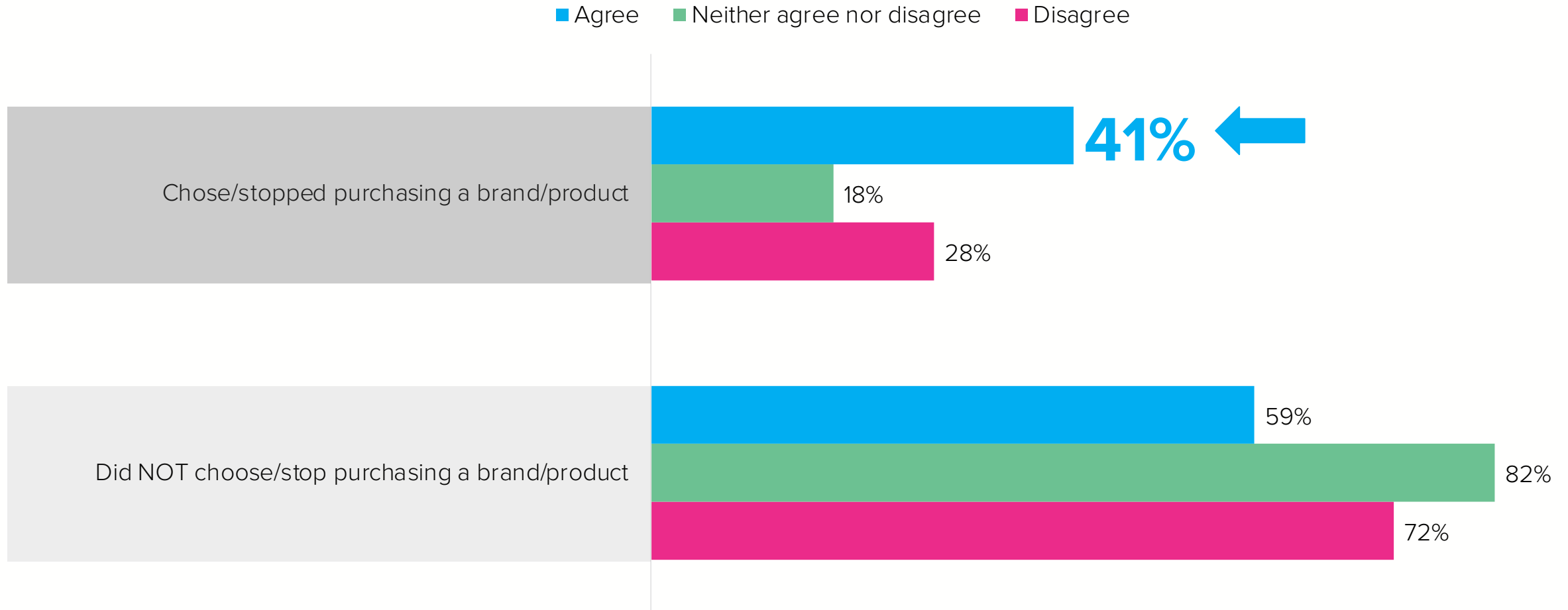
Of Americans believe that, not only is climate change occurring, but that it is also caused by human activity



Source: Good Company

How much do you agree or disagree with the following statement: Global warming, or climate change, is occurring, and it is primarily caused by human activity. n=2,000

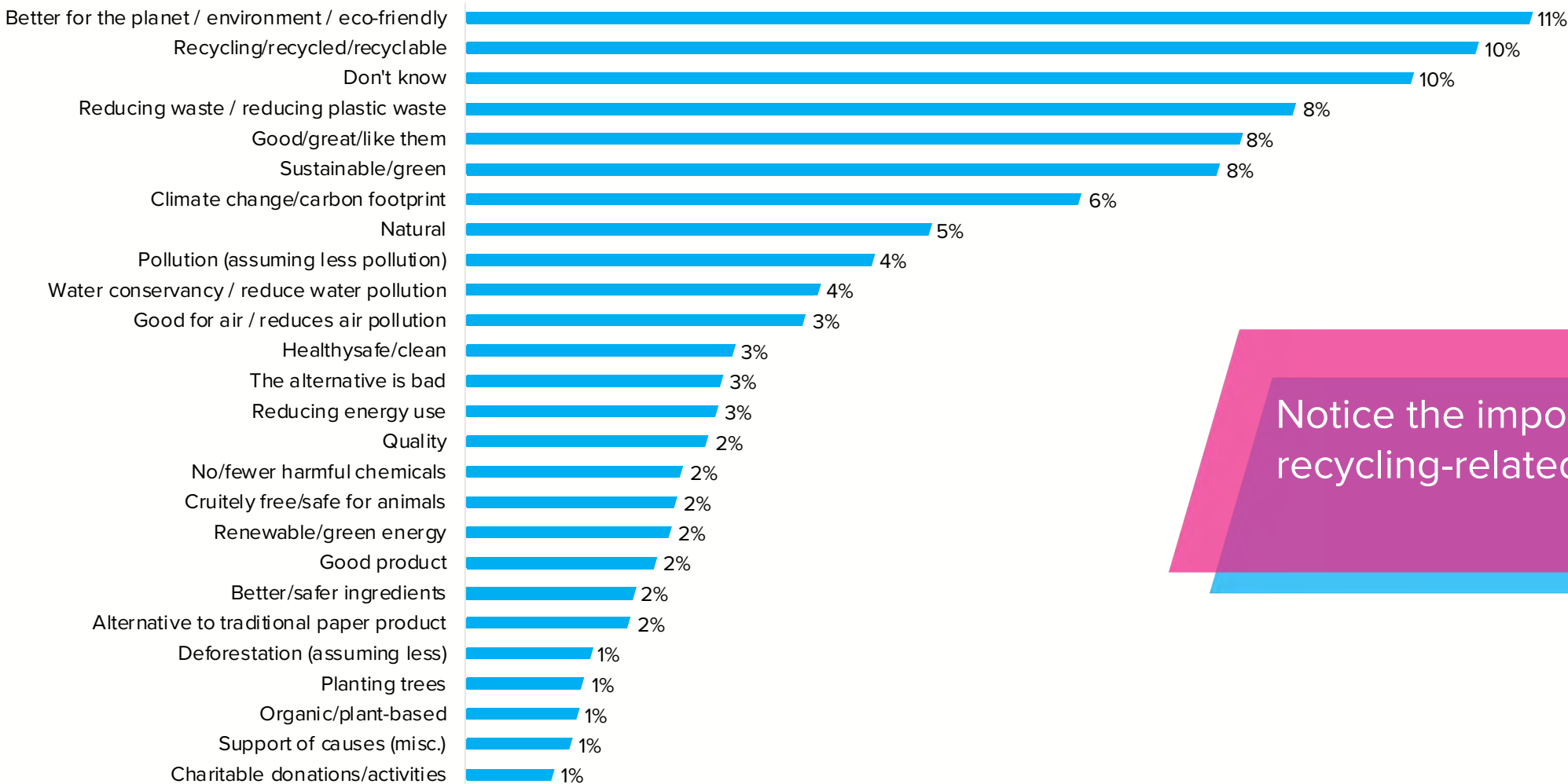
Americans who believe climate change is happening and caused by human behavior are more likely to act based on their beliefs



Source: Good Company

How much do you agree or disagree with the following statement: Global warming, or climate change, is occurring, and it is primarily caused by human activity. n=2,000

What matters most when Americans choose a brand for its environmental record?

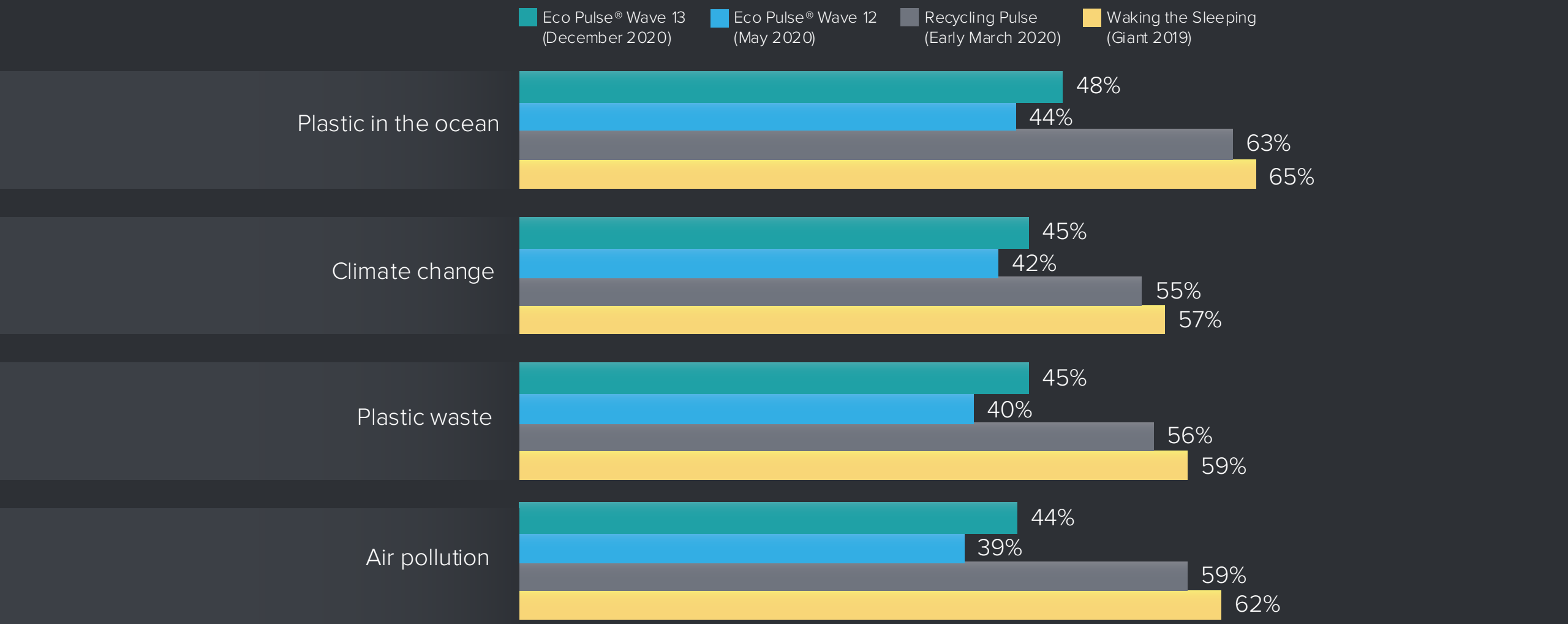


Notice the importance of recycling-related practices.


Source: *Eco Pulse*® Wave 13 2020

Which environmental issue influenced your decision to choose that brand/product? n=277

While concern has backslid during the pandemic, Americans are still more concerned about plastic in the ocean than any other environmental issue



**Circularity wording: Deforestation and Water scarcity*
Source: Waking the Sleeping Giant 2019; Recycling Pulse 2020; Eco Pulse® Wave 12 2020; Eco Pulse® Wave 13 2020
When you think about the future of our planet, how concerned are you about each of these issues?
Waking the Sleeping Giant (March 2019) n=1,013; Recycling Pulse (Early March 2020) n=1,002; Eco Pulse® Wave 12 (May 2020) n=1,007; Eco Pulse® Wave 13 (Dec. 2020) n=2,006



Consumers think both **recycled** and **recyclable** are good – and are almost equally likely to buy a product with one or the other.

The Good News Times

80% AGREE RECYCLING IS BARE MINIMUM THEY CAN DO FOR ENVIRONMENT

**76% agree recycling
makes them feel better
about purchases**





1/2

have made changes to reduce the amount of SUP we buy
even though plastics are believed to be easiest to turn into new products

45%

have a more positive opinion

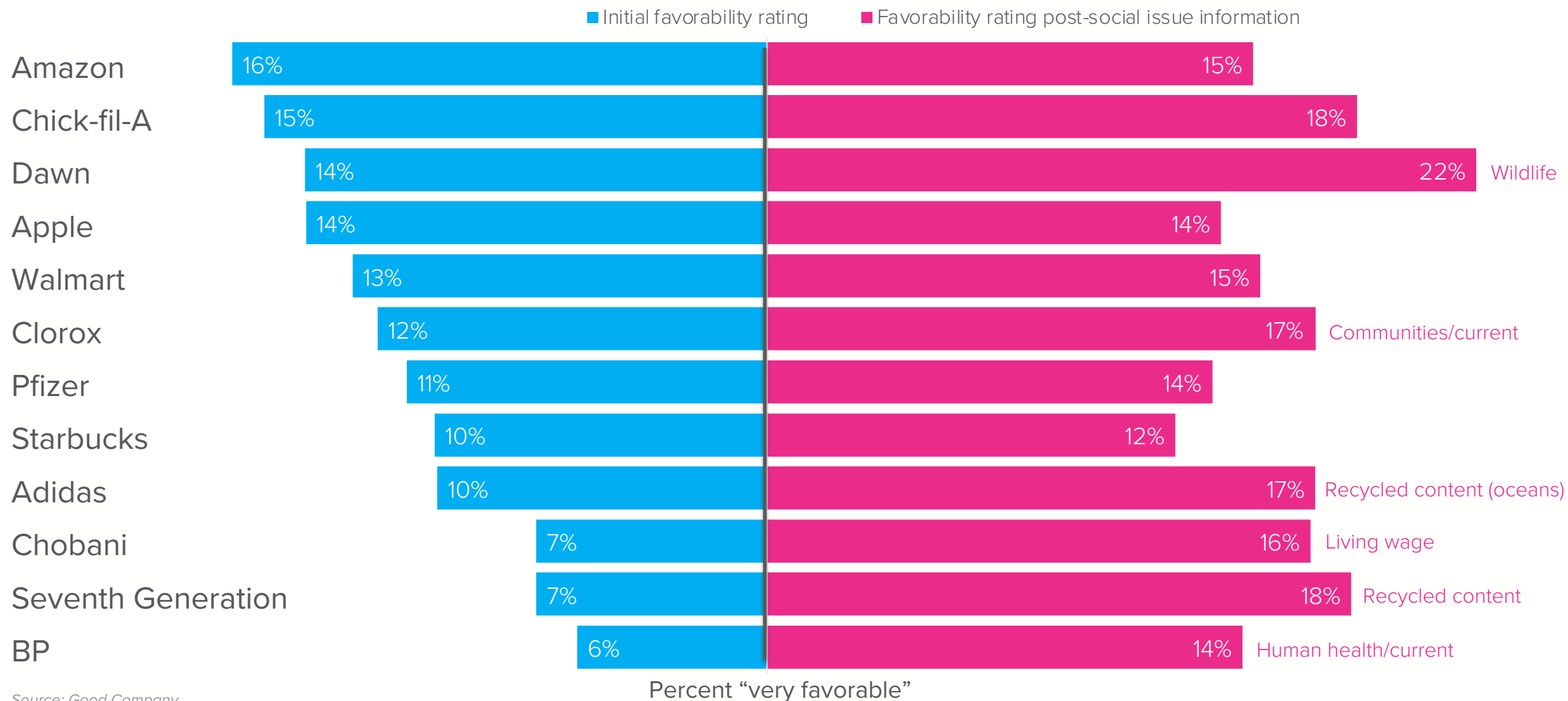
Of brands that use a limited amount or no plastics in their packaging

The background of the slide features a close-up of two hands shaking in a firm grip. Overlaid on this image is a horizontal band with a blue-to-magenta gradient. Within this band, there are faint, semi-transparent silhouettes of a diverse group of people in professional attire. The main text is centered within this band in a white, sans-serif font.

Let's go deeper on commitments that work

Company	Stand/Cause supported
Adidas	Makes shoes out of ocean plastic in partnership with the non-profit Parlay for the Ocean and has committed to using 100% recycled polyester by 2024
Amazon	Donates .5% of the price of eligible purchases to the charitable organization of choice
Apple	Powers all its offices and retail stores in China through solar panels mounted high off the ground, so the grass can grow and local yaks can eat it
BP	The BP Foundation donated \$2 million to the World Health Organization's COVID-19 Solidarity Response Fund, which supports medical professionals and patients worldwide by providing critical aid and supplies.
Chick-fil-A	Closed every Sunday to honor the founders' Christian faith
Chobani	Recently increased its starting hourly wage to a minimum of \$15 an hour, more than double the federal minimum wage
Clorox	The Clorox brand donated \$1,000,000 to the ClearTheList Foundation to provide resources for teachers and students during an unprecedented back-to-school season.
Dawn	Has donated thousands of bottles to wildlife rescue workers at The Marine Mammal Center and International Bird Rescue to help rescue and release wild animals affected by oil pollution
Pfizer	Committed to reduce its own greenhouse gas (GHG) emissions by 20% compared to a 2012 baseline
Seventh Generation	Committed that 100% of its products and packaging will use biobased or post-consumer recycled content by 2020
Starbucks	Committed to hire more than 10,000 refugees globally over five years
Walmart	Committed \$100 million over five years to create a new center to address systematic racism in society and accelerate change

Some commitments move favorability more than others



Source: Good Company

Q23 - Please drag the bar to indicate whether you have an overall unfavorable or favorable opinion of the following companies. (0–10, Very unfavorable—Very favorable)

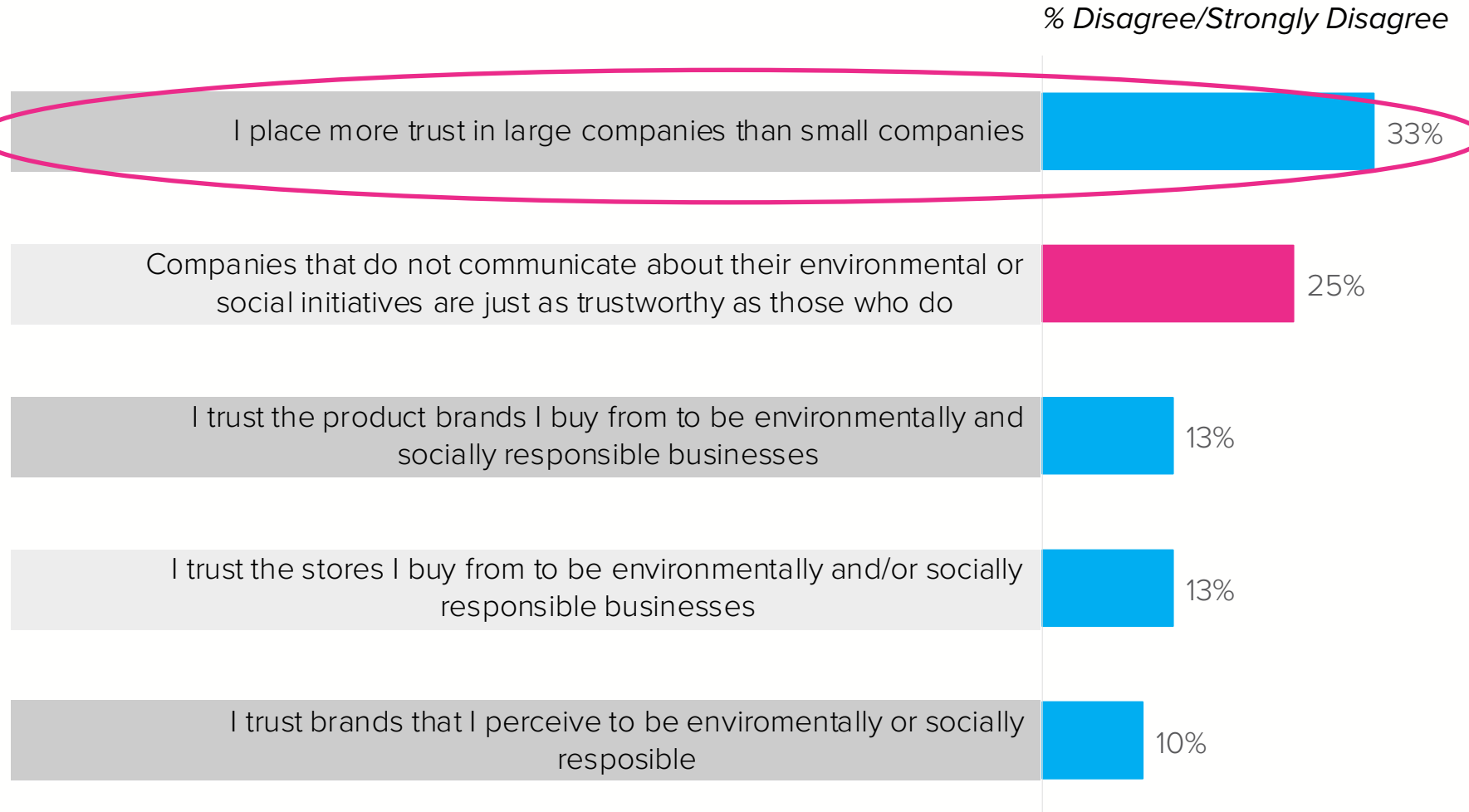
Q24 - Now you'll see statements about brands and causes or stands that they support. Please drag the bar to indicate whether you have an overall unfavorable or favorable opinion of the following companies. n=2,000

Only 30% of Americans believe that companies who don't communicate about their Good initiatives are just as trustworthy as those who do



Source: Good Company
To what extent do you agree or disagree
with the following: n=2,000

1 in 4 Americans say brands who don't communicate about their "Good" efforts are not as trustworthy as those who do



Source: Good Company
To what extent do you agree or disagree
with the following: n=2,000



Who are these “small business believers?”

- More likely to be female
- Older generations – Boomers and Seniors
- Caucasian
- Predominantly employed full-time, but more likely to be retired
- Average education levels (some college or Bachelor’s degree)
- More likely to reside in the suburbs
- More likely to be Actives

Source: Getty

sshelton@sheltongrp.com • (865) 524-8385



Source: Getty

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Who are these “small business believers?”

A Good Company:

- Treats its employees well and pays them a living wage
- Donates money and surplus goods to charities
- Is transparent about what it's doing to improve the environment impacts of its supply chain
- Makes a concerted effort to eliminate its environmental impact

Actions that impact their purchase decisions:

- Treat employees well
- Manufacture in the U.S.
- Buy from local farmers/suppliers



Who are these “small business believers?”

They care about:

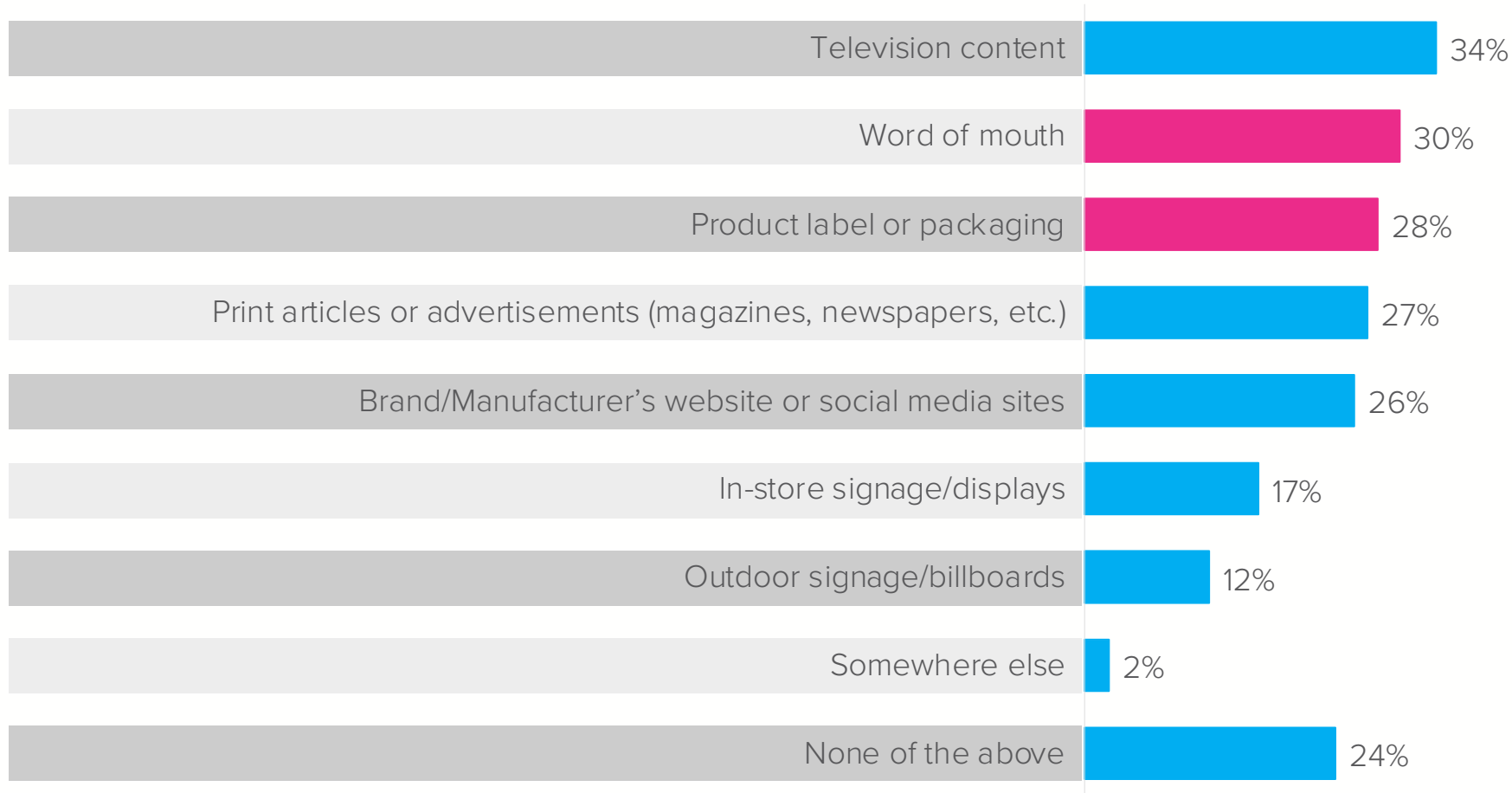
- Reducing waste
- Preserving natural resources

34% can name a brand they have stopped buying or purchased because of the company's environmental or social record (vs. 26% general population).

Source: Getty

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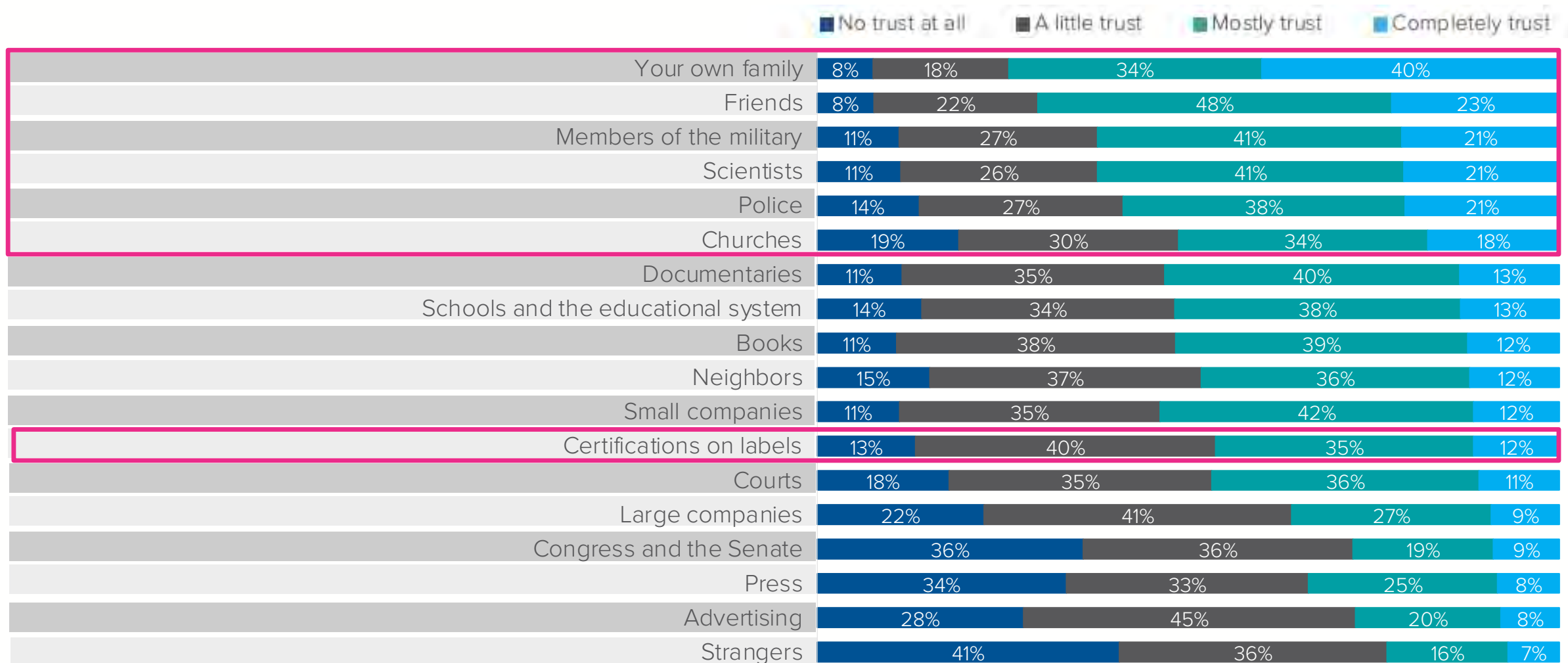
Here's where you need to tell your story...



This means social media, referral programs, influencer marketing

Source: Good Company
Where do you learn about what companies are doing – or not doing – to create a better society and environment? (Select all that apply.)
n=2,000

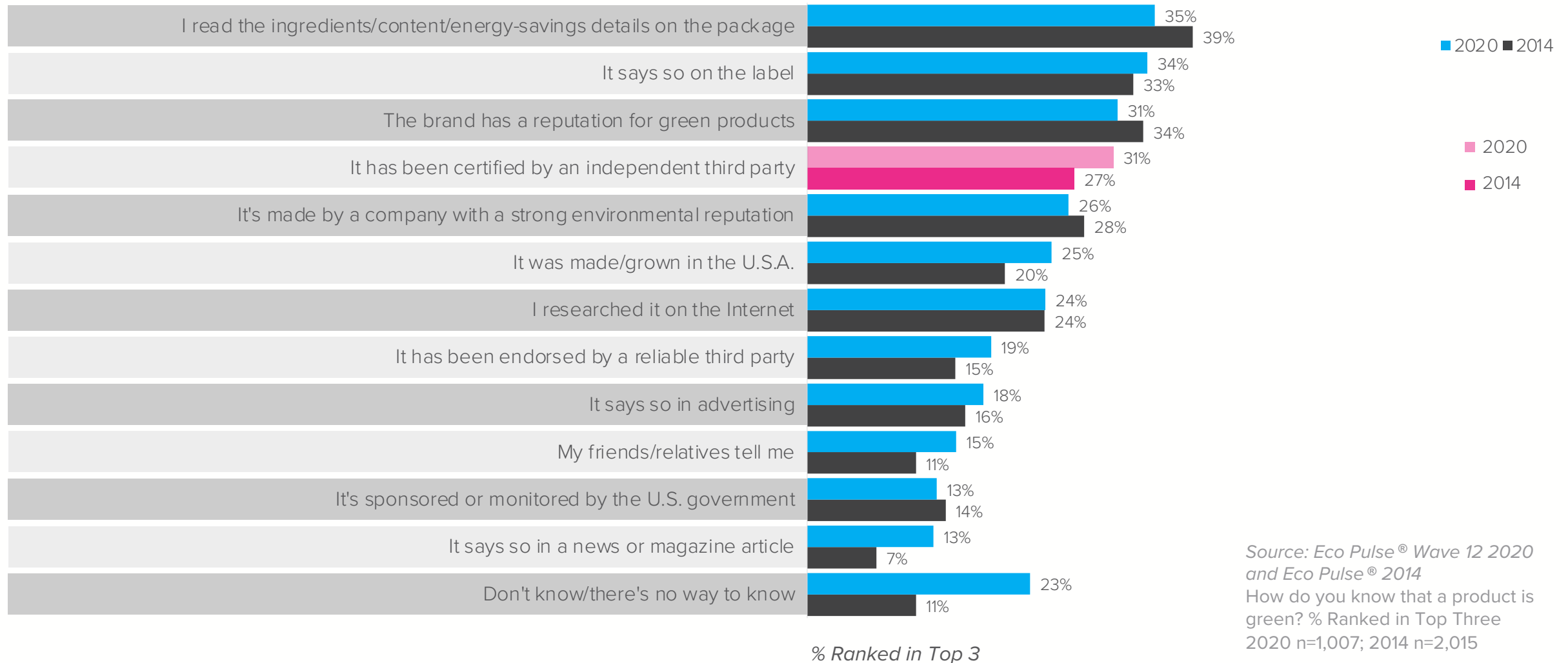
Consumers place the highest levels of trust in family, friends, military members, scientists, police, and churches.



Source: Eco Pulse® Wave 13 2020

How much trust, in general, do you have in the following? n=2,006

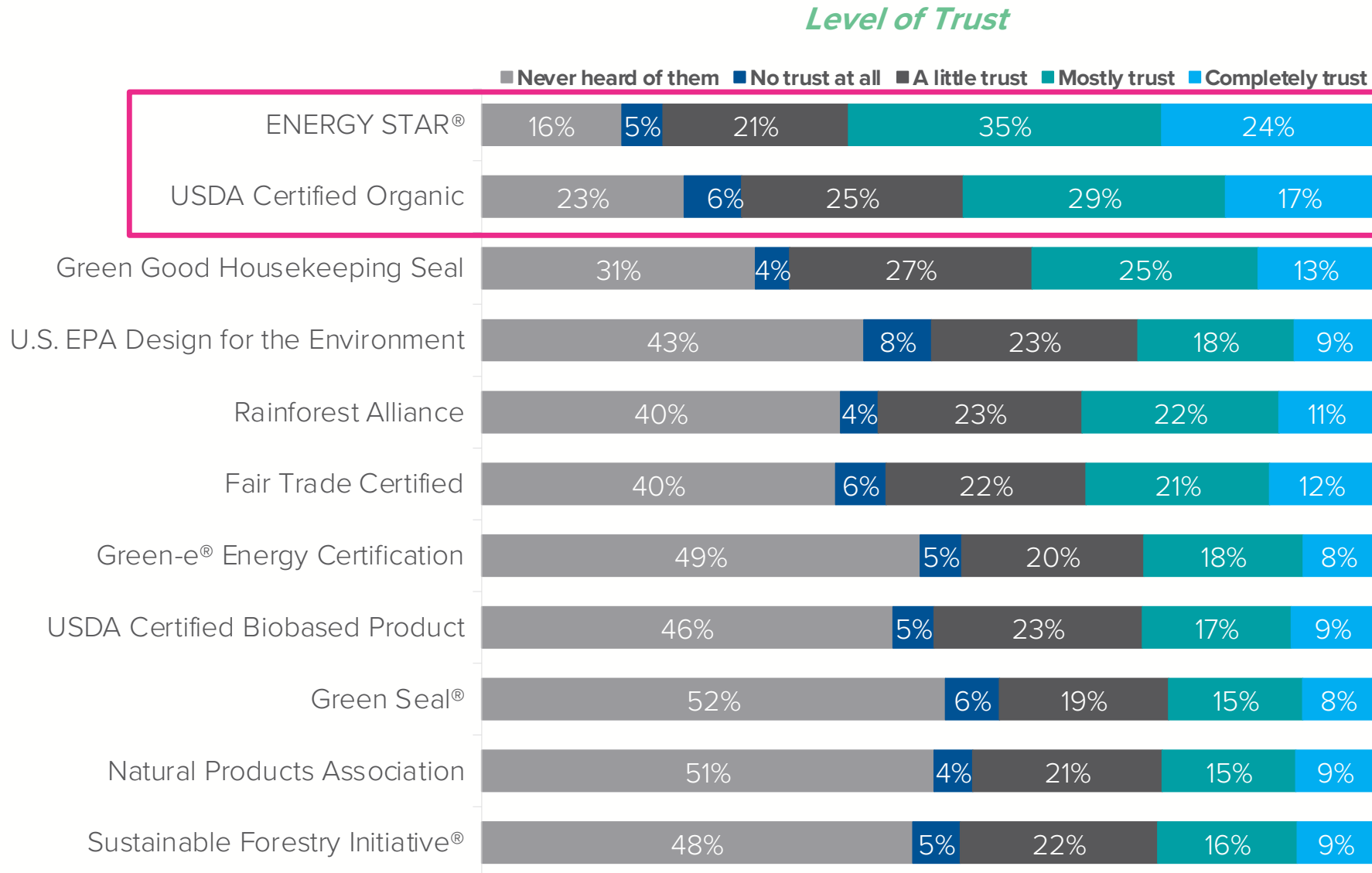
Third-party certifications are rising in importance as a top way consumers discover if a brand is green.



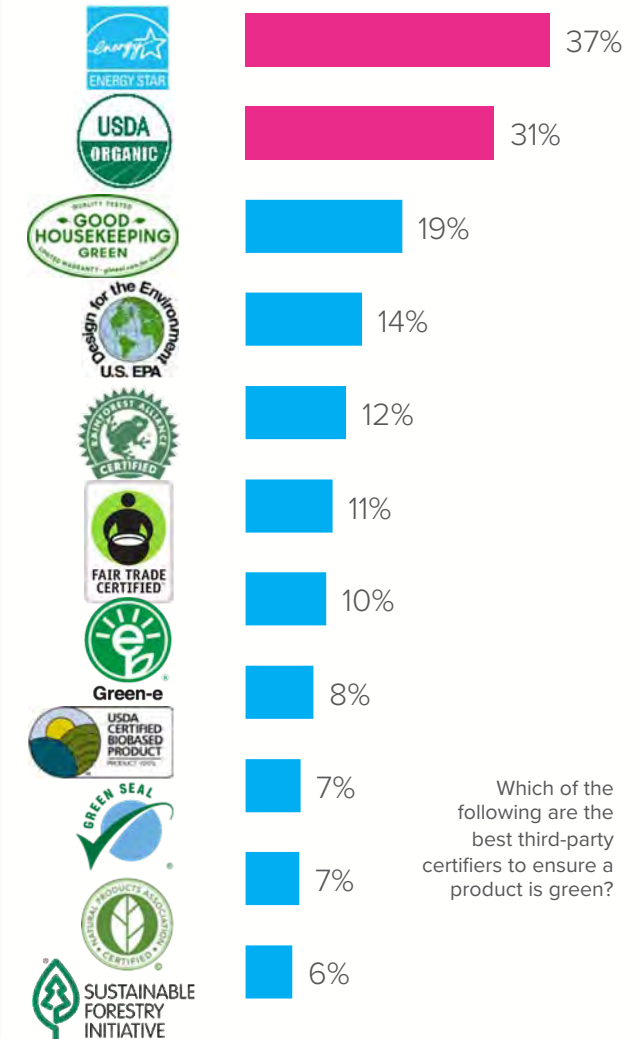
Certifications are not just important influencers for purchase, though; they also build trust.



The most well-known certifications are also the most trusted.



Best Green Third-Party Certifier



- The “right” commitments can improve favorability ratings of brands – but you have to **communicate** about them.
- The “right” commitments continue to illustrate our themes – treat your **employees** well, give back to **communities/citizens**, have a **recycled content** or a **recyclability** story.
- When telling your story, leverage trusted sources: **family, friends, scientists...and even certifications.**

What does this mean?

A photograph of a modern glass building facade, viewed from a low angle looking up. The image is overlaid with a large blue trapezoidal shape on the left and a pink trapezoidal shape on the right, meeting at a diagonal line. The text "So how do you start?" is centered in white on the blue background.

So how do you start?

The Good Company Framework – Five Steps to Good

In the complicated and rapidly evolving landscape of consumer perception, there are five things that every company should do to build trust, inspire loyalty and influence purchase behavior. How you do them depends on your brand.



1. Decide what you're trying to accomplish

Are you trying to revive a dying brand? Go bold. Are you simply trying to maintain a brand and stay relevant? Focus on commitments that are generally favorable: employee treatment, community giving, environmental protection.



2. Determine what's a fit for the brand

It will work better if the good a company is known for aligns with what the brand or category is known for OR if it's extremely topical (see Nike). If all else fails, focus on a major commitment to recycled content.



3. Get the employee house in order

It doesn't matter what other good a company does, if they don't treat their employees well and pay them a living wage, they won't achieve the goodwill they're after.



4. Pick a commitment that can be truly owned and activated against

Marketing dollars reflect commitment. The dollars work harder when a company embraces important issues for the long haul.



5. Tell the story and build trust by leveraging key resources

E.g.: Friends/family (social media), scientists, certifications, etc.

A low-angle photograph of a modern glass skyscraper. The image is overlaid with a large blue trapezoidal shape on the left and a pink trapezoidal shape on the right, meeting at a diagonal line. The text 'Help yourself...' is written in white on the blue background.

Help yourself...

Free Resources



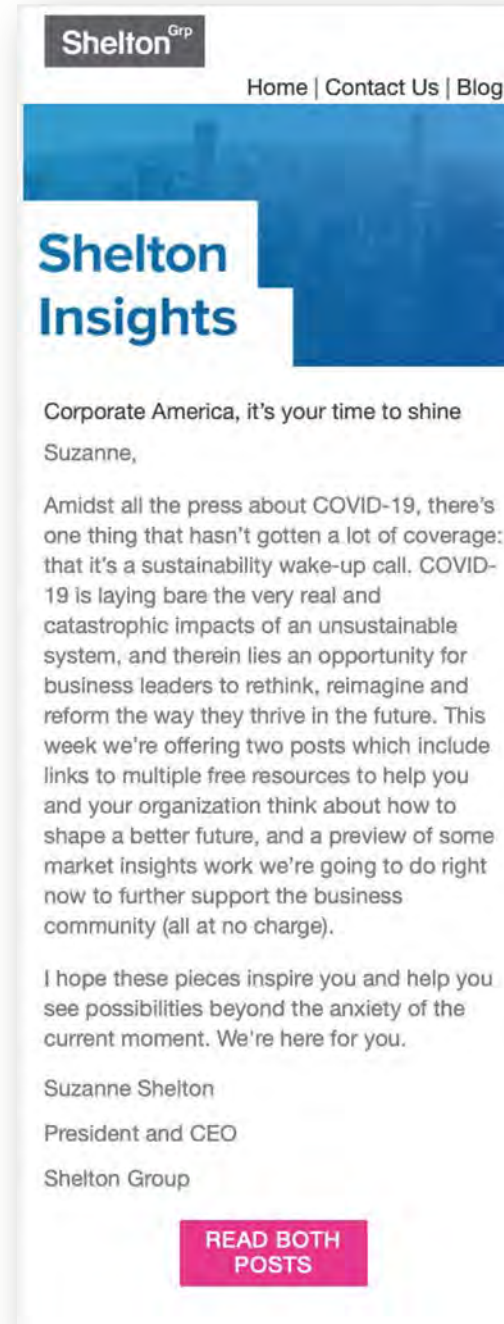
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Free Resources

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Questions? Thank you!

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