

UNDER EMBARGO UNTIL: 10.00am TUESDAY 26 MAY 2020

UK CONSUMERS SET TO REWARD COVID-19 CORPORATE HEROES

London, 26 May 2020 - As the UK economy prepares to emerge from lockdown, new research shows that consumers are likely to reward companies and brands they think have acted in a socially responsible way during the COVID-19 crisis.

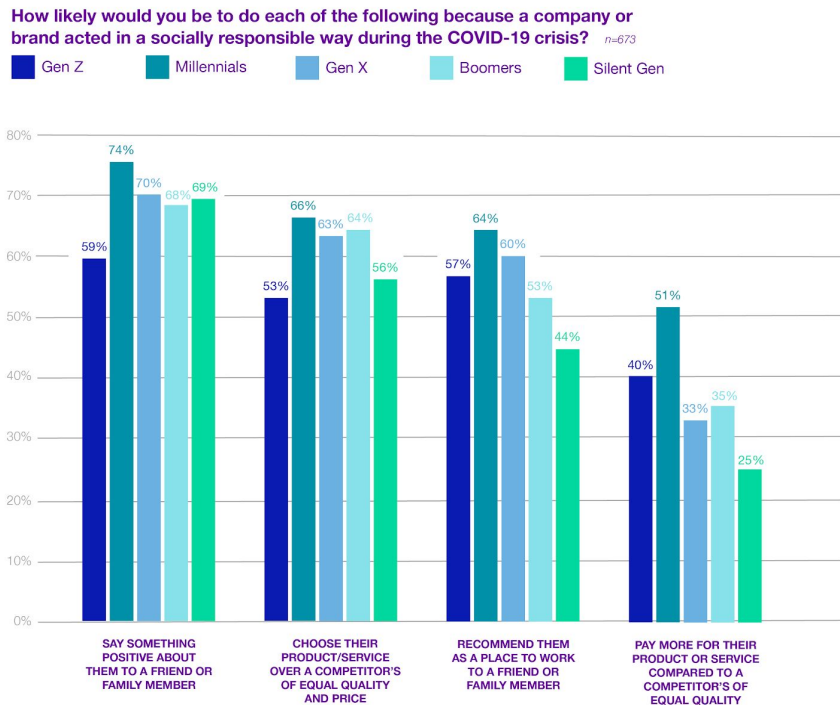
These intentions reflect a widespread belief among a large majority (77%) of the general public that companies and brands have a broader social purpose, beyond selling their products and services, to help in the fight against coronavirus. For now it seems a majority of consumers (75%) believe companies are responding positively.

However, the data also suggest that some businesses may face reputational as well as economic challenges when they reopen for business, with over half of consumers (51%) saying they would boycott a company or brand that falls short of their expectations.

Key findings from the polling include the following:

- Socially responsible businesses may benefit from a 'purpose premium'.**
 Underlining the value of acting in a socially responsible way during the COVID-19 crisis, a majority (63%) said they would prefer a product or service, and four in ten (38%) say they would be willing to pay extra for a product or service, from a business that acted in a socially responsible way during the COVID-19 crisis.

Of those willing to pay more, 43% say they would be willing to pay 5-9% extra, while 39% say they would be willing to pay 1-4% extra. Another 8% say they would be willing to pay as much as 10% or more extra.

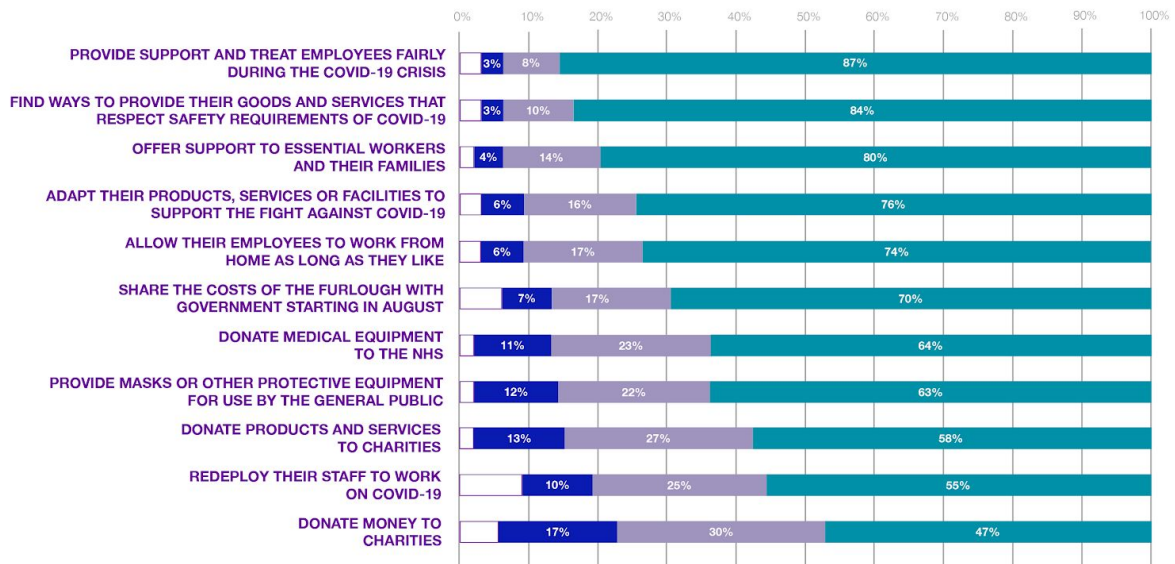


- Consumers expect companies and brands to go beyond charitable giving.**
 It's no longer enough for a company to cut a philanthropic cheque to be thought socially responsible. In fact, less than half (47%) of respondents thought it was important or very important for companies to donate money to charities. Instead, they want to see responsible business practices such as treating their staff fairly (87%), finding safe ways to provide their goods and services (84%), adapting their facilities to support the fight against COVID-19 (76%), or allowing their employees to work from home for as long as necessary (74%).

In a sign that the public expects the burden of the COVID-19 economic fallout to be spread across society, 70% of respondents backed the current proposals for employers to share the cost of the government furlough scheme from August onwards.

How important do you think each of the following are for companies and brands to do to help people during the COVID-19 crisis? *n=673*

Don't know
 Not important at all / Not important
 Neutral
 Important / Very important



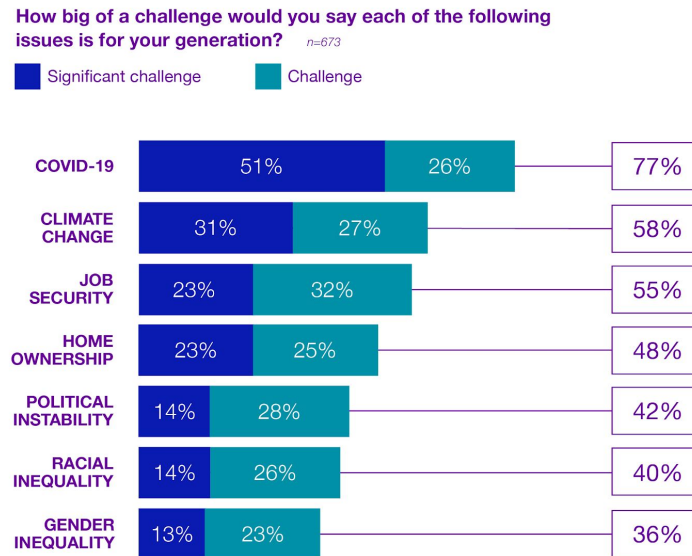
Source: The Purpose Pulse 2020 COVID-19 Snapshot



- Saints and sinners.**
 When prompted to recall a business that behaved in a responsible way, 50% were able to provide an example. Supermarkets brands were the most popular brand names recalled.

Fewer (18%) respondents were able to recall a business responding in an irresponsible way, and examples cited were more varied, though Sports Direct, Virgin and Weatherspoons were cited on multiple occasions. Younger consumers - Millennials (22%) and Generation Z (26%) - are especially likely to say they have heard or read about negative social behaviour on the part of companies or brands.

- COVID-19 is the dominant concern right now - but climate hasn't gone away.**
 While it took years for concerns about climate change to come to dominate concerns amongst the general public, in just a few short months, COVID-19 has gone straight to the top of the issue most concerning all age cohorts (77%). Interestingly, though the COVID-19 health crisis has prompted an associated economic emergency, concerns about climate change (58%) outrank concerns about job security (55%) and home ownership (48%).



Source: The Purpose Pulse 2020 COVID-19 Snapshot
 THE PURPOSE PULSE 2020

Commenting on the findings, Barry Johnston, COO and Co-Founder of Purpose Union, said: “The COVID-19 emergency is accelerating changes that were already happening. Consumers have increasingly high expectations that companies will deliver on a wider social purpose, beyond a single-minded pursuit of profit at all costs. The economic recovery from the coronavirus is going to be tough. It’s going to be even tougher for brands that have failed this test.”

“Cheque-book philanthropy is no longer good enough. Consumers want to see companies think about their wider impact on society, and how their day-to-day operations are helping or hurting society. It’s clear, for example, how businesses have treated their staff during the COVID-19 crisis will be a litmus test for corporate reputation for years to come”.

Phil Riggins, Founder of the BRC said: “It’s clear that UK consumers are paying attention to how brands act and will reward or punish them accordingly. They expect businesses to do their share to get the country running again - whether that’s working in new COVID-19 friendly ways, letting people work from home as long as they like, or sharing more of the cost of the furlough.”

Charline Merieau, Co-founder of Root Cause, said: “Brands that are perceived as acting in a socially responsible way during the COVID-19 crisis are more likely to benefit from customer goodwill in the long run. The results present yet another opportunity for companies to simultaneously drive social and environmental change as well as business performance.”

The research replicates a similar survey conducted with Generation Z and Millennial consumers in January 2020, before the COVID-19 crisis came to dominate the agenda. Comparisons of the data show that:

- There is a large drop in young consumers who say they are 'excited' about the future (from 38 to 24%) - indicating they may see their horizons being narrowed in a post-COVID world.
- Concern about political instability drops by 20 percentage points (from 65 to 45%) while trust in government to solve today's challenges increases from 33 to 39%, perhaps reflecting the greater role government is playing in all our daily lives at this time.
- Otherwise, concerns about job security (62% in January and 61% in May), gender (42% and 41%) and racial inequality (48% and 45%) remain relatively unchanged. A 10% drop (67% to 57%) in concern about future home ownership may indicate this issue is simply being put on the back burner for younger consumers, already disadvantaged in the property market.

-ENDS-

Notes to Editors:

About The Purpose Pulse

The Purpose Pulse tracks the big trends in the purpose agenda and provides evidence-based insights to help organisations navigate a rapidly changing landscape. It is produced in collaboration by Purpose Union, The Brand & Reputation Collective ("BRC") and Root Cause.

Methodology

The findings are based on a survey of 673 general public consumers aged 16 and over in the UK. The survey was carried out between 15 - 17 May 2020. The margin of sampling error for the entire sample is +/- 4 percentage points.

About the BRC

The Brand & Reputation Collective (the BRC) is a London based advisory firm that combines senior counsel, deep insight and creative thinking to help clients tell their story in ways that enhance brand, reputation and increase engagement. Phil Riggins, the founder, is a full member of the Market Research Society in the UK.

About Purpose Union

Purpose Union is a specialist social purpose agency that works with clients to develop compelling narratives, identify winning arguments, build valuable coalitions and create distinctive campaigns.

About Root Cause

Root Cause is a brand strategy and design agency that helps brands grow by discovering and delivering on their social promises.

For further information or comment, please contact:

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