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Social Good and the Competitive Advantage of Doing It Well

By

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**Introduction:**

For a business to be successful, it must be capable of offering the right product or service to the right consumer at the right time. Though a daunting feat, it is not an impossible one. Previously, the 4 P’s of the Marketing Mix: Product, Price, Promotion, and Place, has helped businesses tackle this issue by allowing them to think critically on how to properly market their products or services. Today, however, it is not sufficient for businesses to rely on the 4 P’s alone to compete, a 5th P must and has been adopted, Purpose.

Purpose is a cause the business defends or advocates for as a result of a consumer purchasing its product or service. Or, to put it simply, it is the “social good” that a business does. By initiating social good efforts, businesses are able to better connect with consumers through the sharing of values. Business then must be able to clearly and consistently communicate to consumers its social good efforts when marketing its brand and offerings.

Research will be done to support the idea that purpose, or social good, has been widely adopted by businesses and is used to market their products. Similar to the 4 P’s, social good has now become a common practice within not only the business world, but also society at large. This creates an environment where simply doing social good is no longer a competitive advantage for the business, but it is how the business uses and handles social good that will create the true advantage.

This idea can be explained through an analogy involving products in a supermarket. If a business were to get its product into a supermarket, though beneficial, it alone would not be considered a competitive advantage since there are thousands of other products from different businesses in the store for which a consumer could buy. The competitive advantage would then come from how the business communicates the product to the consumer through such things as clarity of message, packaging, and the placement within the supermarket. If a large majority of businesses with products in the supermarket weren’t communicating their products successfully, those that could figure out how to would have a huge advantage within the store.

The purpose of this study then is to show that though social good has become largely common in Corporate America, very few businesses are doing social good well. This creates an opportunity for competitive advantage and for a few businesses to capitalize on it.

**Defining Social Good:**

In 1983, American Express undertook a preservation project for the Statue of Liberty and Ellis Island. During the campaign period, one cent was donated to the project for every American Express card transaction and $1.00 donated for every new card issued. The company managed to raise $1.7 million within four short months (Cause Marketing Forum).

Today, these actions would be labeled “social good.” In the early 2000s, only a limited number of Fortune 500 companies reported on their social good through the issuance of corporate social responsibility or sustainability reports. However, over the past decade, social good has grown more popular among consumers and especially businesses, to the point where a majority of the Fortune 500 companies now issue social good focused reports (Knowledge@Wharton, 2012). If social good were to be defined, there would be a vast amount of opinions and definitions depending on the person asked. The definition can be as broad as any action that results in good being done or it can be incredibly specific such as bringing safe, clean drinking water to a village in Uganda. For this research, the term will be mainly used in the context of business and be broad enough to include all types of good, from environmental to economical and social.
Social good is defined as a purposeful action done to benefit society. Notice that social good is not something that occurs by accident, but intentionally by the business. The World Business Council would define social good as “the commitment of business to contribute to sustainable economic development working with employees, their families, the local community and society at large to improve their quality of life” (2005). These definitions expand social good beyond solely giving money directly to a cause. The route companies take to do social good then is only limited by the creativity and ambition of the business. This creates an inexhaustible number of models businesses can use to do good.

Businesses can adopt a commerce-driven model where the good is done through giving a portion of the profits from a consumer’s purchase to a cause, as is the case with McDonald’s, which gives a penny for every Happy Meal sold to the Ronald McDonald House. Businesses can inspire consumers to give above and beyond the sales price by using the point of sale model, as is the case with the six-week Miracle Balloon Campaign. Organized by Wal-Mart and Sam’s Club, this annual campaign allows consumers the opportunity to purchase paper balloons at checkout to support pediatric hospitals. Businesses can also adopt the one for one model used by Warby Parker, which gives a pair of glasses to someone in need for every one pair sold. These are just a few models a business might choose to embrace, and is in no way exhaustive of all the ways businesses can seek to do good.

With endless social good efforts available, it is the responsibility of each individual business to define how social good can be best incorporated into its daily operations. During this decision, businesses should examine quantitative measures, profit and resources, and qualitative measures, overall sentiment from both management and employees alike. It is then not beneficial to compare different social good efforts between businesses and industries for what works for one business may not be the best fit for another.

**Millennials and the Rise of Social Good in Society:**

There are many factors that can be attributed to the large amount of businesses that are involved in social good, but one major catalyst has been Generation Y. This generation of Americans, also labeled Millennials, was born between 1980 and 2000. They have now surpassed the Baby Boomers in size at roughly 80 million people (Fromm, Lindell and Decker, 2011). This generation, however, carries a negative rapport. As of 2012, 36% of those aged 18-35 (i.e. Millennials) were living in their parents’ home. This is the highest percentage in almost four decades (Pew Research Center, 2014). To go along with this, Millennials are getting married later than generations past with the median age for women being 27 and for men 29 (Pew Research Center, 2014). Millennials are also the creators of the selfie, a picture taken by oneself of oneself. 55% of Millennials have taken a selfie and it has become such a rampant trend, that it was Oxford Dictionaries Word of the Year in 2013 (Pew Research Center, 2014). The selfie has become such a part of American culture, that the aptly named “Selfie stick” a tool used to better take selfies, was one of the most popular gifts during the 2014 Christmas season (Peterson, 2014).

These statistics create the impression among other generations that Millennials are apathetic, lazy, self-absorbed, and responsibility evading. Whether or not this is a fair assessment of the generation as a whole cannot be determined, but there is a small and growing desire among this generation to make a difference in the world and not just in the context of work either, but in every facet of their lives. This desire, translates into action.
“Young adults,” says the Christian humanitarian organization, World Vision, “are a huge force in what we do – whether it’s advocacy, volunteering or fundraising. Historically, they’ve even led some of our campaigns against global issues like AIDS and hunger” (2013). The huge force of Millennials can be credited, at least partly, to the generation’s ability to leverage the power of social media to advocate for good. Though social media is relatively new, it is has arguably become as important and effective of a tool as talent, money or time in doing good. Seventy-five percent have taken action for a cause through liking, retweeting, or sharing posts, videos, and images through social media. Fifty-one percent have even shared or forwarded updates related to a cause through email (Millennial Impact Report, 2013). For Millennials, when they do something like tweet about a cause, they are donating their network, which allows them to give of their resources at an age when resources might be limited (Millennial Impact Report, 2014).

Though social media is now a powerful tool in a Millennials tool belt, they have not put down the tools that generations past have used. Seventy-three percent of Millennials volunteered with a nonprofit in 2012 (Millennial Impact Report, 2013). Financially, 60% of these young adults gave an average of $481 per year divided among approximately 3 different charities (Bhagat, Loeb, and Rovner, 2013). One can see then why World Vision believes this generation is a “case study of compassion in action” (2013).

This generation’s growing passion to do good is not just apparent in volunteering and giving statistics, but in the changing education landscape. As young adults become more concerned about making a positive impact in the world, they are turning to higher education for help on how to go about satisfying their desire. As a result, universities are adapting their curriculum to better serve their students.

The University of Arkansas is one example of a school leading the charge. In 2004, the U of A Board of Trustees established the Clinton School, the first school in the nation to offer a Master’s in Public Service. The school “gives students the knowledge and experience to further their careers in the areas of nonprofit, governmental, volunteer or private sector service” (2014). The school hopes the lessons the students learn will make them “agents of positive change” (2014). The school exists because there is a demand for it, a demand that wasn’t there twenty years ago.

This is not happening in Arkansas schools alone, however, among the top MBA programs all over the United States, there has been an increase in the number of courses that offer “social benefit” content. Social benefit being defined as “pertaining to environmental or social sustainability; topics may include social entrepreneurship, corporate social responsibility, and the management of public and social sector organizations” (Bridgespan, 2009). Yale and Berkeley have both seen 109% and 146% increases in course growth respectively. With Yale going from 45 to 95 courses between 2003 and 2009 and Berkeley from 30 to 74 in the same timeframe (Milway and Goulay, 2013). Students are realizing that their education has the power to not only benefit themselves, but society at large.

What happens though when the Millennial leaves the classroom and enters the “real world?” Does he or she leave behind their desire for doing good? Derrick Feldman, President of the research agency, Achieve, thinks not saying, “Millennials don’t check their interest in causes at the door; they bring these passions to work” (2014), but before bringing them to work, Millennials bring their passions to the job search.

According to research funded by the Career Advisory Board, this rising generation doesn’t look solely at financial compensation when looking for a job (2011). Though a business’
interaction with social good is not the most important factor, 55% of Millennials who heard about social good in an interview did believe that the information helped persuade them to take the job. Millennials between the ages of 25 to 30 were even more likely to be influenced by talk of a business’ social good in an interview (Millennial Impact Report, 2014). “This generation of students,” says Dr. Nora Silver, the director of the Center for Public and Nonprofit Leadership at UC Berkeley Haas School of Management, “is the first that was required or expected to do community service in high school and college. These students grew up expecting to integrate social impact into their work — no matter what sector they join” (2013).

Not all Millennials have joined in on the social good movement and many could be described as apathetic towards the subject, yet there are outside forces that could change this. Just as education can nurture the desire to do good for someone who already cares about social good, celebrities and fads can create interest about social good from those who are typically uninterested. That temporary interest, could then translate to a deepening of appreciation for social good.

Looking to celebrities, a growing number of them are leveraging their influence, spotlight, and talent to do social good. The comedian Seth Rogen has created Hilarity for Charity, events where comedians and celebrities tell jokes while raising money for Alzheimer's research. Within two years, these events have raised over one million dollars. A new program is even being rolled out to allow college organizations to setup their own Hilarity for Charity events (Hilarity for Charity, 2014). Seth Rogen joins other celebrities like Michael J. Fox, George Lucas, Elton John, Taylor Swift, and many others who are fighting for good (2014). Today’s celebrities and athletes are the people Millennials look up to and want to become. As the influential begin to find or found causes they love and take action to support them, Millennials will see and be encouraged to do good themselves.

Switching to fads, in mid-2014, videos began to appear online of people pouring buckets of ice water on their head to raise awareness and money for amyotrophic lateral sclerosis, ALS, or better known as Lou Gehrig’s disease. The challenge quickly grew in popularity largely because of the many celebrities and athletes who created their own videos of themselves getting ice water poured on them. The ALS Association raised $115 million in donations largely thanks to the Ice Bucket Challenge (ALS Association, 2014).

The significance of social good in American society has increased so much that there is now an unofficial day to practice it. Celebrated on the first Tuesday after the Thanksgiving holiday, the appropriately named “#GivingTuesday,” contrasts Black Friday and Cyber Monday. “We have a day for giving thanks. We have two for getting deals. Now, we have…a global day dedicated to giving back” (#GivingTuesday, 2014). #GivingTuesday is all about taking the focus off of oneself and doing good for others, predominantly through online giving. Though the idea was brought to fruition only in 2012, this giving movement has gained huge momentum from nonprofits, for-profits, and consumers alike. Within three short years, the movement has brought on more than 27,000 organizations and reached millions of consumers.

A large measure to #GivingTuesday’s success is the use of social media to get the word out. For the entire day, the hashtag “GivingTuesday” was used 754,600 times from not only regular consumers, but also the likes of Bill Gates, Ellen DeGeneres, the rapper Macklemore, and the White House. This culminated into the hashtag trending on Twitter for 11 straight hours. The huge push in social media brought in an estimated $45.68 million raised for causes on this day of giving. Online giving for the day was up 63% from #GivingTuesday in 2013.
The purpose of describing all these trends is to show that Millennials are living inside of a social good incubator. As social media amplifies the social conscious, as more social benefit content is adopted into the classroom, and as more Millennial role models seek to use their influence and talents for good, the idea of doing social good among Millennials will not only grow in popularity and importance, but will slowly become the norm. And what this generation finds important will influence their buying habits.

And it has been, with 70% of college students more willing to purchase a product when it is tied to a cause of some kind. Sixty-three percent of students are even willing to spend more money for a product if said product is connected to a cause (Barnes & Noble College, 2014).

At $1.3 trillion in consumer spending, Millennials make up 20% of the total spending in the US (Doherty, 2013). "The sheer size and buying power of this generation means that they’re not just future consumers, they’re a vital part of the market right now — and they have been for some time” (Fromm, Lindell and Decker, 2011). By 2020, these young adults will make up 50% of the workforce, quickly becoming the majority (Feldmann, 2014). Needless to say, catering to this generation “as a company or a brand is not really optional, it’s a fundamental requirement if you want to stay relevant in societies that value generosity, sharing, and collaboration” (Trendwatching.com, 2009).

While the social good movement is currently being driven by Millennials, the point most be made that the desire to do good is not limited to this generation alone. The generation after them, Generation Z, has the signs of growing just as passionate about social good as their older generation with 60% wanting their jobs to impact the world (Sparks & Honey, 2014). Businesses must have their fingers close to the pulse of this issue, for if society continues to move towards placing high value in business social responsibility, “then business institutions must move vigorously toward integrating social values into their decision-making machinery.” And for the business that is indecisive “or chooses not to enter the arena of social responsibility might find that it gradually will sink into customer and public disfavor” (Davis, 1973).

Social Good and Business in Its Current State:

In the 1970s, Milton Friedman argued that businesses should focus solely on the bottom line, believing that “few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible” (1962). Today, however, most people do not hold as strong of a view about the roles of business as Mr. Friedman. Nine out of ten Americans believe it is the role of businesses to support social or environmental issues in some capacity. Ninety-one percent want to see more products and services that support issues (Cone Social Impact Study, 2013). Similarly, Millennials do not believe businesses should just be profit driven. “They have high expectations that business is best suited to taking a leading role in solving some of society’s biggest challenges” (Deloitte, 2012). If current businesses fail to do social good well or communicate it properly to consumers, other businesses will enter into the market to fulfill consumer expectations.

Established in 2012, Givington’s is an online retailer that exists to give. Nicknamed “The Generosity Shop,” Givington’s gives up to half its profits from every purchase to the cause of the customer’s choice. During its two years of existence, Givington’s has given to over 100 different nonprofits.

Southern California based company, Sevenly, is similar to Givington’s in that its mission is to lead “a generation toward generosity” (2011). It gives $7 for every item purchased on its
site to the partnered cause of the week. Since Sevenly’s inception in 2011, the business has given over $4 million split among dozens of different causes.

It is not predominately young, online-based businesses that are leading the charge in tackling society’s biggest challenges though. Starbucks has partnered with the Oprah Foundation to create a new product, the Oprah Chai Tea, which gives a donation to benefit educational opportunities for youths on every purchase (Starbucks, 2014). Since 1997, Yoplait has organized “Save Lids to Save Lives” where the company donates ten cents to breast cancer research for every lid from its yogurt that is sent to them by consumers. Fifty million dollars has been raised for breast cancer research through this annual program.

These are businesses that can or are trying to differentiate themselves in the crowded market. They see that through clearly communicating their social good efforts, they are gaining the attention and business of consumers. How each business goes about communicating to consumers though is different from one another, similar to how there are different ways to communicate a product or service. Givington’s and Sevenly clearly communicate through building their entire businesses around doing good. While Starbucks has created a product specifically for the purpose of doing good. And Yoplait has built and sustained a campaign for doing good that is widely known by consumers.

Since communication is so vital for a business to stand out in its social good efforts, businesses are moving towards efforts where the good done is more clear to consumers. Meaning the connection between a business’ product, service or general operations and good done is more apparent and visible. The stronger the connection, the less work the business needs to do to communicate its efforts. To build this strong connection, however, calls for a lot of time and work and “many for-profit businesses…are ramping up their involvement in enterprises for the social good in the hope that it will weave generosity into their DNA in the public’s mind” (Graves, 2014).

The automaker Ford exemplifies a business working hard to build that connection. For twenty years, Ford has been taking part in the fight against breast cancer. The company has created the Warriors in Pink apparel line and conducted surveys and used the media to build further awareness of the issue. Ford continued this program even when they faced hard economic times during the financial crisis of 2007-2008. When asked why Ford continued the program Connie Fontaine, brand content and alliances manager for Ford, said “we’ve stuck with it because it resonates with customers, employees, dealers, and so many people who are touched by the disease.” By sticking with doing good even amidst financial hardships, Connie believes that the fight against breast cancer is “part of our DNA now” (2009) and hopefully, this view is not only shared by the public too, but also leads them to want to buy Ford cars over its competitors.

If, through communication and strong connections, businesses can convince consumers that generosity is in their DNA, businesses could greatly benefit and stand out from the crowd. Ninety-three percent of US consumers say they have a more positive image of a business when that business supports a cause (Cone Social Impact Study, 2013). It then would not make economic sense for businesses to refuse to take part in doing good or to have their good deeds not visible for consumers to see.

Jerry Welsh, the former head of Worldwide Marketing at American Express during the time of the Statue of Liberty preservation project said, “the wave of the future isn't checkbook philanthropy. It's a marriage of corporate marketing and social responsibility” (Jellinghaus, 1987). He gave this marriage a name “cause-related marketing.” American Express though is not
the first company to use cause-related marketing, but they were the first to give this action a name.

According to the Cause Marketing Forum, cause marketing “encompasses a wide variety of commercial activity that aligns a company or brand with a cause to generate business and societal benefits.” However “unlike corporate philanthropy, which is tax deductible, cause marketing is a business expense like any other kind of marketing” (Graves, 2014). For this marriage, as Mr. Welsh calls it, between corporate marketing and social responsibility to work, both sides then must benefit in some way. The cause can receive additional awareness or funding, while the business itself can see a rise in employee morale, higher customer engagement, or an increase in sales. For the American Express case, the company experienced a 17% and 28% increase in new users and transaction activity respectively (n.d.). The business received a boost in business, while the city received funding to further preserve the Statue of Liberty. Both sides benefited.

As a result of American Express’ initial success with cause marketing, businesses have greatly increased their spending on cause marketing efforts. In 1990, businesses spent $125 million. Fast forward to 2010, and the number has grown rapidly to around $1.5 billion (College of Business Illinois, 2012). Businesses are increasing their spending in this area because they believe cause marketing works.

The Competitive Advantage of Doing Good Well:

Though a growing number of businesses are now doing social good, what is the impact of their efforts? Unlike economic measures, businesses face greater difficulty in measuring the impact of its social good endeavors. Are businesses truly having an impact with their partnerships, projects, and campaigns? Said simply, are they doing social good well?

Unfortunately, the short answer is no. Though a large percentage of Americans believe that businesses should adopt social good practices, with a majority believing that companies can have greater social impact than individuals (American Millennials, 2011), only 16% believe these practices have actually had a significant positive impact on today’s issues (Cone Communication, 2013).

A noticeable gap exists between what Americans expect and what they actually perceive as reality when it comes to business and social good. This gap forms when businesses choose to only do social good out of obligation or a sense of obligation instead of pushing beyond the minimum. The obligation can come from laws and regulations or it is just the customs of the industry to follow. This behavior “does no more than meet society’s baseline expectations” (Martin, 2002).

Herein lies the opportunity for a competitive advantage in regards to social good. Though the market is crowded with businesses doing good, most are just meeting “society’s baseline expectations” and this is what is being communicated to consumers. It then explains the vast majority who believe businesses are not having a considerable positive impact on the world’s issues.

The few businesses trying to go beyond minimum expectations are, understandably, seeing little success, largely because of a lack of experience and prior knowledge in this realm. Many mistakes and harm to society are occurring as a result, bringing criticism towards these businesses. In studying prior mistakes, listening to criticism and learning from others, businesses can, however, improve their efforts.
TOMS is well known for its one for one model of business. For every one pair of TOMS Shoes bought, the business would give a pair to someone in need. While many praised this idea, a healthy amount of criticism was also present. By giving shoes to people who needed shoes, local shoe producers would lose out on customers and be run out of business. Not only were people losing their only source of livelihood, but once the given shoes wore out, the locals had nowhere to buy another pair and thus would be worse off in the long run.

Listening to this criticism, TOMS is changing how it goes about doing social good. Realizing that people in need would benefit long term from jobs and not shoes, the business has begun to manufacture some of its shoes in Haiti employing 100 people. TOMS hopes to help create a sustainable shoe industry in the Haitian country (Hackel, 2013). Though TOMS was created in 2006, it wasn’t till 2013 that the company began to change how it did good. One year later, the business is continuing to monitor and track its efforts in order to do good better.

The situation TOMS finds itself in shows the difficulty in trying to incorporate social good with business well, but its recent transformation not only gives hope to businesses looking to do good better, but also reflects how some charitable foundation go about doing good. Buddy Philpot, Director of The Walton Family Foundation, is a firm believer that philanthropy, or social good, is an investment. So at the Foundation, metrics and goals are established and continually monitored and evaluated. The Foundation can then track and decide whether the strategy undertaken was appropriate, if not, the Foundation learns and readjusts for the next investment. Though a foundation has different goals and focuses than a business, TOMS seems to be following a similar process and more businesses should consider following in TOMS and the Walton Family Foundation’s footsteps. This process may call for years of intentional, focused effort on the part of management and employees to truly create an advantage.

This competitive advantage may not last, however, and will begin to erode as other businesses begin to imitate the practice. Case in point is in 1990 when Prudential Insurance began allowing people who contracted AIDS to have access to their death benefits from their life insurance policies to help pay for medical and other related expenses. The insurance provider’s decision to do good was soon noticed and imitated by its competitors (Martin, 2002). Though initially Prudential had built a competitive advantage for itself, this advantage was gradually eroded as other businesses adopted a similar practice. No longer was the practice an advantage for Prudential, but the norm in the industry. Businesses then must be aware of the long-term commitment in not only building, but also retaining a social good advantage within the industry.

As said many times previously, a business just doing good is no longer a competitive advantage because of the large amount of businesses now doing some form of good. At a minimum, a business now needs to do social good just to stay in compliance with laws and regulations or keep up with its competitors who are doing it too. Many businesses desire to only meet the baseline expectation, leading to partnerships with causes not because of a good fit, but solely to meet a perceived requirement. “It used to be that companies would align with charities that shared their same values,” says Horizon Media’s Kirk Olson, VP of Trend Sights at Horizon Media. “Now brands are taking these do-good values and baking into their corporate identities” (2014). When social good is just hastily baked into a corporation’s identity instead of properly mixed in, negative repercussions can arise.

One example is Kentucky Fried Chicken (KFC) when it formed a partnership with Susan G. Komen in 2010 where the food chain donated $0.50 to Komen for every bucket of chicken sold. KFC would even change the color of its buckets from red to pink, to further drive awareness. The partnership, however, received huge backlash from all sides believing it was
hypocritical for KFC, a perceived unhealthy fast food restaurant, to support a nonprofit initiative centered on health and for Susan G. Komen to accept a partnership with such a company who seems to go against everything the nonprofit stands for (College of Business Illinois, 2012).

Another example is in 1997 when Sunbeam Corporation partnered with the American Medical Association. Sunbeam would pay royalties exclusively to AMA for five years if Sunbeam could use AMA’s name and seal in promoting its health products. This partnership, however, brought criticism; “AMA was bombarded with such heavy criticism from all quarters, including its own members, that it quickly retreated by terminating the agreement” (Bausch, 2000). Sunbeam responded by suing AMA. Though AMA did not have to go through with the partnership, the organization did have to pay $9.9 million for going back on the partnership. Instead of using that money to better the health care landscape in America, AMA was forced to use the money to pay a lawsuit.

Examples like the KFC and Sunbeam cases show the downside to businesses only wanting to meet the minimum when it comes to social good. The actions of a business “may wind up doing some good, but the primary impetus isn’t altruistic. It’s essentially artificial—a put-on display that has little to do with what the company is really all about” (Graves, 2014). These “put-on displays,” however, can lead to more harm to society than good because ultimately, a business only cares about how it and its shareholders can gain.

Though a real issue, it is being combated by today’s always-connected society, for here is where the double-edged sword of social media comes into play. Social media yielded in the hands of consumers can be a great benefit to businesses as long as consumers are behind the business’ social good endeavors. However, the moment the business reveals its put-on display, social media can be used powerfully against it. One quarter of Millennials have taken to social media to share negative information about companies they feel aren’t living up to their promises (Conn Social Impact Survey, 2013). Social media can be seen then as a way to keep businesses accountable for their actions and promises. No longer can businesses operate as islands, like in decades past, but they are now connected to the world and consumers are watching what they are doing. Social media has become a deterrent for businesses that only want to artificially attempt social good. Therefore businesses must learn how to communicate their social efforts well because through strong and clear communication businesses can gain social media as their ally.

One of the most powerful ways to communicate to consumers is through storytelling. When a business does good, an opportunity is given for that business to tell its story. Using storytelling to create deeper and more meaningful experiences allows for businesses to connect with consumers on a more personal level. In an online survey that Adobe conducted, it was found that 73% of those polled agreed that advertisements should tell a unique story and not just try to sell consumers something (2012). By taking part in social good, businesses are able to tell unique stories that consumers can understand and connect to, which can drive further business.

Amidst all this information, Mr. Welsh’s earlier quote about the marriage of corporate marketing and social responsibility continues to ring true. For a marriage to exist, there must be mutual benefits between business and a cause. Or said in a different way, “the not-for-profit wants to do good; the company wants to do well” (Bausch, 2000) and social good allows both goals to be accomplished. If there were no perceived benefits in a business intertwining social good into its culture, why would it spend resources, money, and time to do so? This benefit does not have to be a monetary one, the benefit for a company could solely be the good feeling the employees get in doing good, but there must be a perceived benefit on the side of the business in order for it to bear the costs of doing social good with the ultimate goal being a competitive
advantage. “In short, generosity is rarely 100 percent altruistic. There’s almost always an admixture of self-interest. And it’s very hard to root that self-interest out (if that would even be desirable)” (Graves, 2014). Complete selflessness shouldn’t be the ultimate goal anyway because there are benefits to being self-interested.

Self-interest ensures that the business avoids activities that could put it in jeopardy (Martin, 2002). Through self-interest, a business doesn’t blindly do social good, but considers its impact on both society and its shareholders. If a business becomes involved in costly social good initiatives while its competition does not, the business could erode any other competitive advantages it already has (Martin, 2002). Destroying current competitive advantages in order to gain a new one may produce more harm for the business itself than good. Therefore, some self-interest is good and needed within the business.

There is not, then, some great secret to doing social good well in today’s world. A business has a much higher chance of doing good and communicating to consumers well if it would put the proper resources, planning, and due diligence in place. Similar to the 4 P’s though, no matter the amount of due diligence done by a business, there will are always unforeseen results of its actions, though chances of success will increase. This should not paralyze businesses into inaction, but show that, similar to daily business operations; there are risks in partaking in social good endeavors.

Social good, though an easy concept, is incredibly difficult for a business to practice and actually turn into a competitive advantage. Businesses who want to tap into this potential will have to try and navigate along a tightrope. Leaning too far on one side towards safety will lead to no meaningful gains and little positive impact to society, however, leaning to far the other direction, towards ambition, could lead to an eroding of financials and crippling of the business. A business must learn the daunting, but not impossible, way to balance on the tightrope. For “opportunities abound to devise programs and processes that benefit society as they enrich shareholders. What seems lacking is imagination and intrinsic motivation on the part of corporations and executives” (Martin, 2002). That is why doing social good well is a competitive advantage, because it takes a certain kind of business or management, uncommon in the business world, to make it happen.

Research Methods:

This study is composed of two main foundations, which combined provides a clear picture of the state of social good in the business world. The first component is a comprehensive literature review consisting of studies by organizations working closely with nonprofits (Achieve, Blackbaud, The Bridgespan Group, Cone Communication, etc.) and studies by organizations well known for their expertise in business, consulting, and research (Deloitte, Career Advisory Board, Boston Consulting Group, Pew Research Center, etc.). The literature review also consists of the published work, The Business of Generosity by Steve Graves and a variety of other online resources. In total, over 40 different sources were used in the literature review to compose this study. Thirty-four of the sources were published in or after 2010.

The second and final component was the creation of a sample of 21 businesses from the Fortune 100 list chosen using a random number generator. The websites of the businesses were reviewed to gather data on the level of social good content available. The first point of analysis included the press releases between August 1, 2014 and October 31, 2014 that incorporated certain keywords. Those words were volunteer/volunteered, philanthropy/philanthropic, social responsibility/impact/good/initiative, charity/charitable, nonprofit/non-profit/not-for-profit, and
donate/donation. The second point was the amount of social good instances on the front page of each individual website on November 23-24, 2014. This information was then compared to the level of social good mentioned on the front page of the individual website on April 21, 2009 or as close to that date as data is available. This past information was provided by the online archive resource, The WayBack Machine, which the link for can be found in the Works Cited section. CVS recently changed its main website, so for the front page today data http://www.cvshealth.com/ was used, while the website url used to collect data from 5 years ago, http://cvscaremark.com was used. The data collected from both points of analysis were then broken down by individual company and industry and translated into charts and graphs.

**Research Results:**

Figure 1: Sample Composition

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Johnson Controls, Inc</td>
<td>Automotive</td>
</tr>
<tr>
<td>Bank of America</td>
<td>Banking</td>
</tr>
<tr>
<td>Merck &amp; Co., Inc.</td>
<td>Biotech &amp; Pharma</td>
</tr>
<tr>
<td>E.I. du Pont de Nemours and Company</td>
<td>Chemicals</td>
</tr>
<tr>
<td>Philip Morris International Inc.</td>
<td>Consumer Products</td>
</tr>
<tr>
<td>Ingram Micro Inc.</td>
<td>Distributors - Discretionary</td>
</tr>
<tr>
<td>Express Scripts Holding</td>
<td>Health Care Facilities and Svcs</td>
</tr>
<tr>
<td>Humana Inc.</td>
<td>Health Care Facilities and Svcs</td>
</tr>
<tr>
<td>McKesson</td>
<td>Health Care Facilities and Svcs</td>
</tr>
<tr>
<td>Massachusetts Mutual Life Insurance Company</td>
<td>Insurance</td>
</tr>
<tr>
<td>MetLife</td>
<td>Insurance</td>
</tr>
<tr>
<td>The Walt Disney Company</td>
<td>Media</td>
</tr>
<tr>
<td>Energy Transfer Equity, L.P.</td>
<td>Oil, Gas, and Coal</td>
</tr>
<tr>
<td>Phillips 66</td>
<td>Oil, Gas, and Coal</td>
</tr>
<tr>
<td>World Fuel Services Corporation</td>
<td>Oil, Gas, and Coal</td>
</tr>
<tr>
<td>Delta Air Lines, Inc.</td>
<td>Passenger Transportation</td>
</tr>
<tr>
<td>CVS Caremark</td>
<td>Retail - Consumer Staples</td>
</tr>
<tr>
<td>Home Depot</td>
<td>Retail - Discretionary</td>
</tr>
<tr>
<td>Lowe's Companies</td>
<td>Retail - Discretionary</td>
</tr>
<tr>
<td>Sears Holdings Corporation</td>
<td>Retail - Discretionary</td>
</tr>
<tr>
<td>American Express Company</td>
<td>Specialty Finance</td>
</tr>
</tbody>
</table>

Twenty-one businesses across 14 different industries comprise the sample. Once again, these businesses were chosen through a random number generator, the url to the generator can be found in the references section. Of those in the sample, Home Depot was the only business that did not have an archived front page available to gather data. Eighteen businesses had an archived front page from April 2009 while The Walt Disney Company and Philip Morris International Inc. had archives available only for May 2008 and March 2010 respectively. April 2009 is an arbitrary period of time that was used because it represented a time far enough away from the
Present time of the study for there to be possible changes in the front page, but the time was near enough to have significance when comparing the two periods.

**Figure 2: Press Release Comparison by Business (#1-10)**

![Graph showing press release comparison by business from #1 to #10.](image1)

**Figure 3: Press Release Comparison by Business (#11-21)**

![Graph showing press release comparison by business from #11 to #21.](image2)

Represented in both Figure 2 and 3, fourteen of twenty-one businesses, or 66.67%, had at least one press release in the past 3 months with social good wording. Bank of America had the highest amount of applicable press releases at 15. Massachusetts Mutual Life Insurance Company, however, had the highest percentage of releases with social good wording at 55.56% or 5 out of 9 releases. This data support the claim made in the section marked “Social Good and
Business in Its Current State” that many businesses have adopted social good practices and no longer is having a blue bar next to a business’ name enough, since a majority of businesses within the sample have one. Businesses then must do more to differentiate.

Figure 4: Press Release Comparison by Industry

Of the 14 industries, 11 or 78.57% had at least one press release in the past 3 months with social good wording. The banking industry, only consisting of one business, Bank of America, had the highest amount of applicable press releases at 15. The banking industry also had the highest percentage of releases with social good wording at 32.61% or 15 out of 46 releases. The use of social good then is not limited to certain industries, but is present among many industries. Two of the industries, Chemicals and Oil, Gas, and Coal, would have limited direct contact with consumers so there is little incentive for them to incorporate social good wording into press releases.
Of the 20 businesses that had the data available, 11, or 55%, had at least one mention of social good on its front page 5 years ago. In total, there were 30 instances of social good being mentioned on the front page of these 20 websites. This reflects the idea that the fusion of social good and business has been going on for years and further research would need to be done to see if this was present on each businesses front page 10, or even 20 years ago.

Of the 21 businesses, 16, or 76%, had at least one mention of social good on its front page on November 23-24, 2014. This is a 21-percentage point increase from 5 years ago. In total,
there were 59 instances of social good being mentioned on the front page of these 21 websites. This is a 96.67% increase in instances from 5 years ago. Five years ago, 9 businesses had 0 instances of social good on their front page. Today, only 5 businesses have 0 instances. The near doubling of instances creates a lot of noise for consumers and makes it more difficult for any one business to differentiate from the rest unless it goes beyond the society’s baseline expectations.

Figure 7: Change in Front Page Social Good Instances by Business

Compared to 5 years ago, 47.62% of businesses saw an increase in social good instances, while 28.57% had no change and 19.05% of businesses saw a decrease in instances. The remaining 4.76% represents Home Depot and a change in social good instances can’t be determined for lack of data. For the 28.57% of businesses that saw no change, 5 out of the 6 had 0 instances in 2009. If 5 years ago, the businesses didn’t see a need to highlight social good, it would be difficult to convince them otherwise today. There then is a rise in not only the number of businesses using social good, but the businesses already doing good are increasing their use of the tool.
Of the 14 industries, 10, or 71.43%, had at least one mention of social good on its front page previously. The numbers represented in the chart above can be calculated by taking the total number of mentions of social good and dividing by the number of businesses within the industry.

Of the 14 industries, 12, or 85.71%, had at least one mention of social good on its front page on November 23-24, 2014. This is a 14.28-percentage point increase from 5 years ago. Five years ago, 4 industries had 0 instances of social good on their front page. Today, only 2 businesses have 0 instances.
Of the industries in the study, 57.14% saw an increase in social good mentions from 5 years ago, while 21.43% had no change and 21.43% of businesses saw a decrease in mentions. For the 21.43% of businesses that saw no change, 2 out of the 3 had 0 mentions in 2009. Once again, the data highlights that not only is social good increasing to new industries, but industries already taking part in social good are increasing their exposure to it.

The most important bit of information that Figure 11 conveys is that except for CVS, and to a lesser extent Massachusetts Mutual and Lowe’s, businesses do not use both social good
wording in their press releases and have social good instances on their websites (2014). It seems that businesses decide to do one or the other. Herein lies one practice businesses can begin immediately. By pushing social good on all fronts, the business can better communicate to society, which could possibly lead to differentiation from the group.

Figure 12: Location Breakdown & Instance Representation

The location of each instance of social good on the front page in November of 2014 was recorded. If the front page of a website was divided into thirds, 23 instances, or 37.10%, were found in the top one-third of the page, 12 instances, 19.35%, were found on the second-third of the page, while 27 instances, or 43.55% were found in the last third of the page. It may be in the best interest of the business to move its social good instances more towards the top of the page in order to increase exposure to those viewing the site.

Text alone represented 67.74% of instances, while text and a graphic represented 32.26% of instances. Recommendation here would be for businesses to increase the amount of graphics used to communicate social good to their viewers.
Figures 13: Keywords From Applicable Releases Chart

The previous charts addressing applicable releases were determined through the search of 6 keyword groups. These keywords are shown in Figure 13. Of the 142 times one of the keywords was used in the 68 applicable releases, “nonprofit” or a variation of the word, was used the most at 31 instances. The two least used words were “volunteer” and “philanthropy” at 19 and 14 instances respectively.

Limitations:

There are always opportunities for improvement when it comes to undertaking research and this work is no exception. The first limitation was the inability to include a larger sample size from the Fortune 100, and even 500 lists. To gather a larger sample size would demand a larger amount of time. The increase in size would also make it more difficult to inspect each website’s front page within a reasonable time frame that would not present bias in the results.

Another limitation was the inability to compare front page instances from websites 10 and even 20 years ago in order to get a clearer picture of change over time. Not only would this take a considerable amount of time, but also data from further back becomes less available and reliable, giving less credibility to the research. The 5-year period allowed for most businesses within the study to be included and for the front pages of those businesses to be largely preserved.

The final limitation, and possibly the most important, was the inability to gather social good data on businesses from other sources. While press releases and front pages of websites were covered in the study other fronts, like different social media platforms and advertising, were not researched. As can be seen from Figure 11, businesses are not using all of their fronts to push social good, so the fronts used in the study may not accurately reflect social good and business in its current state. A business may be very active when it comes to the area of social media, but not so when it comes to press releases. Researching different fronts of the business may paint a different picture and lead to a different conclusion than this study presents.
Conclusion:

This study consisted of five main sections, a thorough analysis encompassing four sections with the fifth consisting of analytical research. The first step in this study was to define social good, or a purposeful action done to benefit society, in order to set clear parameters for what social good is.

Following this, the next step was to describe the current mood society had towards social good, specifically looking at Millennials. The point was made that this rising generation was placing greater importance in social good and this could be seen in changes to education, preferences for work, celebrity activity, and even a newly formed unofficial holiday to promote doing good. As Millennials grow in financial power in the US, it becomes more financially viable for businesses to partake in social good practices in order to attract consumers.

Once the state of social good and society was established, it was time to move into the state of social good within business. Whether it be Starbucks and its partnership with the Oprah Foundation or Ford and its Warriors in Pink campaign, it doesn’t take much research to see the sheer amount of businesses, new and old, trying to incorporate some type of social good within their organizations. However, once one dives into the data, the same conclusion is made, more and more businesses are taking part in social good. Businesses then need to be able to communicate their efforts to consumers because through communication, businesses can see added benefits to helping society beyond the obvious. One recommendation when it comes to communication is for businesses to voice their social good efforts across as many of their fronts as possible such as, but not limited to, social media platforms, press releases, advertising, and website real estate.

Finally, an important point needed to be made, though a large number of business are trying to adopt social good practices, very few seem to be doing it well. Not only that, but the research clearly showed that no longer can one business stand out by just doing the bare minimum when that is what everyone else appears to be doing. This is similar to the overcrowded supermarket example. Though it is good that a business has a product within the supermarket, the business must now consider how to market, price, package, and place the product within the store in order to attract consumers. If a business can actually learn how social good best fits in with the organization and its skills, and communicates this fit to consumers, the advantage that business would have over other competitors could be substantial. This process is obviously easier said than done, but if a business were to actually take social good seriously and see it as advantageous, it could greatly gain.
References:


