

WHO LIVES CORPORATE



PROGRAM

Small Businesses That Consider Social Impact Will See One to Their Bottom Line

Corporate social responsibility is gaining currency worldwide. The reasons are not far-fetched, but there is something in it for business owners, too.



Ali Faagba

GUEST WRITER

Freelance Writer, Content Marketer

A recent survey from America Marketing Association reveals that consumers are exposed to over 10,000 brand messages per day. And anybody with a brain understands that such revelation means for developing brands what desertification means for local farmers. Across the globe today, countries struggle with various disasters -- both natural and man-made -- that bring about insecurity and scarcity and repeated scenes of war. While these things represent the gloomy reality we live in today, it is also a test of our social obligation to be our brother's keeper.

In response, the concept of "social impact" began to gain currency. And today, it's hard to tell of any global leader or organization that does not in one way or the other profess a world-changing agenda. We have plenty examples of people and organizations that do this without pursuing any business objective whatsoever. But we have also seen world-changing companies that pursue social impacts and business goals simultaneously. In fact we are fast entering an age where it may be almost impossible to divorce social impact from business goals.

Increasingly, being a social-impact-driven business (or socially responsible business, which is another name) is your best chance to stand out from among an ever-growing number of brands in the world. There are benefits you can reap for having a social-responsibility outlook.

Attracting and retaining the best talent.

No doubt, talented (and committed) employees are the recipe for a company's success and one of the most valuable treasures of any business. If you are a savvy business owner, you know your business success depends on the quality of your employees as much as it depends on your personal efforts. With social impact as your brand's core, you have every opportunity to attract the most talented to work with you and to keep them committed.

In a piece for World Economic Forum titled, "Here's what millennials really want from business, and why," Shakir Akorede concludes that above all things, millennials want to change the world around them and therefore choose social impact as their top reason for starting a business. The argument is strongly backed by The Global Shapers Annual Survey which found that over 40 percent of young people think sense of purpose/impact on society is one of the most important criteria when considering a career opportunity.

This fortunately means millennials, who are most likely to be your employees, are already looking to take on social responsibility, and all it takes to attract them is to give them a good one. Going by this survey, if you have a social-responsibility agenda, it is only a matter of time before you create a cult-like following among your employees, because there lies their motivation.

Standing with impact-makers in emerging markets.

Among emerging markets are some Third World countries that are now ravaged by natural disasters and war. From country to country, needs differ. While some are starving, others cannot get potable water and for still others, electricity is the problem. Some only require for good healthcare. But still, they are all getting the world's attention, thanks to business owners who combine humanitarian with business goals.

Similarly, world class philanthropists, including business moguls and world leaders, flock together to bring relief to these nations and, as a consequence, garner media attention. I'm not saying philanthropists do their stuff to gain media attention, but whenever they do what they do, they automatically gain more attention.

In 2015, MasterCard partnered with Save The Children to provide chip-enabled cash vouchers to people affected by civil unrest in Yemen. The initiative reflects a long-term commitment to financial inclusion that positions MasterCard to be a part of Yemen's economic recovery. But consider: MasterCard could not have gone to a war-torn Yemen and handed the population its card, and then said, "Hey, come use our service." But aligning with a humanitarian organization made it possible to help, and in return MasterCard received some recognition.

In two ways, this makes sense for MasterCard: First, it is a social proof for MasterCard, as it positions itself as being committed to giving back. Second, it has already secured a foothold in Yemen for when the country recovers.

Win customer loyalty.

That may sound odd, but there is enough academic research to affirm that corporate social responsibility (CSR) has some ability to induce or increase customer loyalty. A particular finding from Emerald Insight confirms this, saying, "Results indicate that perceived CSR has a significant impact on customer's trust and loyalty and serves as a key mediating variable in service recovery."

Not only that, millennials are the largest population today, and that translates to their being the largest buying population. They tend to gravitate much more to anything that impacts the world. With them as the largest segment of your customer pool, social responsibility is the only spell you need to pull off the magic.

Flaunt your social-impact agenda before them, and they will see you as a symbol they want to identify with more than another company they merely buy from. But if funds are tight, recall that impact is not limited to material stuff. There are companies whose sole way of being socially responsible is by educating others by raising awareness about something of common concern.

Whichever approach you may take, you have the chance to raise your reputation, align with bigger organizations and reap benefits. As Judith Roden puts it, "To find effective strategies for growth in the next wave of globalization, companies will need to engage with the social needs and complexities of emerging and frontier markets."