

CORPORATE SOCIAL RESPONSIBILITY

Millennials and the Rising Demand for Corporate Social Responsibility

by Kelsey Chong



With a new generation of consumers that grew up with access to mass media, companies are under pressure to move beyond traditional marketing. Read more about how millennials are changing consumer relations and stressing corporate social responsibility.

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In a 1970 New York Times Magazine article titled, “The Social Responsibility of Business Is to Increase Its Profits,” economist Milton Friedman reiterated the opinion that businesses focused on CSR programs “reveal a suicidal impulse.” By Friedman’s logic, the desperate race to pull in consumers and build up one’s brand name is pitted against social accountability in a zero-sum game.

But contrary to Friedman's beliefs, many successful businesses are now prioritizing CSR more than ever before. CSR reports, or publicly released records of a company's sustainability blueprint, are taking the business world by storm. With 7,838 CSR reports published worldwide in 2014, CSR reporting showed a sharp 30% rise in popularity over just four years. Furthermore, as of 2016, over 9,000 companies around the world have signed the UN Global Compact – a promise to uphold social responsibility in human rights, labor standards, and environmental protection.

If the profit-based business model still remains unchanged, what could have inspired this sudden shift in attitude?

The Past Success of Traditional Marketing

In the emergence of mass media, branded content was the go-to formula for instant consumer popularity. The basic strategy of branded content was to create fun and engaging material that viewers would associate with one's brand – thus raising brand recognition. Because the entertainment industry was still severely lacking in diversity and public accessibility, businesses were able to use branded content to establish their brands in mainstream popular culture with almost no competition.

By throwing a few special effects, a catchy tune, or an interesting short story into advertisements, companies could more easily win over amused viewers and bring fame to their brands. In addition to branded content, companies would also sneak their brands into consumers' minds by regularly sponsoring beloved entertainers, new films, and large-scale public events.

However, these “surefire” traditional marketing strategies suddenly hit a wall with the rise of the millennial generation.

Millennials: A Generation of Opinionated Skeptics

Born into the age of manually filtering through overwhelming amounts of sources and misleading content, millennials are inherently curious and suspicious of information they receive on a daily basis. But above all, constant exposure to ploys and advertisements has made this generation especially skeptical towards marketing. Unlike their predecessors, millennials were born into the digital era, making them accustomed to mass media. Therefore, instead of being immediately swayed by brands with entertaining ads, these digital natives are more likely to question companies' authenticity and true motives behind the bright colors and catchy slogans.

On top of this inherent skepticism, social media platforms like Facebook and Twitter have also led millennials to create content under their own personal "brand," or online persona. Whether it be through sharing political views in status updates, posting live-tweet reactions, or uploading reaction videos to YouTube, millennials are constantly transmitting their thoughts and opinions into the world. This tech savvy generation simply wants to be heard, and have its voice both contribute to and make a difference in a broader community.

Millennials' suspicion towards businesses' motives coupled with a desire to actively make an impact on the world has given birth to a new, overwhelming demand for CSR. Rather than blindly patronizing corporations with unclear intentions and shady operations, millennials strongly favor businesses with transparency and a clear commitment to give back to society. According to a 2015 Cone Communications Millennial CSR Study, "more than 9-in-10 millennials would switch brands to one associated with a cause," and millennials are "prepared to make personal sacrifices to make an impact on issues they care about, whether that's paying more for a product, sharing products rather than buying, or taking a pay cut to work for a responsible company."

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Exceeding 80 million in population, and accounting for about one trillion dollars of total consumer spending in the United States, it's no wonder that businesses are now scrambling to appease the demands of this up and coming consumer base.

Effective Social Media, Effective CSR Branding

So how exactly can companies show consumers that they are good global citizens? The key lies in the one thing millennials do best: social media.

Just like how a single Facebook post seems to make or break a high schooler's social reputation, corporate social media similarly functions as a double-edged sword for a brand's relationship with its customers. If a company uses social media to send out messages to the public, but does not pay attention to followers' responses, it risks shutting out the consumers' voices and ignoring any major complaints or problems. Additionally, millennials are also masters of online surveillance – taking note of every mention, like, or tag a brand's social media page receives. The innate transparency of social media allows participants to access a greater understanding of businesses. If a business slacks on properly maintaining its social media profile, it will soon fall victim to critical millennials who have noticed a lack in response, engagement, and interaction.

However, if used correctly as a two-way communication system, well-maintained social media pages can increase transparency in business operations and help attract loyal millennial customers. Rather than only using social media to talk about promotional information, taking the time to instead listen to what customers are saying and analyzing the demographic of their followers online will allow businesses to learn what kinds of social issues their audience may care about. By consistently advocating for these causes online and opening up honest dialogue with followers on social media, brands can publicly demonstrate both authenticity and their genuine devotion to making the world a better place.



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