

CSR Online Awards Survey 2010: Time to get real-time and personal

8 September 2010

The immediacy and intimacy created by the online environment – and by social media in particular – mean stakeholders expect corporations to communicate non-financial information on a more real-time and personal basis. This picture emerges clearly in Lundquist's CSR Online Awards Survey 2010.

The study, which focused this year in particular on online stakeholder engagement, asked more than 250 people who work regularly on corporate responsibility and sustainability issues how they use the internet to get information and exchange views. CSR managers and other company representatives were invited to respond to see how their responses differ from those of stakeholders.

The survey is part of Lundquist's CSR Online Awards, an annual research project assessing how companies use their corporate websites to communicate corporate social responsibility (CSR). The aim is to judge the quality of online CSR communications directly on the basis of stakeholder requirements.

Key findings

- >> Communication of CSR needs to move away from annual disclosure towards a real-time relationship: stakeholders want a regular flow of information, in variety of formats and media
- >> Only a quarter of respondents think annual CSR reporting is adequate with 38% saying infra-annual updates would be "very useful"
- >> Social media are emerging as an important space for discussion, dialogue and sharing information: but company officials are failing to grasp their importance
- >> A quarter of those giving feedback to companies use web-based chats, forums, social media and blogs – in line with those writing letters
- >> LinkedIn is the most popular social media platform for CSR with almost twice as many non-corporate respondents using it at least monthly for this purpose than Twitter
- >> More than a third of respondents are reading CSR-related blogs at least once a week
- >> Key information for website users includes environmental and social data, targets, code of ethics and supply-chain management

About us

Lundquist is a strategic communications consultancy in Milan, specialising in online corporate communications. Our consultancy services and research activities cover online financial communications, the corporate website and companies' presence in social media channels. We have particular expertise in the communication of corporate social responsibility, employer branding, copy editing and content strategy.

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About the survey and about the respondents

The Lundquist 2010 Online Stakeholder Engagement Survey was conducted to understand how CSR professionals – people who work regularly on corporate responsibility and sustainability issues – use the internet to get information and exchange views. Following the 2009 survey, which focused on the relevance of CSR information during the economic downturn, this year's study concentrated on how the internet can be used to enhance stakeholder engagement and on the role of social media.

A total of **256 people** answered the survey during May and June 2010, 39% more than for the 2009 survey. As last year, almost 30 nationalities were represented. About two-thirds came from continental European countries such as Italy, Germany and Switzerland. The UK and North America were represented with 12% and 11% of respondents respectively and other parts of the world the remaining 10%.

The study covered a wide range of job types, which can be broadly split between non-corporate and corporate roles.

Non-corporate respondents included **consultants** (17% of all respondents and mostly CSR/sustainability specialists), **university teachers, students and researchers** (15%), **analysts** focusing on Socially Responsible Investing (SRI) or environmental, social and governance (ESG) issues (5%), **journalists** (4%), investment managers and financial analysts (3%) and people working for **non-government organisations** (3%). Other categories made up the remaining 7% (fundraisers, civil servants, business owners, etc.).

Corporate respondents included **CSR managers or directors** (16% of total responses), **CSR communications managers** (7%) as well as other people working in CSR departments (8%) or other corporate functions (15%).

Overall, a third of respondents had worked for between three and five years in CSR with 37% boasting at least six years' experience in the field.

Survey respondents are generally intense users of the internet, and of corporate websites in particular, with more than two-thirds frequently turning to the web to find CSR-related information (37% every day, 29% several times a week). The proportion doing so every day jumped by 7 percentage points from last year (now at 37%). Half of those surveyed said they look at corporate websites for CSR information at least several times a week. Furthermore, 83% of respondents said they consider corporate websites a "primary" or "important" source of information (+8 percentage points compared with last year).

About the CSR Online Awards

The stakeholder engagement survey is a fundamental component of Lundquist's **CSR Online Awards**, which assesses the use of corporate websites to communicate CSR. The aim is to judge the quality of online CSR communications directly on the basis of stakeholder requirements.

The CSR Online Awards is headed by the '**Global Leaders**' classification, which assesses 91 of the biggest components of the Dow Jones Sustainability Index and its supersector leaders. There are country rankings for Austria, Germany, Italy, Switzerland and the UK.

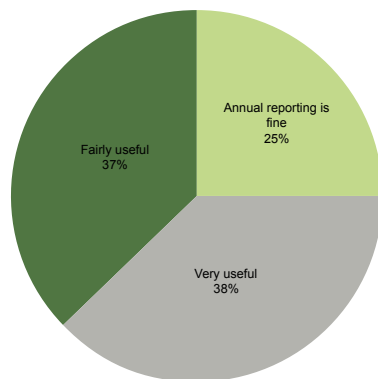
Websites are assessed using a protocol of 77 criteria (76 in 2009). Answers to the survey (excluding CSR managers and other corporate 'insiders') are analysed to revise existing criteria, create new ones and to calibrate the allocation of points so as to reward sites that best respond to user needs.

The growing role of online engagement

One clear trend to emerge from the survey is how respondents are keen to have a more continuous flow of information from companies about their non-financial performance. This reflects how the internet has forced people to operate in a real-time information environment. Annual CSR reports need to be supported with on-going communication and companies need to adopt a range of online channels for engagement, including social media.

Professionals prefer to be updated on a regular basis rather than receive in a once-a-year report. Only a quarter of non-corporate respondents are content with annual CSR reporting and 38% say infra-annual updates would be “very useful”.

Usefulness of infra-annual updates on significant ESG developments
 (% of 130 non-corporate respondents)



Source: Lundquist CSR Online Awards 2010

To be sure, viewing or downloading a report remains the principal reason respondents use corporate websites. But users are going online almost as often to get **news** and **updates** or to **access data** such as key performance indicators (KPIs). Furthermore, almost a third of respondents maintain that websites are more updated than reports. A quarter say that reports and websites are equally authoritative, with another quarter saying the difference depends only on the degree of assurance provided. Only 18% claimed CSR reports provide the definitive source of information.

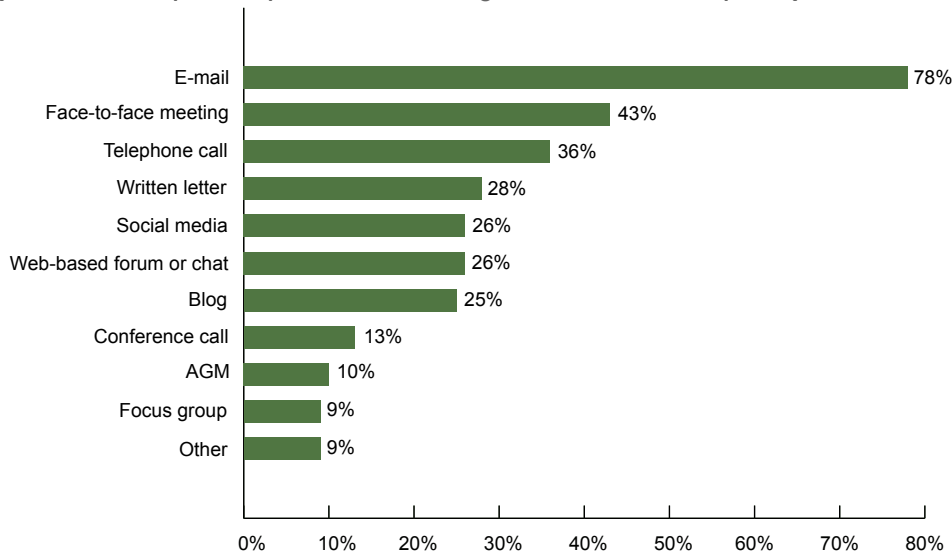
There is also a growing tendency, particularly among non-corporate respondents, to use “**interactive**” functions of corporate websites such as finding contact information, posting comments and seeing feedback from other stakeholders. More than 18% of non-corporate respondents say they use websites for these purposes (compared with 9% for corporate respondents).

Just over half of respondents said they have submitted feedback to a company at least once and the most common channel is **email** (72% of those who have submitted feedback, rising to 78% for non-corporates). However 36% of respondents and 46% of non-corporate respondents declared to have emailed a company about CSR issues and failed to get a response. This suggests that the **simplest and most-used form of online engagement isn’t working**.

It is worth noting how many non-corporate people say they have used online channels for engagement and feedback, such as **web-based forums and chats** (26% of non-corporate respondents who say they have submitted feedback), **social media** (26%) and **blogs** (25%). These figures are in line with the proportion sending **written letters** (28%). This is not to say, however, that traditional channels such as **face-to-face meetings** (43%) and **phone calls** (36%) do not remain important. Indeed, the survey provides evidence for how companies must deal with both the internet savvy and those less familiar with online environments. More than a third of respondents (37%) claim they are reading CSR-related blogs on a weekly basis but almost half (46%) say they hardly ever or never consult them.

Feedback & engagement channels

(% of 70 non-corporate respondents who have given feedback to companies)



Source: Lundquist CSR Online Awards 2010

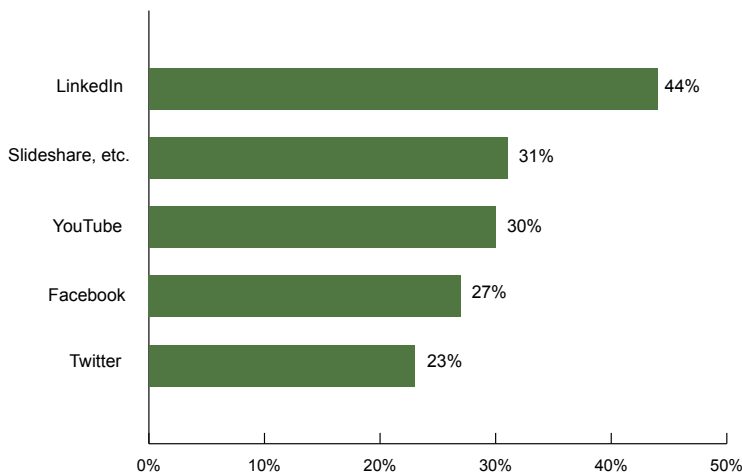
Getting social media into perspective

Social media such as LinkedIn and Facebook are becoming an interesting space for a substantial minority of CSR professionals, along with blogs. But it is important to distinguish which channels are being used most in the CSR and sustainability space and what users expect of corporate activity in social media.

Among the main platforms, **LinkedIn** is used at least weekly by a quarter of all respondents, more than **Facebook** (16%), **Twitter** (14%) and **YouTube** (13%). On a monthly basis, 44% of non-corporate respondents say they use **LinkedIn** for CSR purposes followed by document-sharing sites like **Slideshare** (31%), **YouTube** (30%), **Facebook** (27%) and **Twitter** (23%).

Use of social media for CSR

(% of non-corporate respondents using each channel for CSR at least monthly, based on 133 responses)



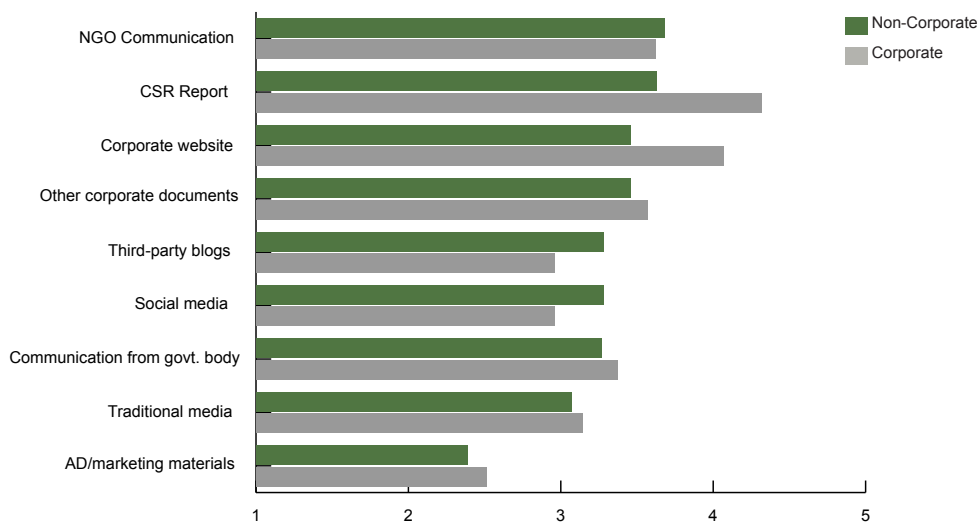
Source: Lundquist CSR Online Awards 2010

Still, social media is only the No. 4 preference for receiving company updates on CSR issues (after email alerts, press releases / news items on corporate websites and dedicated platforms for announcements such as CSRWire and corporateregister.com). Instead, non-corporate respondents look to social media to hear companies commenting and interacting rather than using them simply as another means of distributing information. They say that they want companies to use social media to answer stakeholder questions (54% of answers), share relevant third-party news/research/opinions/etc. (49%) and to publish case studies (42%).

When respondents were asked to rank various channels that might influence their opinions of a company's CSR performance, **social media was ranked either "strong" or "very strong" by 37% of people.** The equivalent score for blogs by third parties was 43%, both figures in line with traditional media such as newspapers and TV (39%) and communications from government bodies (44%). Importantly, non-corporate respondents give more weight to social media (43% felt a "strong" or "very strong" influence) and third-party blogs (47%) than their counterparts in the corporate world. They are also less swayed by traditional media (38%) and government bodies (41%).

Clearly, **primacy went to the CSR report** (voted as "strong" or "very strong" influence by 77% of respondents), closely followed by the corporate website (68%). But again, **non-corporates are less strongly influenced by these sources** – ranking them 63% and 55% respectively. On average, non-corporate respondents are most convinced by NGO communications.

Influence of selected communication channels on opinions of CSR performance
 (average ranking from 1-5, based on 244 responses)



Source: Lundquist CSR Online Awards 2010

Measuring the need for information

When it comes to the actual content companies publish on their corporate websites, users are clear about their needs: they want to see how firms are running their businesses in a sustainable and ethical way, how they aim to improve and credible evidence to back up any claims. Answers to this part of the survey were consistent between corporate and non-corporate respondents.

On the environmental front, most preferences went to relevant **data** (picked by 67% of respondents) and **targets** (58%) as well as **climate change strategy** (37%) – although non-corporate respondents also want to see a description of a company's **environmental management system**. As regards social information, users want to see **employee data** (57% of responses), information about responsible **supply-chain management** (54%) and **human resources or diversity policies** (36%).

Turning to governance, the **code of ethics** remains the top priority (selected by 65% of respondents) along with the **whistle-blowing procedure** for reporting violations (47%) and information on **risk management** (46%).

With regard to a company's CSR staff, users say it's more important to know where they are positioned in the corporate organisation rather than to have any contact information, a signal that this is a key way to check how seriously a company takes responsibility and sustainability issues. When it comes to getting in touch, though, personal email addresses and phone numbers are requested by the majority of respondents (56%).

Global Seminar in Online CSR Communications

Lundquist's second Global Seminar in Online CSR Communications will be held on Thursday 21 October 2010 at the UniCredit Conference Hall, via Tommaso Grossi 10, Milan, Italy. The event will feature

- >> international keynote speakers
- >> thematic workshops
- >> case studies by best practice companies
- >> expert discussion on all aspects of online CSR communications from online reporting to social media
- >> networking opportunities
- >> presentation of CSR Online Awards 2010

The event will be free of charge although space at the workshop sessions will be limited and open only to company representatives. Further details will be announced in the near future on www.lundquist.it/blog/

For further information

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