

Charitable Giving Cools as More Consumers Turn to Responsible Shopping as Way to “Give Back”

Benchmark Study Demonstrates Climb in Socially Responsible Spending; Lack of Knowledge Biggest Hurdle for Continued Growth of Social Enterprise

NASHVILLE, Tenn., April 8 – Consumers are choosing cause-based brands over charitable giving when they look to give back, according to a second annual benchmark study by Good.Must.Grow. (GmG), a socially responsible marketing consultancy.

In a poll of 1,010 Americans, 30 percent of consumers said they plan to increase the amount of goods and/or services they buy from socially responsible companies in the coming year, a modest uptick from 29 percent in 2013. Meanwhile, only 18 percent plan to increase charitable giving in 2014, a decline from 21 percent in 2013.

One in five consumers (19%) said they prefer to “give back” by purchasing socially responsible products, while another 39 percent preferred to split their giving between charities and cause-based brands. When asked to select reasons for preferring socially responsible purchases over charitable contributions, more than half (52%) said it was an easier way for them to give back consistently. Just under half (48%) also reported it was a more effective way to support positive change or make a difference.

“The line between charity and commerce is blurring for many consumers, thanks to increasing opportunities for socially responsible spending,” said Heath Shackelford, founder of Good.Must.Grow. “As a result, forward-thinking causes should be evaluating whether they can diversify their organizations so they aren’t solely dependent upon grants and donations.”

All signs point to continued momentum for brands that are centered on social impact. In addition to the planned increase in responsible spending, 29 percent of those surveyed said they avoided buying products from a company specifically because it wasn’t socially responsible. This is up from 25 percent who reported the same activity in 2013.

The growth of conscious consumerism could be further amplified if the “good choice” was a little easier for shoppers to make. While 62 percent said buying goods or services from socially responsible companies was important, only 33 percent actively sought out such companies. When asked what prevented them from buying more socially responsible products in 2013, almost half (45%) cited that knowledge was a key issue, meaning they did not know how to find socially responsible products, or which products were actually socially responsible. This outranked availability, price, quality, selection and trust as potential roadblocks to conscious consumption.

“The Good.Must.Grow. research shows that we need to be doing even more to celebrate and promote people who are using business as a force for good,” said Jay Coen Gilbert, co-founder of B Lab, the nonprofit organization that certifies B Corporations and governs

the B Impact Assessment. “As a community, we have to speak with one, unified voice to make socially responsible products and services easier for consumers to identify and support.”

Conscious Consumer Spending Index On the Rise

Overall, GmG saw the Conscious Consumer Spending Index (#CCSIndex) climb slightly to 68 on a 100-point scale, up from 65 in 2013. The #CCSIndex is a score calculated by evaluating the importance consumers place on purchasing from socially responsible companies, actions taken to support such products and services, and future intent to increase the amount they spend with responsible organizations.

But as in last year’s report, even the most altruistic consumers are susceptible to a good deal. More than half (52%) said they would be more likely to purchase a product from a store that offered them a “buy one get one” special, versus a store making a donation to charity on their behalf (22%) or a store giving away the same product they purchased to those in need (18%).

Other findings:

- In 2013, 29 percent of consumers planned to increase their socially responsible spending. In 2014, 22 percent reported increased spending in this area, which means 75 percent followed through on their intentions to do more good.
- The #CCSIndex also measured activity across four regions (Northeast, Midwest, South and West). The Midwest led the way with an index score of 73, while the South finished last with a score of 62.
- An overwhelming majority (90%) of consumers reported “being green” in the past 12 months, while 79 percent reported reducing consumption (gas, energy, overall purchasing)
- Fewer consumers are trusting traditional advertising as a source for determining whether a company is socially responsible. In 2013, 29 percent cited advertising as an evaluation tool, while in 2014, that number has dropped to 22 percent.
- When evaluating whether or not a company is socially responsible, how the company treats its employees remains the most important factor with 45 percent rating it as very important. This was followed closely by the company's impact on the environment (40%).
- When asked which entity was most effective at making positive changes in society, 73 said nonprofits and 72 percent rated individuals as being very or somewhat effective. Social enterprises (56%) edged major corporations (55%) and outpaced local government (44%) and the federal government (36%). Joint efforts between government, corporations and nonprofits came in at 60 percent.

About the Survey

This study was conducted in partnership with Supportive Research Solutions and What They Think Research. Sampling was provided by ResearchNow. Data was collected February 20 – May 10, 2014. In total, 1,010 Americans were surveyed. Margin of error is +/-3%.

About Good.Must.Grow.

Good.Must.Grow. provides strategic marketing support for socially responsible businesses, nonprofit causes and organizations that are focused on health + wellness. We want to be part of a revolution that drives societal change by sparking increased charitable giving and community involvement as well as unprecedented levels of corporate social responsibility. Proud to be a Certified B Corp. See how we're #GrowingGood at <http://www.goodmustgrow.com>.