

Do good and talk about it

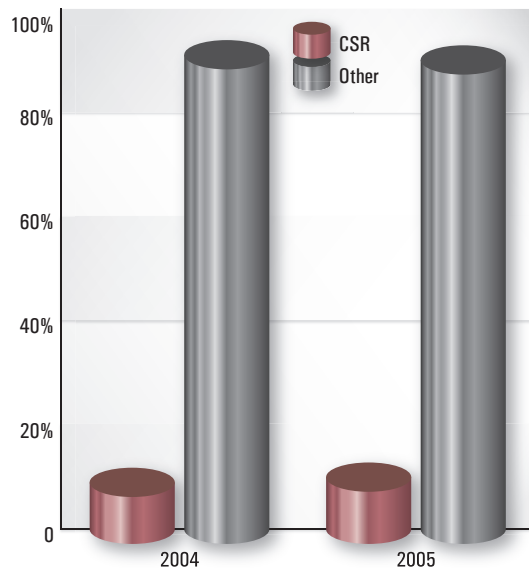
Which corporations capitalize image on CSR?

Research Link:
www.csrgermany.de/www/CSRcms.nsf/ID/home_de

In Germany, the socially and environmentally responsible behavior of companies is considered to be important and necessary. Yet the communication environment for companies is difficult. The **Media Tenor** analysis shows: Coverage on Corporate Social Responsibility (CSR) in the opinion forming German media is rare and predominantly negative. Journalists decide what is covered, because company representatives are rarely heard on CSR-related topics. Nevertheless, some companies manage to capitalize on this coverage.

“The term Corporate Social Responsibility is woolly” was the headline of the **FTD** in December 2005 in an editorial supplement on this issue. It is hard to elucidate – not only economically. Even the definitions are wide-ranging and often nebulous. It therefore makes sense to analyze the

1 Difficult environment – low attention for CSR



Percentage share of CSR-relevant topics to company coverage

Source: Media Tenor
 01/01/2004 – 12/31/2005

Basis: 236,579 reports about companies/managers

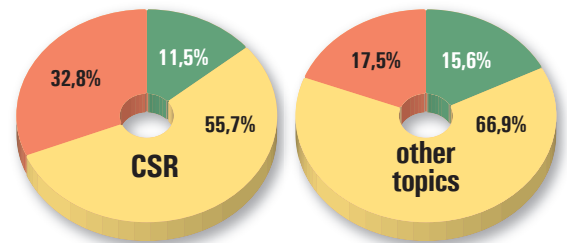
coverage in opinion forming mass media with the help of a narrower set of topics: social responsibility and commitment, ethical guidelines for the treatment of employees (excluding coverage on hiring and firing) and stakeholders, environmen-

tally friendly products and production processes as well as transparent remuneration of executives and accounting.

Difficult communication environment CSR

All in all, such topics played a minor role in the company coverage of the opinion forming German mass media. In 2004 and 2005, about 10% of all passages on companies and managing executives were identified as strictly CSR-relevant (**graph 1**). While general company coverage was relatively balanced, CSR topics created a strongly negative environment (**graph 2**). In the past year, discussions initiated by politics played a primary

2 Difficult environment – assessments of CSR-relevant topics



Assessment of CSR-relevant topics in company coverage

Source: Media Tenor
 01/01/2004 – 12/31/2005

Basis: 236,579 reports (at least 5 lines/sek.) about companies/managers

role: Examples are the so-called “locus debate”, criticism of capitalism and globalization, the Tobin tax or the call for socially responsible management with regard to creating and keeping jobs in Germany. Other issues were the VW scandal, the debate on particulate matter, the treatment of employees and goods in food discounters or general articles on state influence (i.e. **Der Spiegel**, July 4th 2005).

Companies communicate reactively

The **Media Tenor** analysis shows that, when it comes to all these potential crisis areas, companies communicate rather passively. In 2005, company executives were quoted in 32% of the general coverage by the opinion forming German media. Thus they had a great influence on their media image. When it comes to CSR-related topics, however, the share of own statements was just under 22% (**graph 3**). In this case they rather left it to the journalists or others to present their point of view.

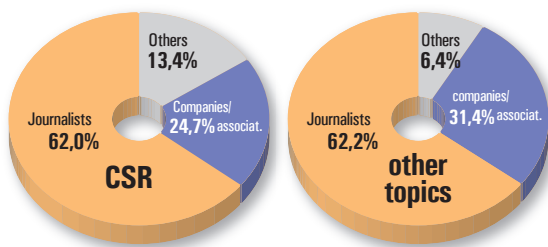
Best practice in presence and assessment

Despite the difficult environment in the past year, there were companies that managed to capitalize on CSR-related topics, both with regard to visibility (at least 50 passages in 12 months) and evaluation (average assessment >=0) (graph 4). Among those, Porsche and Adidas excelled with an overall strong presence and predominantly positive assessments, as well as a high share of CSR-related criteria to the general reporting (Porsche 16%; Adidas 16%; average 12%).

Porsche succeeds in CSR communication

If it is a company's sole responsibility to maximize profits – to paraphrase Milton Friedman – then Porsche could certainly be considered responsible in the past year. But the automobile maker also scored with

3 Do good and do not talk about it – CSR with a low share of the media image



Share-of-Voice of companies and managers regarding CSR-relevant topics

Source: Media Tenor 01/01/2004 – 12/31/2005 Basis: 236,579 reports (at least 5 lines/sec.) about companies/managers

CSR topics, focussing on both benefits for its employees and the quality of its products. The issue of disclosing executives' pay and the discussion around Ferdinand Piëch's conflict of interest as co-owner and member of the VW supervisory board were on the critical side. Yet Porsche managed to counteract this with a share of 28% own authorship of CSR-relevant topics.

Adidas: From CSR scandal to exemplar

In 1998, the production of soccer balls in Chinese prison camps caused an image debacle for Adidas – even though they turned out to be counterfeit. But the company has learned from the crisis. CSR-related topics contribute to its positive image. A lot of this is certainly due to successful sponsoring, which generated most of the positive assessments in the relevant topic group, thus giving a strong third-party endorsement (share-of-

voice Adidas: 23%; third-party: 24%). However, topics such as company ethics were also assessed positively.

4 Shadow and light – best practice in CSR communication

Name	Neg.	0/eind	Pos.	Basis	Diff
EADS	45	150	68	263	8,75
Allianz	23	200	28	251	1,99
Porsche AG	11	115	36	162	15,43
BASF	20	110	20	150	0
Ford	19	58	25	102	5,88
Deutsche Post	16	60	19	95	3,16
Adidas AG	7	50	22	79	18,99
Toyota	3	32	32	67	43,28
Axel Springer AG	10	38	10	58	0
SAP AG	6	39	9	54	5,56
Intel	11	29	13	53	3,77
Apple	9	24	18	51	17,65
ProSiebenSAT.1 Media	8	35	8	51	0
Aldi	4	35	11	50	14
Bayer	9	26	13	48	8,33
Vodafone	5	29	12	46	15,22
Goldman Sachs	1	30	7	38	15,79
Henkel	4	29	5	38	2,63
Samsung	3	16	15	34	35,29
Bertelsmann AG	1	27	5	33	12,12
Philips	2	25	5	32	9,38
Peugeot	3	11	17	31	45,16
Toll Collect	6	12	12	30	20

Companies with positive assessments and a minimum presence of 50 passages on CSR-relevant topics

Source: Media Tenor 01/01/2004 – 12/31/2005 Basis: 236,579 reports about companies

Even in a difficult environment, the communication of value-oriented management supports a company's image. After all, the virtue of silence can be overrated. rgd

Basis:

Media: Welt Frankfurter Allgemeine Zeitung, Frankfurter Rundschau, Süddeutsche Zeitung, ARD Tagesschau/Tagesshemen, ZDF heute/heute Journal, RTL aktuell, SAT.1 News, Prosieben Newstime, Spiegel, Focus.

Timeline: 01/01/2004 – 12/31/2005

Analysis: Analysis of all reports (at least 5 lines/sec.) about companies and managers

Cautious on CSR – when it comes to value-oriented management, companies become subdued.