

Future
Business
Partnership

BenchSpark

Brand ethics and consumer interest during Lockdown

Insights from web analytics



introduction



Winning customers during Lockdown

Consumer attitudes towards social and environmental responsibility are in constant evolution, even in the best of times... but what about during a global pandemic?

In March and April 2020, Covid-19 forced governments across Europe to introduce unprecedented economic and societal lockdowns. With entire populations encouraged to stay indoors or remain socially distanced, we all faced sudden concerns over our health, livelihoods, our economy and our way of life. We at the Future Business Partnership and BenchSpark became aware of a growing concern: Could it be that in difficult times like these, corporate social responsibility might take a backseat to matters of profit and survival?

This report demonstrates the opposite.

With the vast majority of the European population spending time at home, online activity spiked. Data on **social media engagement, customer sentiment, press coverage and search engine interest**, all point to the importance of a brand's genuine commitment to social responsibility in attracting positive interest.

Clearly many brands gained some attention by launching ad-hoc, or one-off social initiatives during lockdown e.g. supporting frontline hospital workers or donating to food banks.

However, our data shows that it is in fact those brands which even before lockdown have *always* demonstrated an authentic social purpose (e.g. "B Corps"), which benefited from by far the largest uplift in positive interest.

Whilst all businesses in our data set which launched an active social initiative benefited from some extra traction, this was always to a lesser extent if they had not done much of this previously. Consumers clearly recognise authenticity and consistency and it does play a role in gaining their trust.

We recognise these online indicators are just proxies for customer goodwill. But whilst they are not equivalent to booked revenue, these factors have always been a measure of success in building a resilient brand. In times of adversity, when people feel a shared purpose and camaraderie, the benefit of their goodwill cannot be taken for granted. We expect that the small snapshot provided by this report will be indicative of a greater movement to come.

Communities favour brands who align with their values, on an authentic level, in good times and in bad.



methodology

This report, a collaboration between the Future Business Partnership and BenchSpark, explores how businesses with an authentic focus on people and planet have benefited from greater customer attention during lockdown. To identify these businesses objectively, we've chosen to analyse "B Corps" versus their competitors.

B Corps, or "Certified B Corporations" are businesses that meet high standards of verified social and environmental performance, public transparency and legal accountability to balance profit and purpose. The certification and verification is performed by an independent non-profit organisation, B Labs. Today around 3,300 B Corps across the world are accelerating a shift to redefine business and build a more inclusive and sustainable economy. They are using business as a force for good to address social and environmental problems. Many of them are familiar household names such as Body Shop, Patagonia, Ben & Jerry's and Innocent Drinks.

Here we analyse 40 different B Corp consumer brands in Europe. To compare them to their most prominent "Non-B Corp" competitor, we've selected the top-ranking brands across Google Shopping, Amazon and eBay when searching for their product type. The results show a stark contrast.

about us

**Future
Business
Partnership**

BenchSpark

The Future Business Partnership is a sector-focused team with hands-on expertise of investment in consumer businesses, in sustainability and in company-building.

We aim to be the shareholder of choice for sustainable consumer brands and their suppliers, scaling profits, improving performance, and boosting positive social and environmental impact.

We are reputationally compatible, mission-aligned, ethically certified, and offer private capital and relevant expertise to companies who want to preserve and enhance their ability to deliver on their mission.

It's sustainability without sacrifice; It's growth without compromise. We believe it's the future of business.

To see how we do it, please visit us at futurebusinesspartnership.com, or contact any of us via LinkedIn.

BenchSpark helps investors and consumer brands to identify, quantify, and execute value creation opportunities in digital commerce:

Firstly, we are digital advisors to private equity investors in the middle-market and lower-middle-market, working through the investment cycle from origination to exit.

Secondly, we are consultants to forward-thinking consumer brands and retailers, driving digital strategy, business transformation, sales growth and profitability.

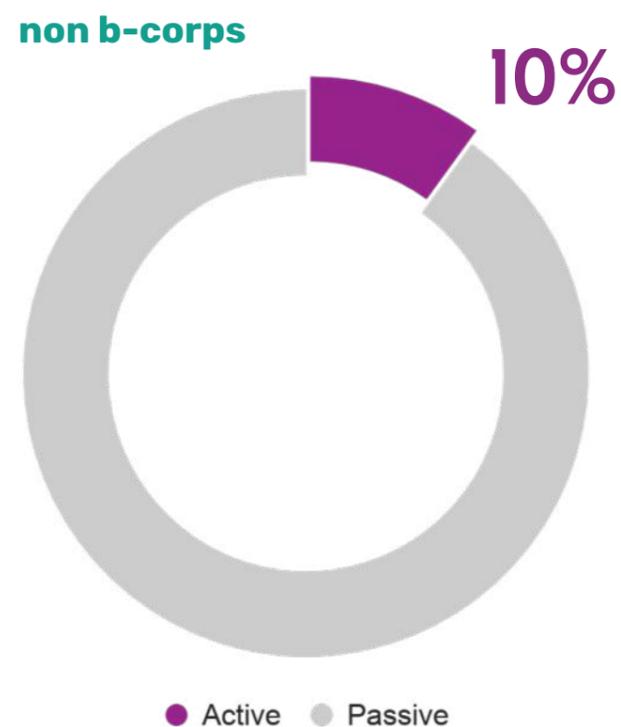
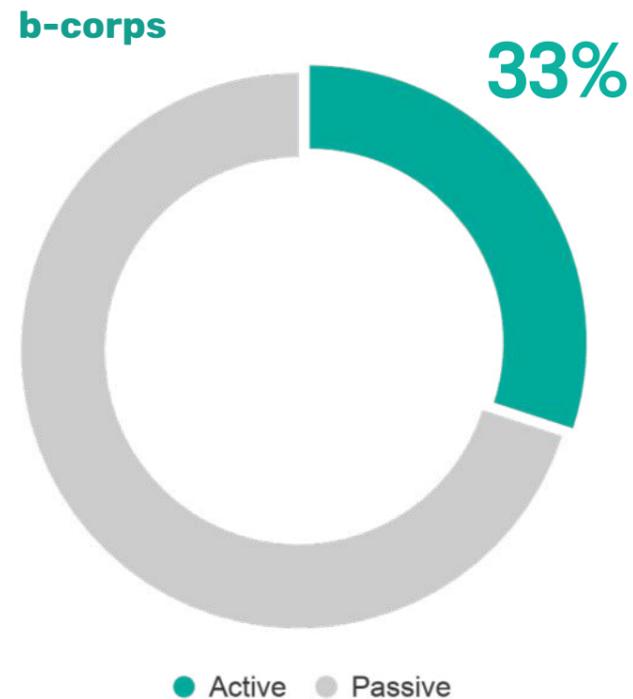
Thirdly, we are business partners to entrepreneurs and multinationals alike, incubating valuable digital brands and profitable online businesses.

BenchSpark is uniquely placed to do this because we are operators above all else. Our people are from industry rather than consultancies or agencies, with an approach rooted in experience rather than theory.

Talk to us at benchspark.com



A third of B-Corp brands held an "Active" social initiative during lockdown



33% of the B-Corp brands we analysed held an "Active" social initiative during the analysed lockdown period of March 2020.

Examples included brands providing discounts and free products to healthcare staff and key workers, charity donations and supporting the hospital supply chains.

During the same period, just 10% of Non B-Corp brands held an active social initiative.

Terminology

Pre-lockdown
February 2020

Lockdown
March 2020

Active
Held a social initiative during March 2020

Passive
Did not hold any social initiative during March 2020

initiatives

discounts for key workers



donations to charity

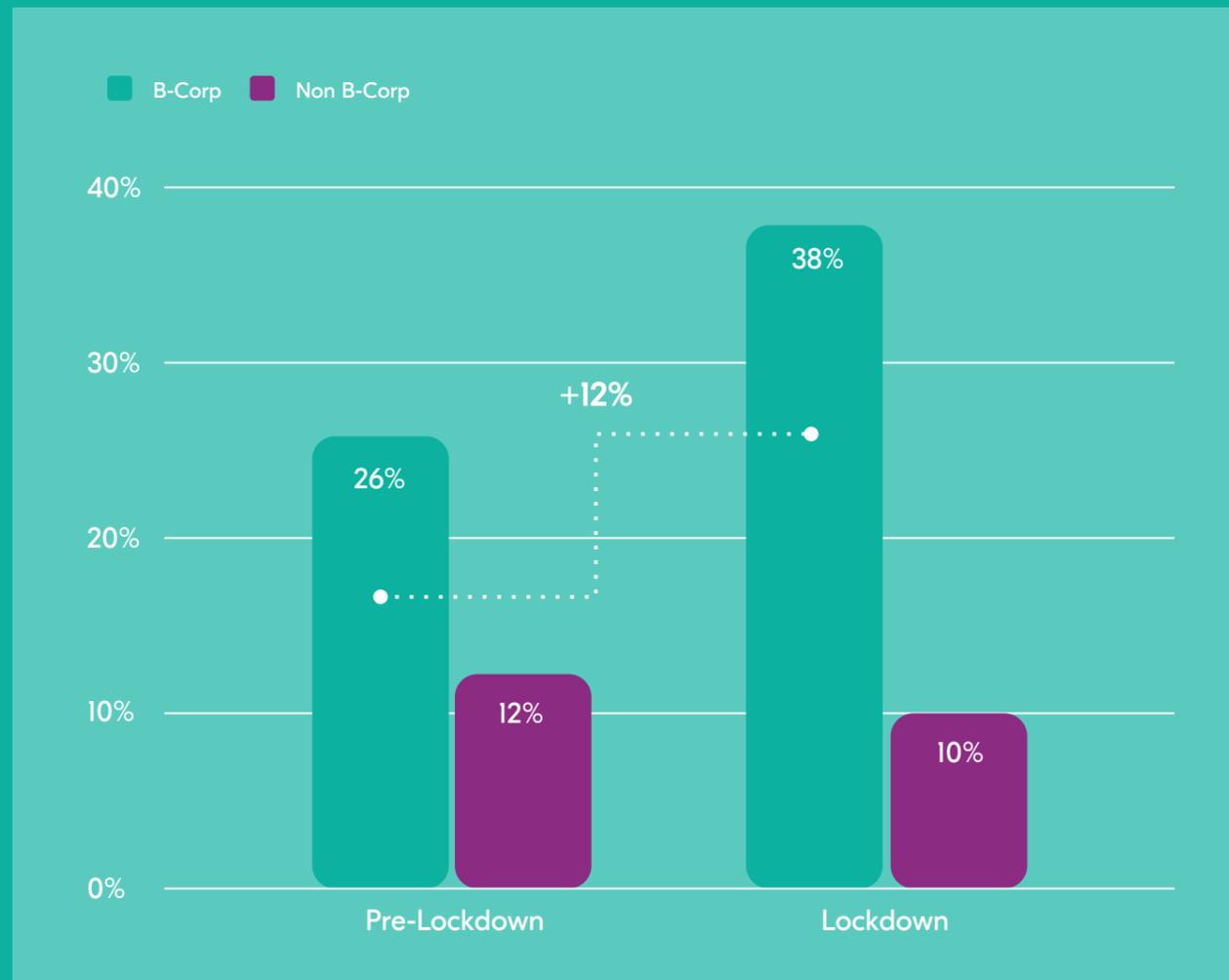


supporting the hospital supply chains



sentiment

During lockdown, B-Corp brands benefited from a 12% increase in Net Positive Sentiment across social media platforms



Over the same period, Non B-Corp brands experienced a 2% decline in net positive sentiment. (% positive comments, less % neutral and % negative)

All brands that held an active social initiative during lockdown benefited from a greater volume of comments and increased positive sentiment

All brands that held an active social initiative elicited more positive sentiment whether they were B Corp or not.

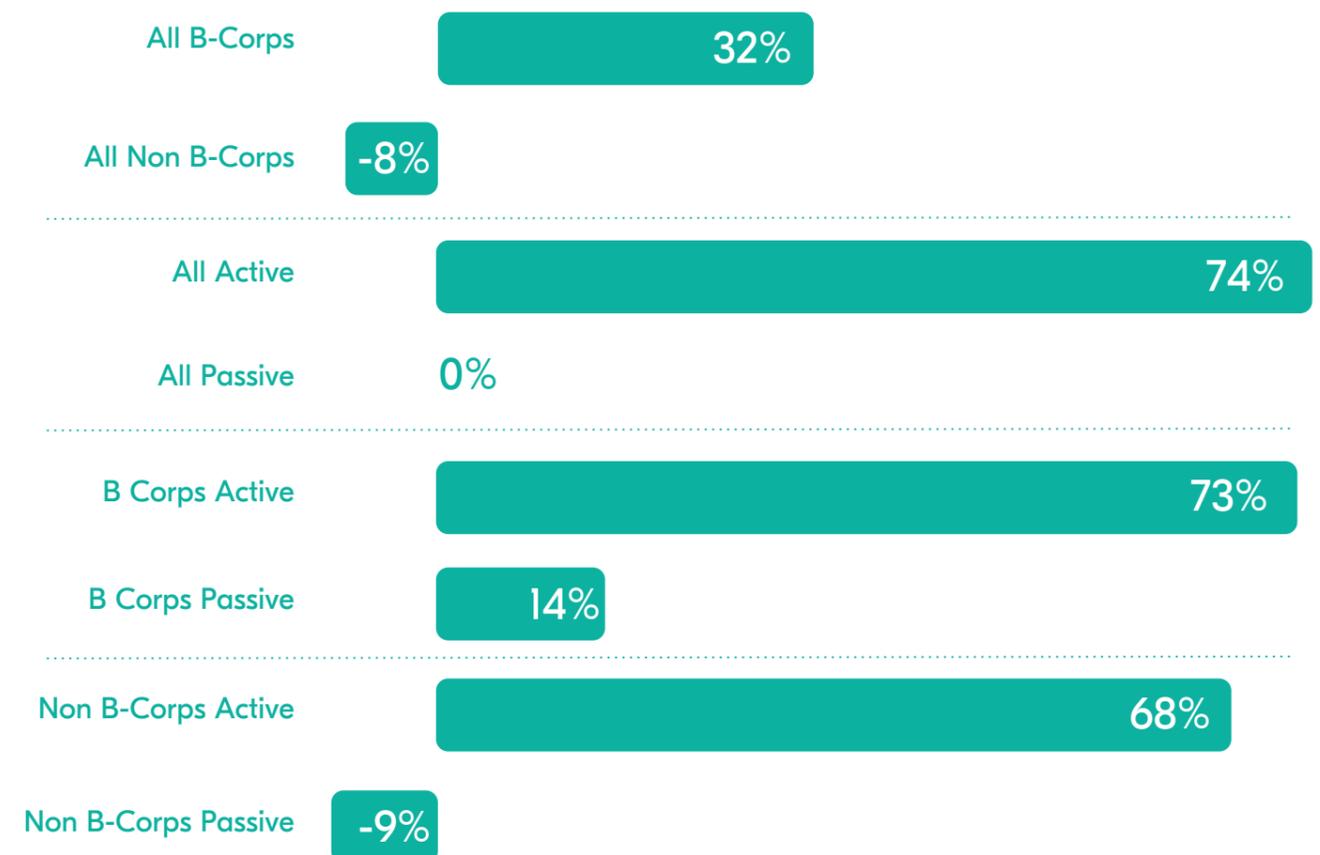
All the active brands also saw an increase in the volume of comments during the lockdown period, with the most significant being for the Non-B Corps that took an active social stance.



online PR



All brands that held an active social initiative benefited from increased press coverage from high quality media publications. B Corps benefited from increased coverage whether they held a social initiative or not.



Terminology: Pre-lockdown February 2020, Lockdown March 2020, Active Held a social initiative during March 2020, Passive Did not hold any social initiative during March 2020.

Press coverage is measured by the number of online articles linking to a brand's website from publications such as BBC, New York Times, Huffington Post, The Telegraph, Daily Mail, Independent and BuzzFeed.

search volume

B-Corp brands saw a greater increase in the volume of searches for their brand online

Whilst in lockdown consumers spent more time on digital platforms, and searches for brands have increased across the board.

As expected, brands that held a social initiative saw the greatest increase in searches, whether B Corp or not; B Corps that did nothing performed better than their Non B Corp counterparts.

Increase in brand searches on Google

All B Corps	24%	VS	All Non B Corps	13%
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All Active	49%	VS	All Passive	9%
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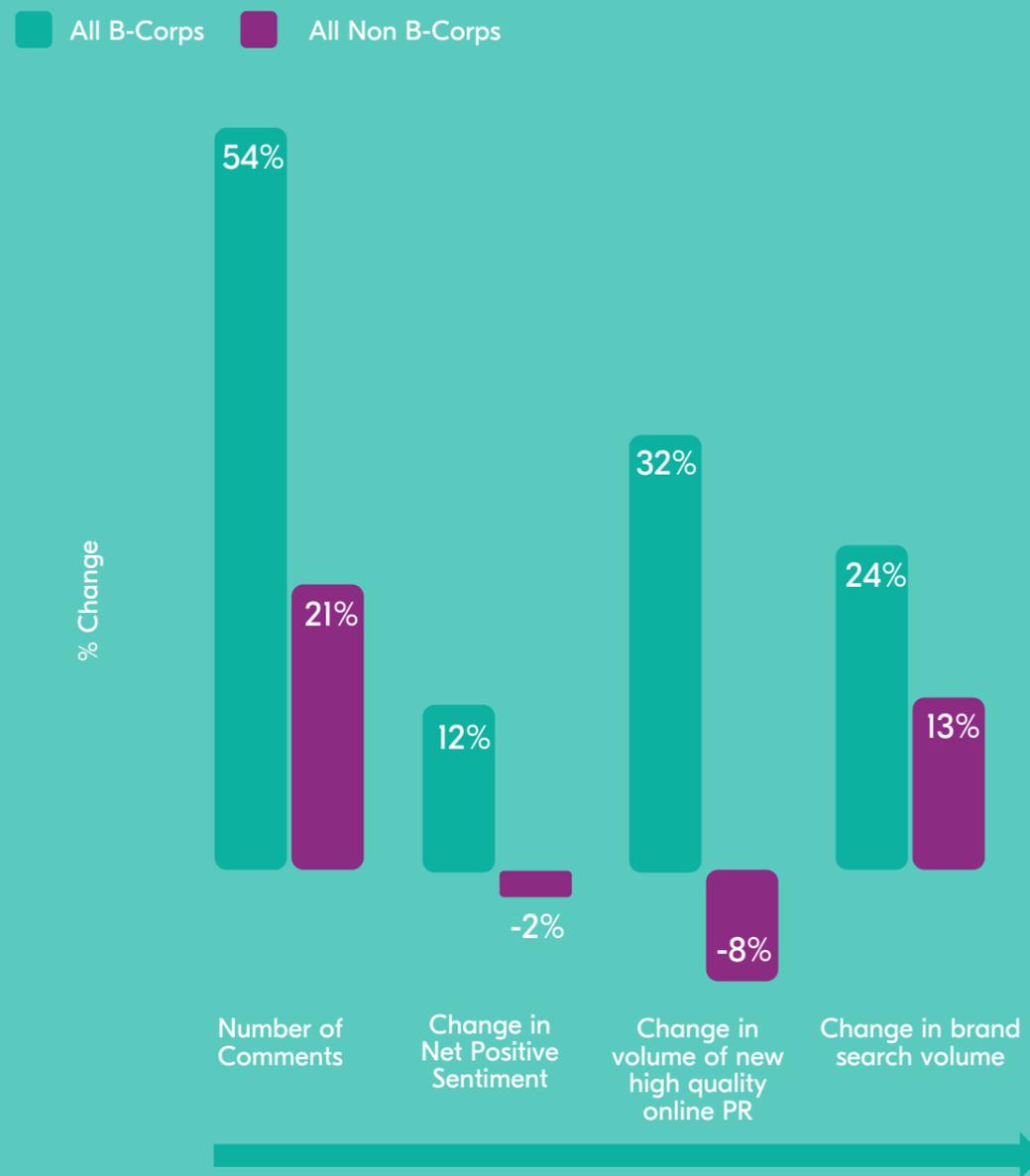
B Corps Active	39%	VS	B Corps Passive	11%
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Non B Corps Active	23%	VS	Non B Corps Passive	9%
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conclusion

B Corps performed better than Non-B Corps across every metric



During the lockdown period, B Corps across Europe saw a greater increase in the number of comments from consumers, the positive sentiment of those consumers, the amount of press coverage from high quality media outlets, and the volume of queries on major search engines.

B Corps were more likely than their counterparts to hold a social initiative, which partly explains the difference in consumer engagement, however even those B Corps that were passive during the period benefited disproportionately from increased activity, coverage, and sentiment.

This analysis is only a snapshot in time, but we believe it is symptomatic of a wider movement.

Many commentators have suggested that the Covid-19 lockdown marks an acceleration in consumer trends; for example the trend towards online vs brick-and-mortar, or towards wellness vs possessions. We believe that an increasingly informed wave of consumers also desire ethical solutions to their growing environmental and social concerns; not just from their governments but also from the businesses with whom they interact.

Covid-19 has shown more than ever how interconnected our way of life can be, and how vulnerable to external shocks. In this moment of even greater uncertainty and concern, this attention on ethical brands seemed to accelerate.

In the past business has been seen as part of the problem. But those businesses that can become part of the solution will be rewarded.