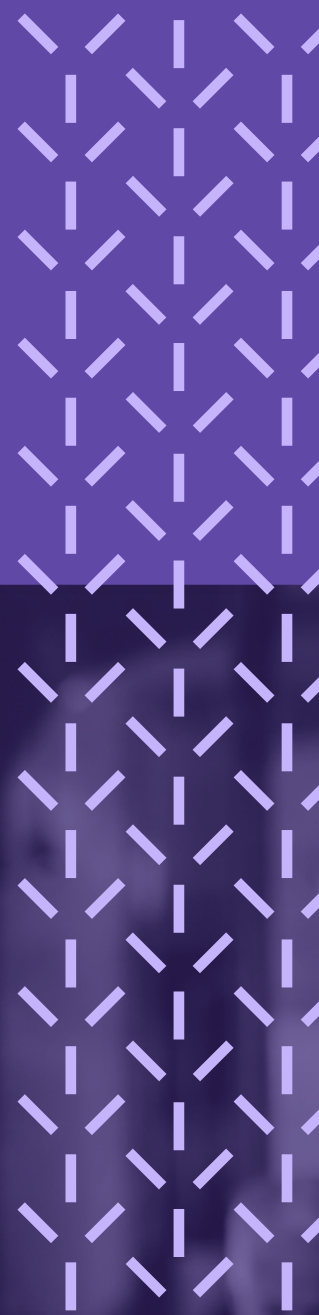


Business ethics in Britain






☰ YouGov analysis of consumers and corporate reputation



YouGov[®]



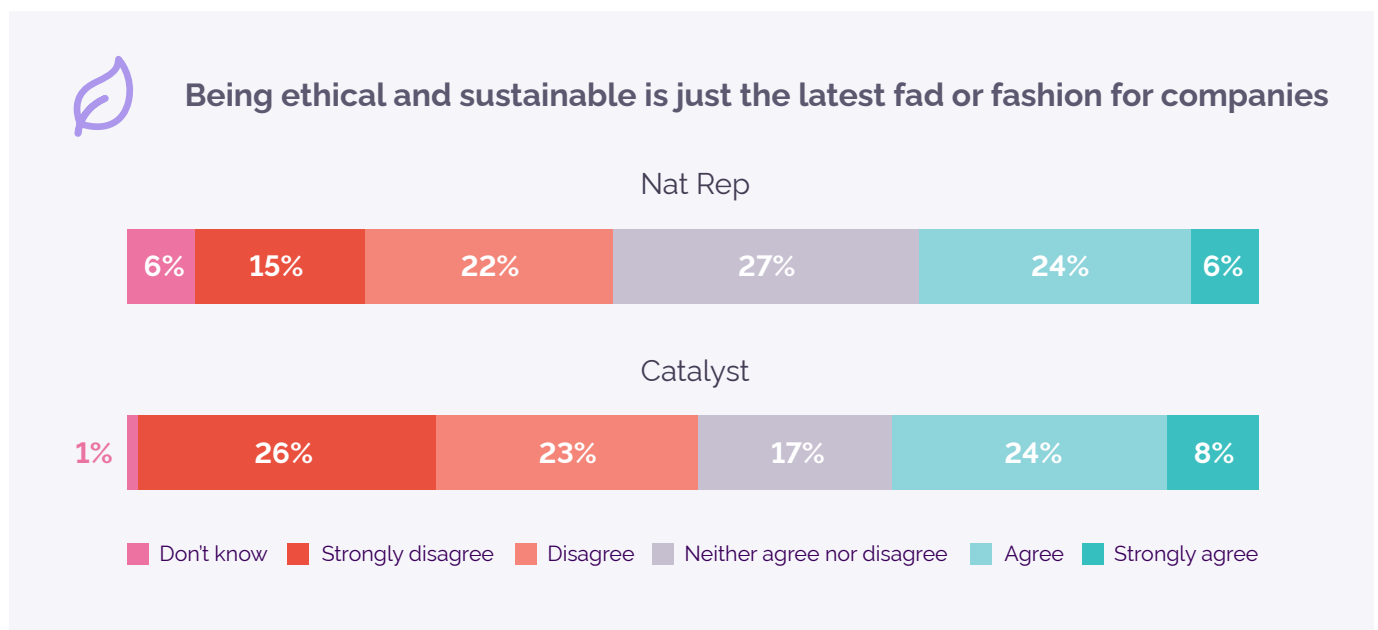
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Introduction

Whether they're selling cruelty-free makeup, lower-emission flights, or trainers made from recycled ocean plastic, businesses are doing whatever they can to appear ethical and sustainable. But do the public think they're sincerely trying to reconcile principle and profit – or cynically cashing in on consumer guilt?

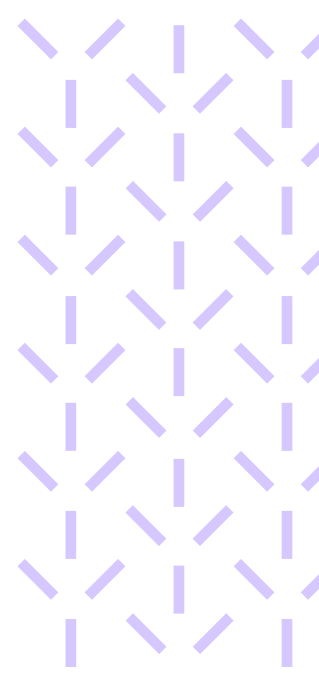
New YouGov research indicates that, while six in ten Brits (62%) like it when companies have a moral message, three in ten (30%) believe they treat ethics and sustainability like the latest fad. Businesses that make good-faith attempts to promote charitable, environmental, and inclusive causes could find that many consumers don't take their efforts seriously.



Even if consumers don't think companies treat moral concerns as a fad, it's not necessarily their overriding priority: only 6% of Brits consider ethics and values to be their top priority when shopping for grocery products – compared to 45% who prioritise price.

But it's a different situation among the most influential group of consumers: the "catalysts" who drive change in society – to the potential advantage or disadvantage of companies.

This paper focuses on how this group and the general public understand ethics in business. It uncovers the concerning corporate activities that can damage reputations and make or break buying decisions; the influence managers can have on public perceptions of their companies; and whether consumers are ultimately willing to pay more for brands that appear ethical and sustainable.

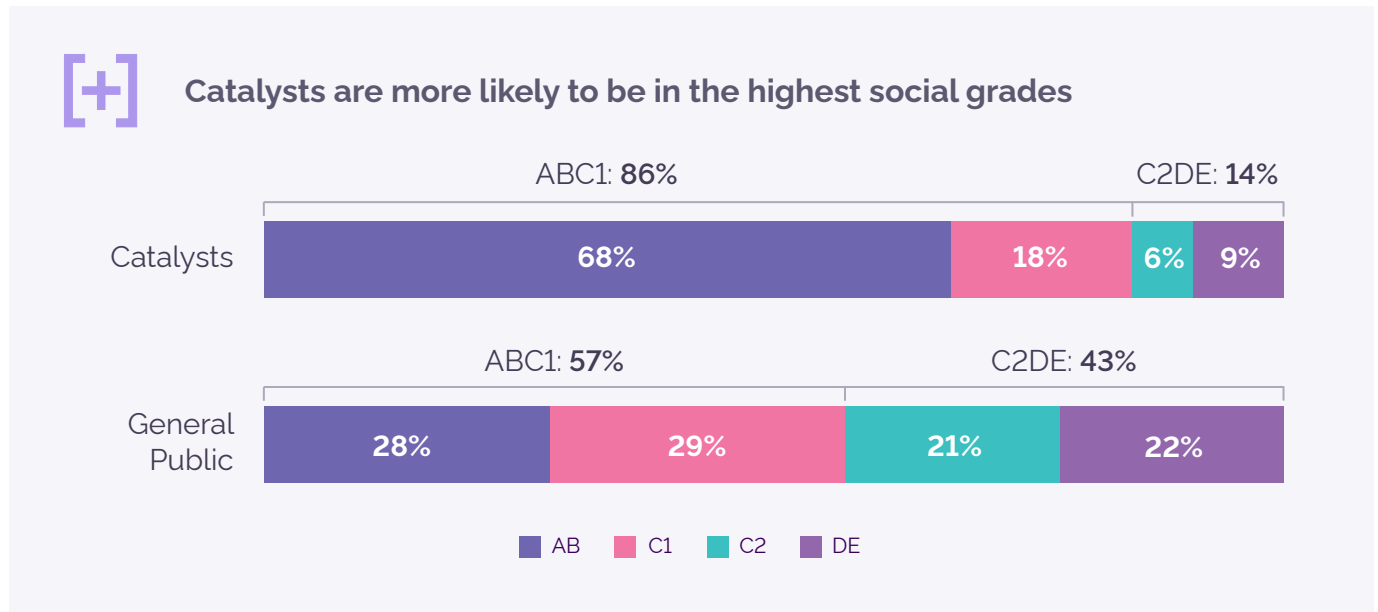


01 | The catalysts

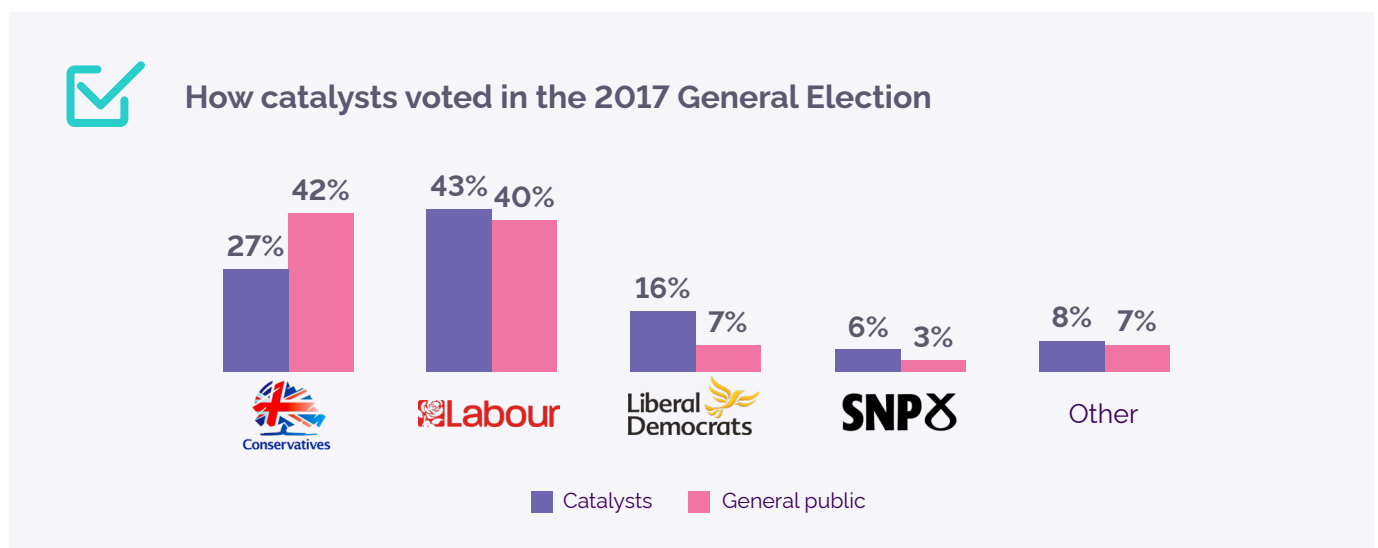


Who are the catalysts?

Catalysts instigate change at all levels of society. They're more likely to proactively support the causes they care about than the general population, and are therefore more likely to have an effect – whether it's positive or negative – on companies that have caught their attention. Beyond their individual power, they're highly connected and potentially more likely to sway hearts and minds in their communities. But who are they?



Catalysts are overwhelmingly likely to be members of the ABC1 social grades (86% vs. 57% of the public) and over two thirds (68%) are in the highest AB brackets – so it's not surprising that they're also significantly more likely to have postgraduate (34% vs. 7% of the public) or undergraduate degrees (29% vs. 20%). Their favourite newspaper is The Guardian (31% vs. 4% nationwide), with The Times and The Daily Telegraph coming in a very distant second (11% vs. 4%) and third place (8% vs. 3%) respectively.



01 | The catalysts

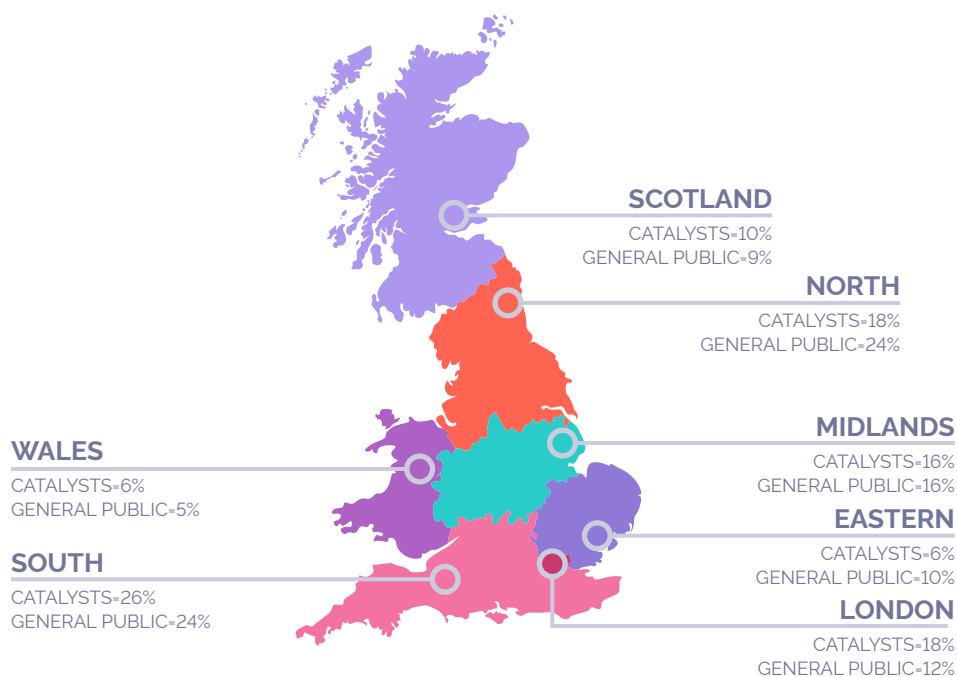
Politically speaking, they're more likely to be left-leaning Remain voters: almost two-thirds (65%) voted for Labour, the Lib Dems, or the SNP at the 2017 General Election, while almost three-quarters voted to stay in the EU (73%). Catalysts are also more active on social media, with 22% posting several times a day compared to just 14% of the general public – and they're less likely to be intimidated by technology.

Catalysts don't fit the typical activist profile

In terms of location, catalysts are distributed across the UK, with only a small skew towards London and the south; in terms of age, fully half of this group (50%) is 55 or over. Seven in ten (70%; 47% 'active', 23% inactive) are also "empty nesters" with grown-up children.

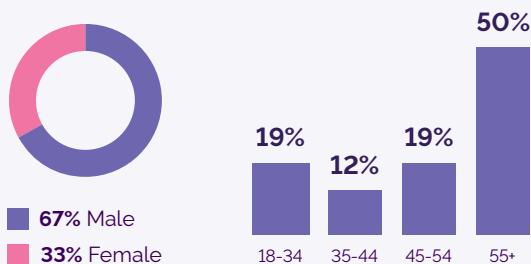


Who are the catalysts – and where can they be found?

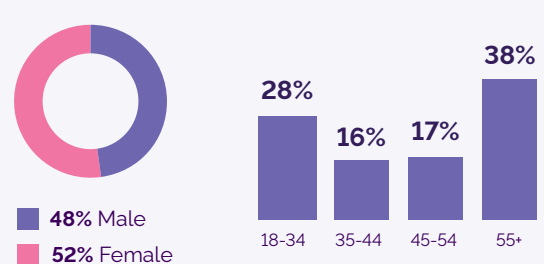


Base: All Catalysts (9,134); All general public (293,876)

Catalysts



General Public



01 | The catalysts

Catalysts are more likely to watch TV, read newspapers, and use social networks; are overrepresented in influential sectors such as business services, media/communications, technology, and the arts; and have higher incomes than the rest – and, as they're more likely to have grown-up children, perhaps fewer dependants.

So they're potentially powerful spenders, and outside of their raw purchase power, potentially powerful influencers. What's more, most are acutely aware of this power: over half believe they can impact important changes (56%) compared to 42% of the general public.

Catalysts could well impact a company's bottom line and its reputation – to its advantage or disadvantage. But what do they actually care about?



02 | Business behaving badly? Top consumer and catalyst concerns

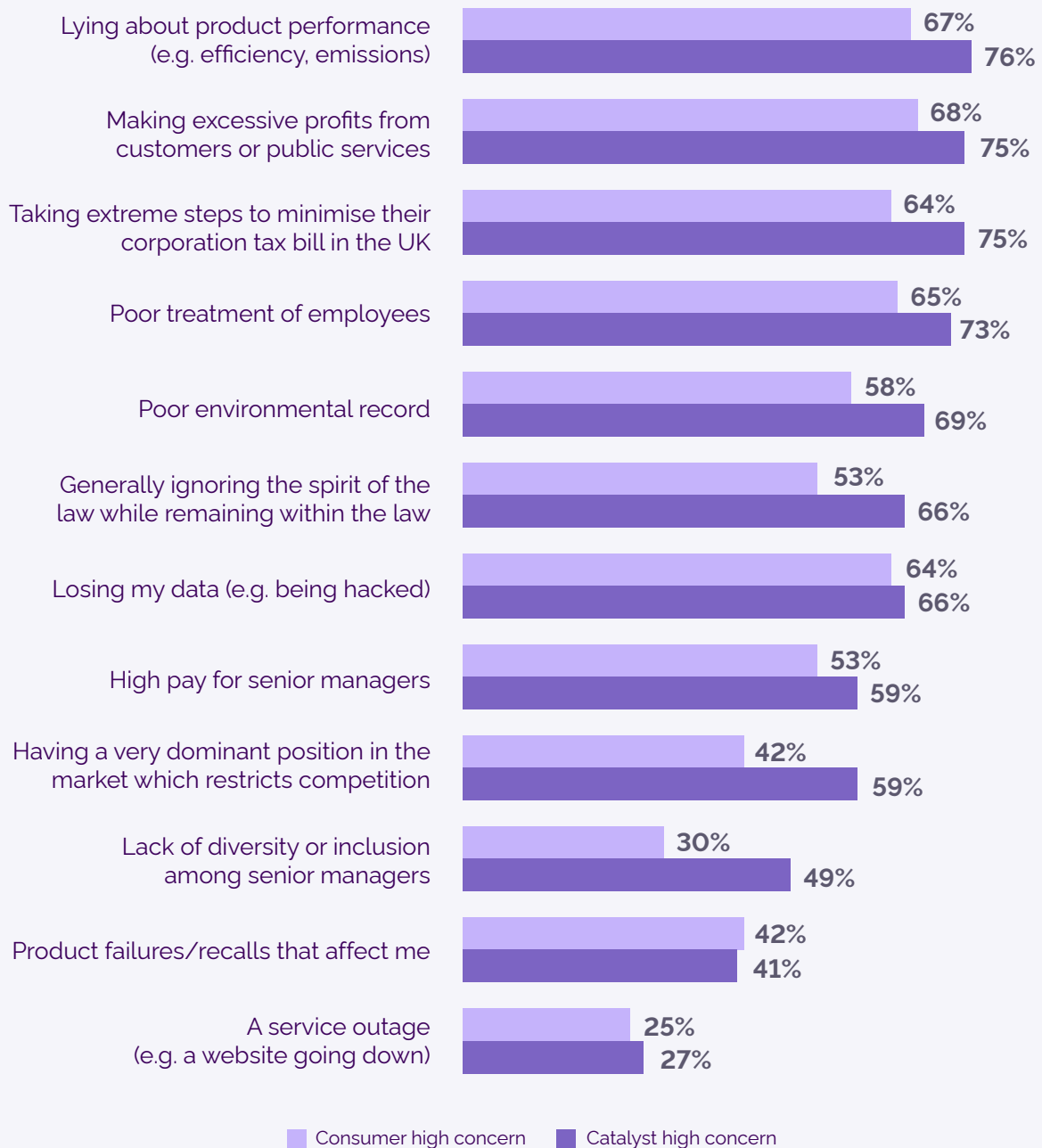


Which activities most bother consumers and catalysts?

Consumers and catalysts are broadly aligned on the most serious concerns – but unsurprisingly, the latter are more likely to care about almost every issue than the former.



Thinking about how large companies act, how concerning do you find each of the following?



What are catalysts' and consumers' top priorities?

The top concern for catalysts is product performance. But while they might naturally want **a steering wheel that doesn't fly off while they're driving**, this group is more worried about misleading claims than defects.

Three-quarters of catalysts (76%) and two-thirds of consumers (67%) rate lying about product performance-related issues such as emissions as their top concern – while only four in ten (41% catalysts; 42% consumers) say the same of product failure.

The biggest concern for consumers is when companies make excessive profits from their products and services: something that bothers almost seven in ten (68%) members of the general public and three-quarters of catalysts (75%). It may be that consumers see some correlation between high profits and high prices, and that this perceived profiteering greatly riles them.

The most divergence between the two groups is on diversity and inclusion among senior managers: almost half of catalysts (49%) vs. three-tenths (30%) of the wider public describe it as a major issue. There's also a wide gap between the groups on the issue of monopolies. Four in ten consumers (42%) and almost six in ten catalysts (59%) are worried about companies having a dominant position in the market.



03 | The pre-purchase probe: what do consumers and catalysts check for?

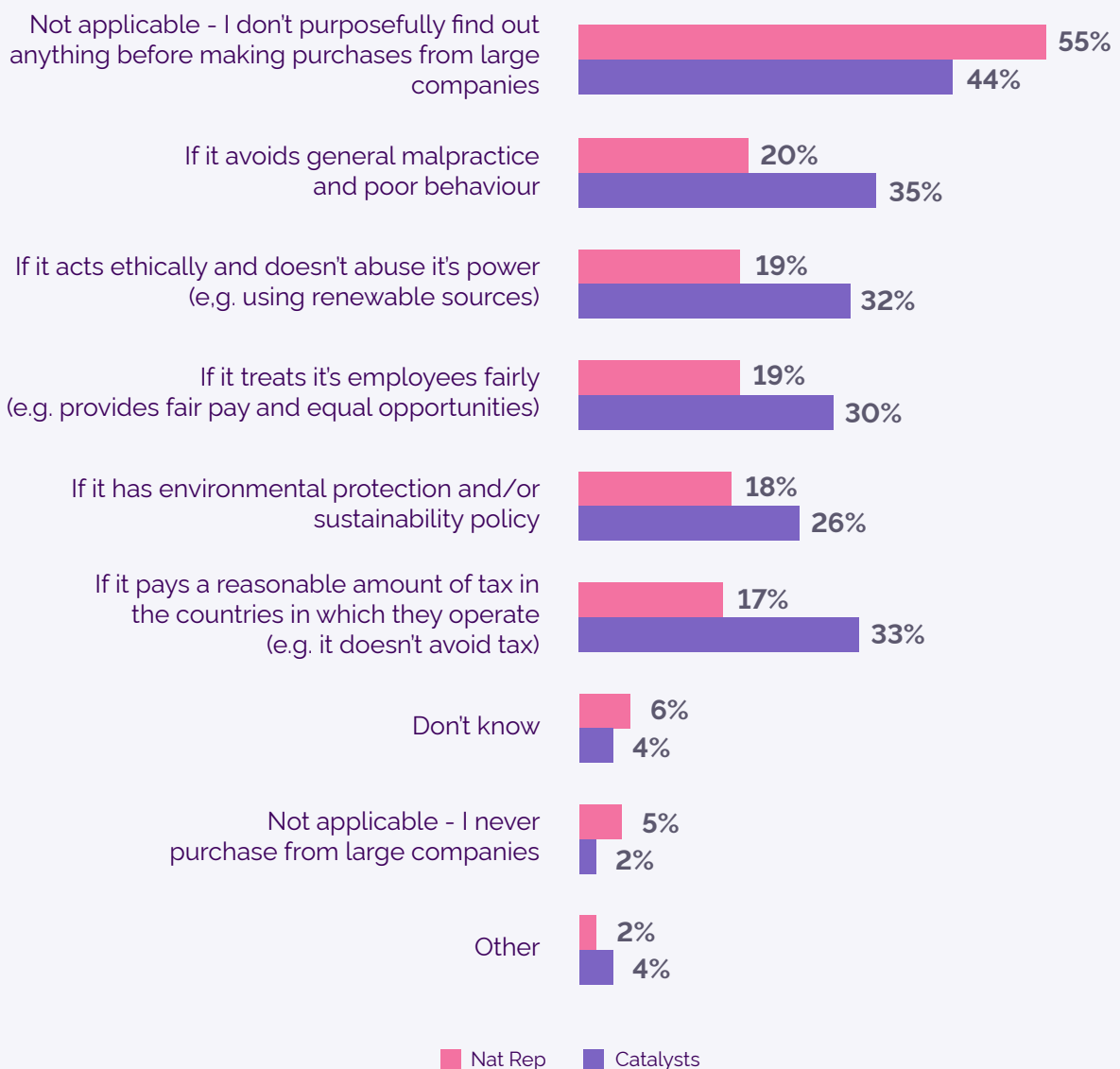


Most consumers don't ethically vet companies

Over half of consumers (55%) and more than four in ten (44%) catalysts don't conduct any ethical research before buying from a large company.



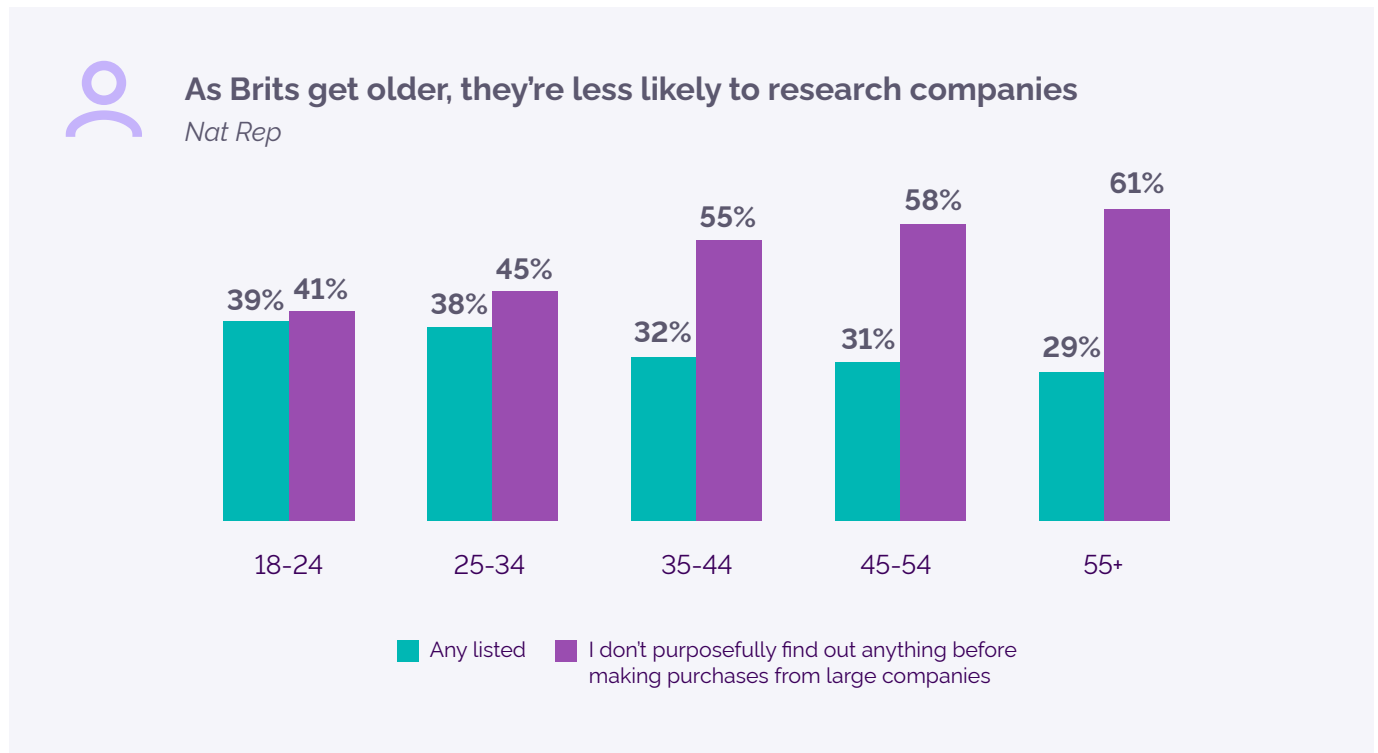
Thinking about when you are making a purchase from a big company... Which, if any, of the following do you purposefully find out about the company before making these purchases? (Please select all that apply.)



Ethical vetting declines with age for catalysts – and increases for consumers

Catalysts aren't dramatically more likely to ethically vet large companies than regular consumers: just over half (51%) selected one or more of the listed options.

Both groups are most likely to check for "general malpractice and poor behaviour" such as false advertising and producing low-quality goods (20% consumers vs. 35% of catalysts) – as well as abuses of power and resources (19% vs. 32%) and how they treat employees (19% vs. 30%).



Ethical vetting steadily declines with age – to the point where three-fifths (61%) of over-55s don't conduct any research on big companies at all before buying.

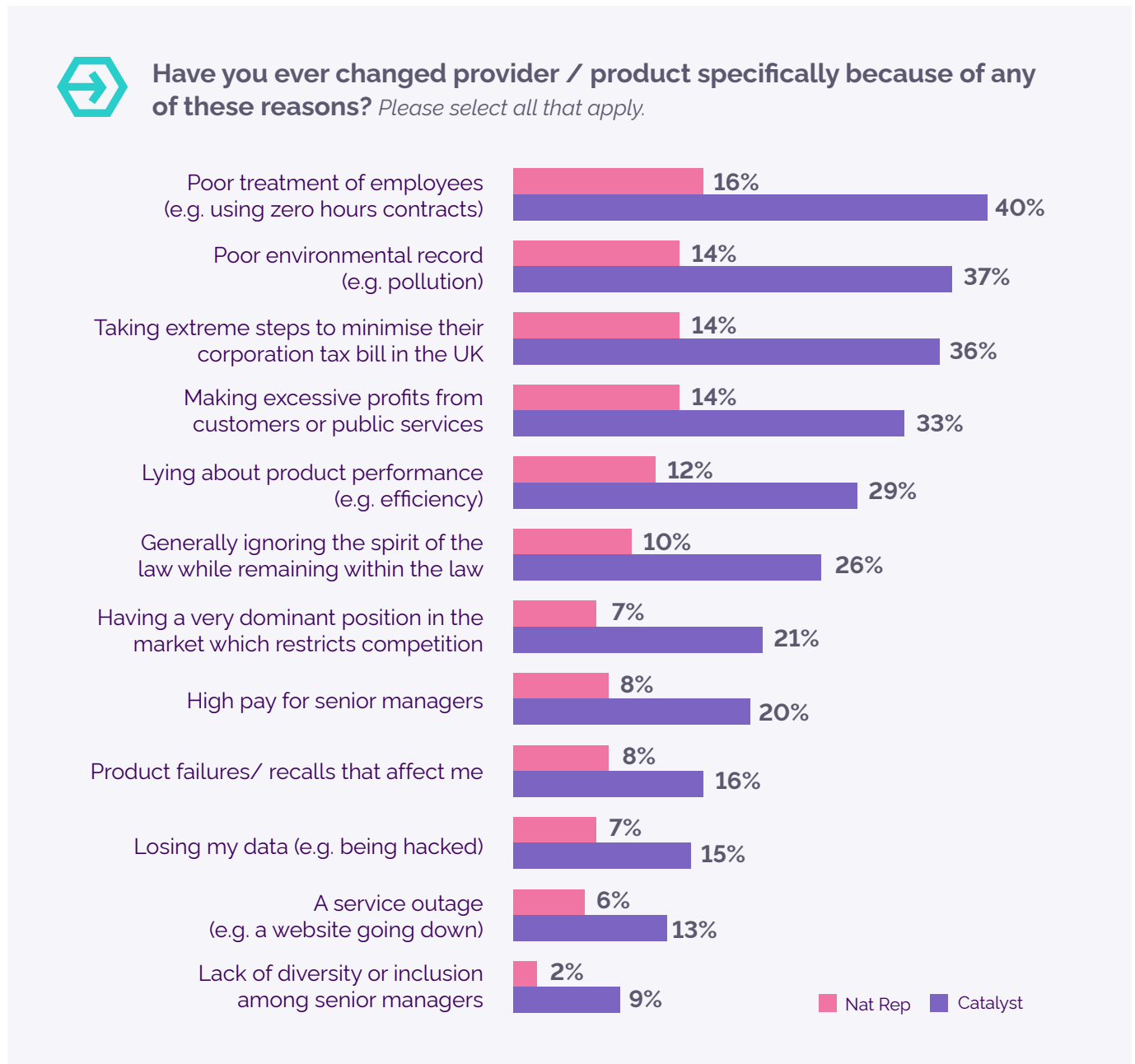
And many consumers are happier to leave ethical decision-making to companies. Half (50%) of Brits expect the products sold in UK supermarkets to have good ethical standards and 44% believe supermarkets only stock items with similar ethics to their own.

Brits don't generally research corporate misbehaviour before making a purchase – but through high-profile media controversies, word of mouth, and other avenues, they can often find out about it anyway. When they do, almost three-quarters of catalysts (73%) and around half of consumers (51%) have ever changed their product or provider.

Why do catalysts and consumers switch provider?

Though there is again a significant gap between catalysts and the wider group of consumers, their most important reasons for switching providers are broadly aligned.

Four in ten catalysts (40%) have changed companies because of how they treat employees, and nearly as many (37%) have made the jump because of a poor environmental record. Around a third have also switched due to tax dodging (36%) and profiteering (33%).



Among the general public, poor treatment of employees is also the top motivator – albeit for only 16% of the population. They're also equally likely to switch for environmental, tax, and profit-based reasons (14%).

04 | Ethical enforcers: who's responsible for regulating corporate behaviour?



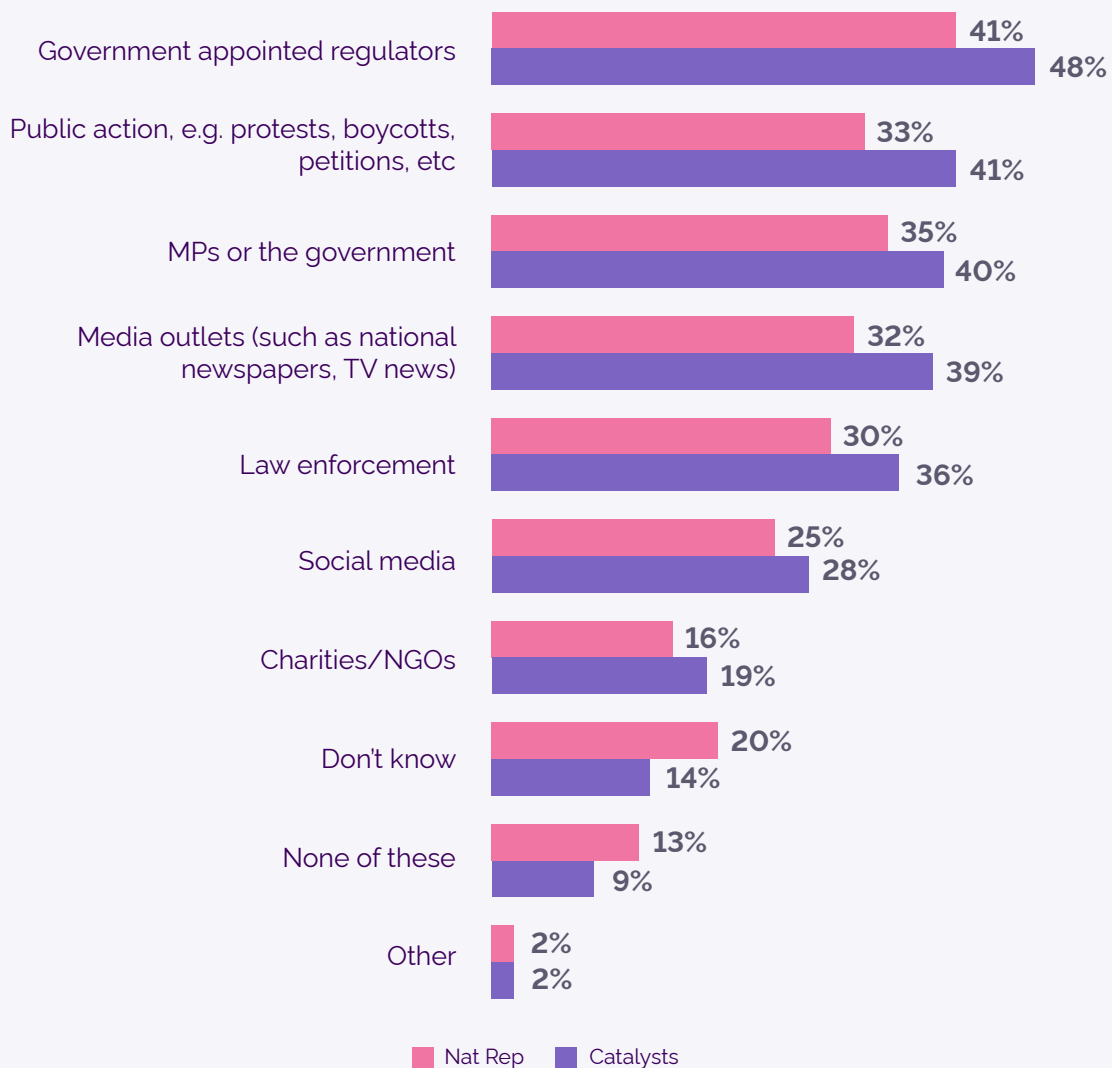
Who and what keeps businesses in line?

Four in ten consumers (41%) and half of catalysts (48%) think government-appointed regulators such as the Financial Conduct Authority (FCA) and the Competitions and Markets Authority (CMA) are an influential check on the ethics of big companies.

Catalysts are more likely to say that each category – except “Don't know”, “None of these”, and “Other” – is influential. Four-tenths (41%) believe that public action is effective compared to a third of the nation in general (33%), and the same proportion say the government can make a real difference (40% vs. 35%).

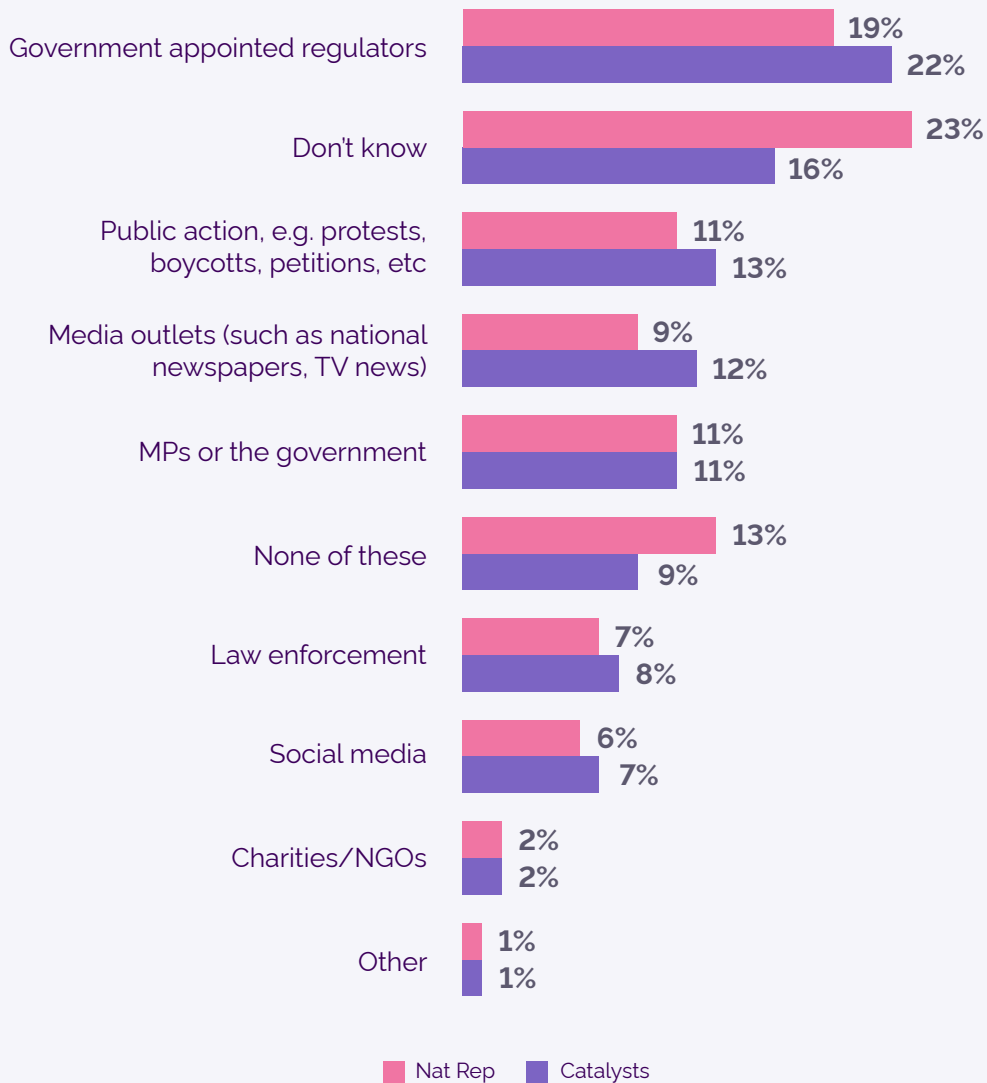


Which, if any, of the following groups do you feel are influential for ensuring big companies practice ethically? By practice ethically we mean doing the right thing for their customers, employees, clients and wider society. Please select all that apply.





What has the most impact on company behaviour?



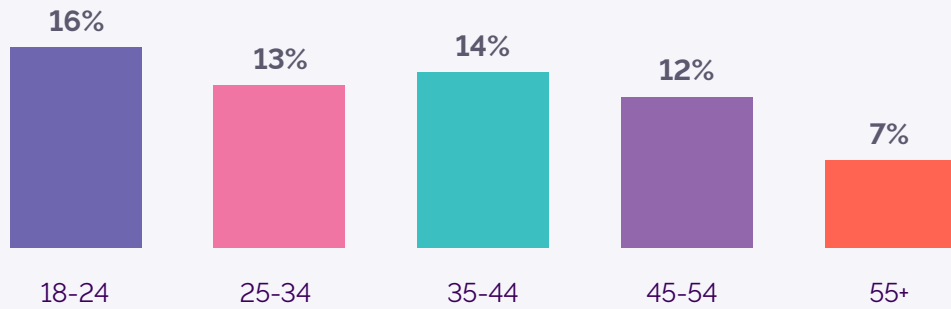
Catalysts and consumers rank government-appointed regulators as the most influential factor (22% vs. 19%). Public action such as protests and boycotts come second, with more than one in ten of both groups saying it has the most impact (13% catalysts; 11% consumers). The media finish up a close third (9% consumers; 12% catalysts).

And for all the sound and fury around social media, it doesn't seem to signify much in this area: only 6% of consumers and 7% of catalysts say it's the most effective way to keep big companies in line. But if its impact is sometimes overstated, it could still be important: a lot of public action such as boycotts and protests is coordinated and broadcast on platforms such as Twitter.

Do Brits understand the system better as they get older?



"MPs or the government" are the most important group for ensuring big companies practice ethically

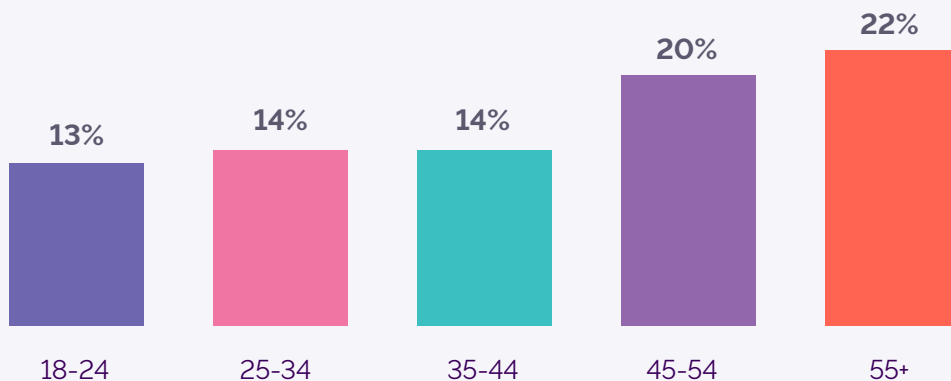


Older Brits are less likely to see MPs as the most influential group of ethical enforcers: only 7% of over-55s think they're more important than the others.

This could be the cynicism of age – but they might also just recognise how the system actually works and where power actually lies. As Brits get older, they're more likely to believe that regulators are the most important group of ethical enforcers.



"Government appointed regulators" are the most important...



Managers and moral responsibility

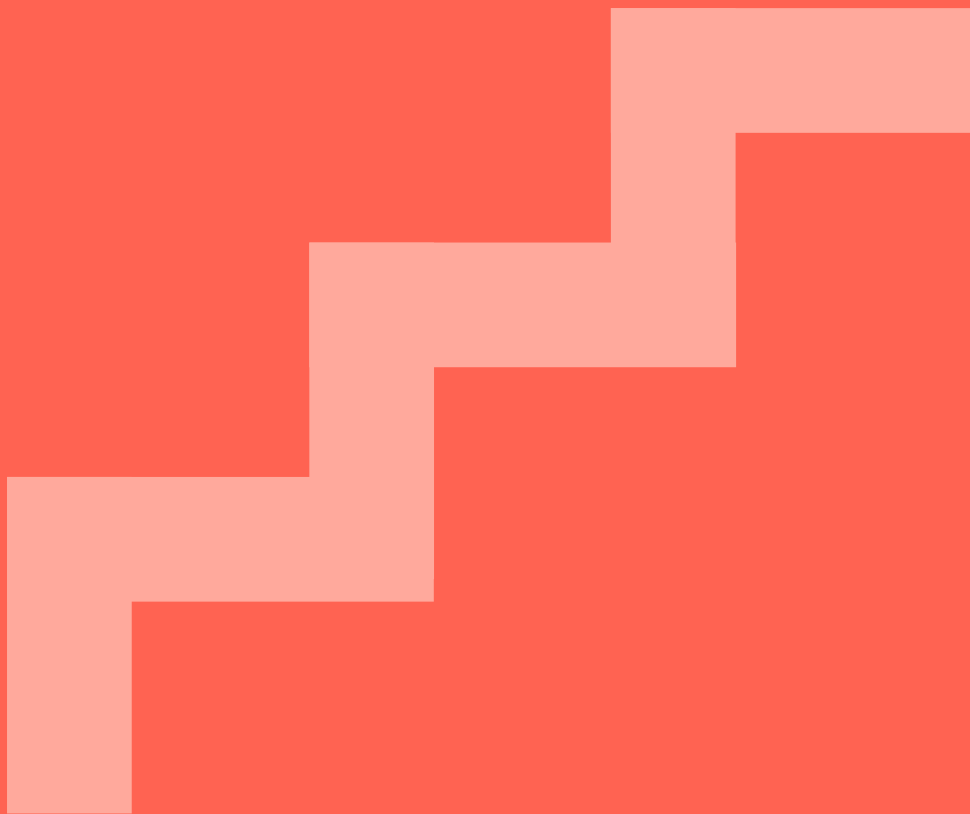


Which of the following do you feel should be priorities for the managers of large companies? *Please select up to 5 options.*

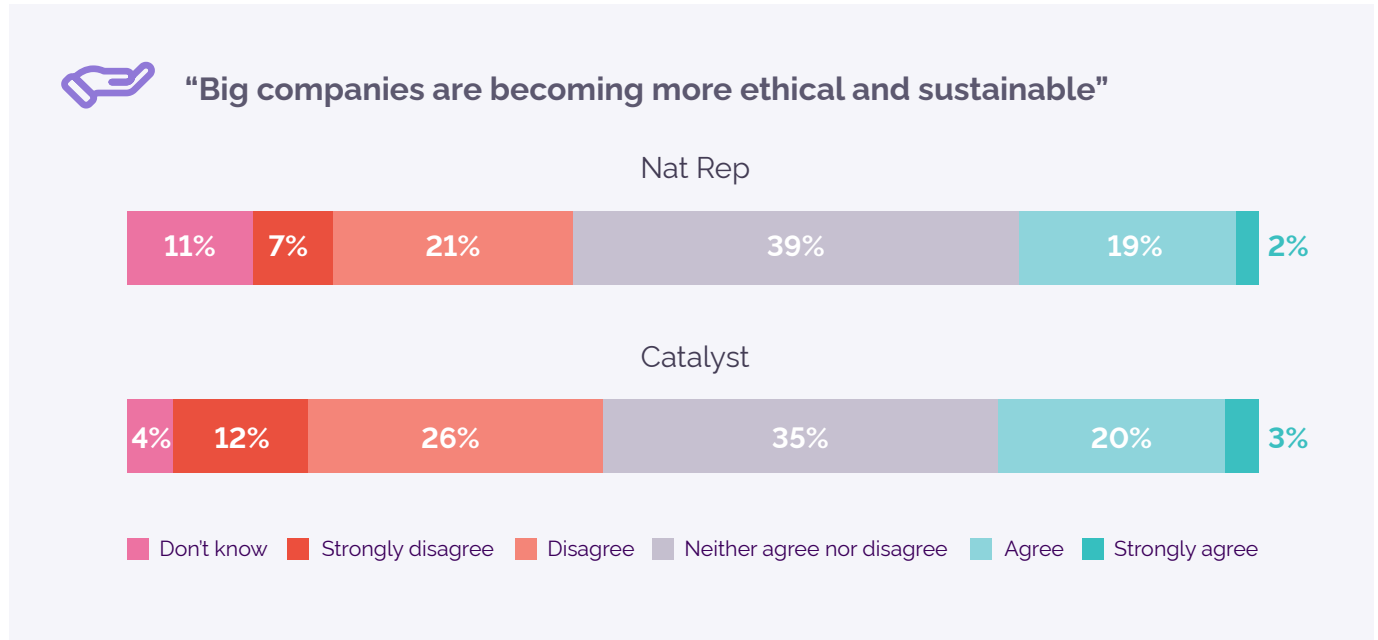


Six-tenths of consumers (63%) and seven-tenths of catalysts (71%) think managers should prioritise ensuring their companies pay fair taxes. Almost two-thirds of both groups (65% consumers; 63% catalysts) feel the same about staff pay and conditions. The environment ranks a comparatively distant third: only 47% of consumers and 58% of catalysts think managers should make reducing the company's carbon footprint a priority.

05 | Getting better all the time?



Consumers don't know if big companies are becoming more ethical and sustainable



Are big companies becoming more morally-focused? Nearly two-fifths of catalysts (38%) and three in ten consumers (28%) think they aren't. It may be just as worrying that a third of the former (35%) and two-fifths of the latter can't say if they're becoming better or worse – and 11% vs. 4% also say they don't know either way.

And if companies are making an effort to become more ethical and sustainable, neither consumers nor catalysts are noticing: only a fifth of both groups (23% catalysts; 21% consumers) say they're getting better.

What's more, they're saying this in an environment where regulation has become stricter and corporate reporting has become more frequent. If companies are becoming more morally and legally robust, the message isn't getting through to customers.

Does sustainability breed success?

The communication breakdown between businesses and customers could be a real problem – particularly if they are making efforts to be ethically and sustainably sound and aren't seeing the benefits.

And alongside improving public perception and brand equity, there could potentially be real commercial benefits for companies that offer ethically-made products.

Four in ten consumers (40%) and almost two-thirds of catalysts (65%) are willing to pay more for sustainable brands, and nearly as many (37% consumers; 57% catalysts) say they always try to buy ethically-made products.

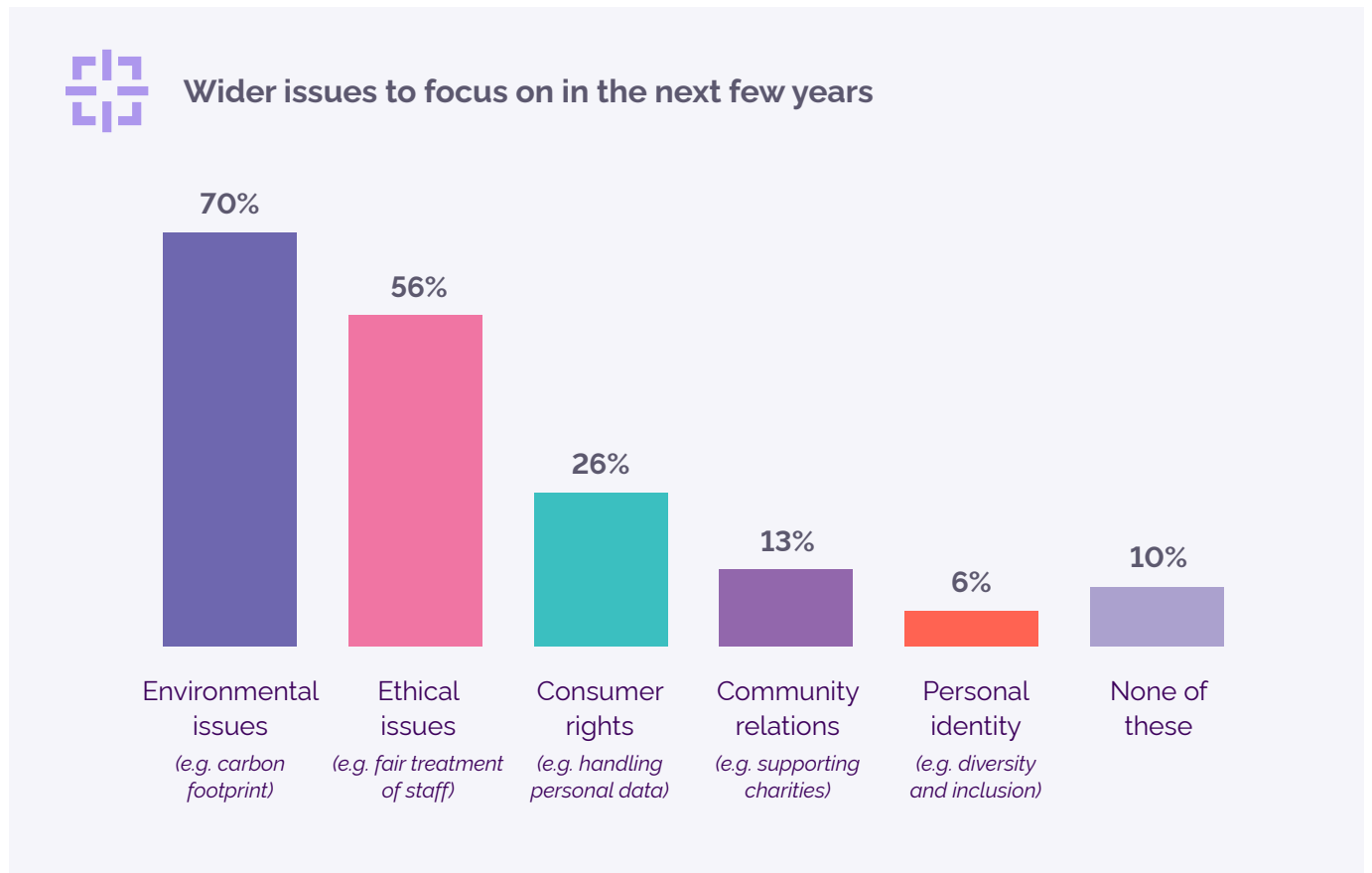
Doing the right thing, then, isn't just about ethics and sustainability: it's good for business.



What should companies focus on in the near future?

YouGov recently asked over 1500 consumers what they believe supermarkets should focus on over the next few years.

Seven in ten said the environment, and 56% said general ethical issues such as paying tax and treating staff fairly.



Consumer rights issues such as treating customers fairly and securely handling personal data came a somewhat distant third (26%) – with community relations (13%) and personal identity issues such as diversity and inclusion even further behind.

Conclusion

Most consumers and catalysts are interested in corporate ethics and sustainability – even if they're not always fully aware of them. A significant minority of both groups will claim to punish companies for behaving badly and reward them for behaving well, perhaps to the point where a company's ethical and commercial obligations can no longer be fully separated.

Behaviours such as lying about product performance, profiteering, tax avoidance, and mistreating employees and the environment are highly concerning for both consumers and catalysts. If most consumers won't always check if a company has done any of these things, the media can still easily put the evidence right in front of their eyes.

And while most consumers and catalysts aren't 'vetting' companies before they buy, younger people are more likely to check than older people. Pre-purchase screening may well increase over time.

So how can managers ensure they're in a good position when they're vetted by consumers and catalysts? Both groups believe they should make sure the company's tax affairs are in order, but that may be beyond the average manager's control. But managers can have influence over fair pay, working conditions, and sustainable practices – and may benefit from ensuring the company is perceived to run ethically.

Making the right changes and communicating them effectively can remove a major barrier to purchases for consumers and customers: helping companies build a stronger reputation and ensure a stronger commercial performance.

This paper represents just a fraction of the data we have on corporate reputation and on catalysts. Get in touch to find out more.

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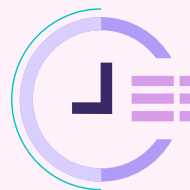
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The tools behind the research



Plan and Track

YouGov's Plan & Track service combines the detailed audience segmentation power of Profiles with the brand tracking capabilities of BrandIndex. It helps clients understand and target key consumer segments, track the effectiveness of advertising, marketing and public relations strategies and campaigns, and measure brand perception on a continuous basis. All of this data is collected in the YouGov Cube, our connected data set which holds over 260,000 data variables collected from over 300,000 YouGov panellists in the UK. [Discover more](#)



RealTime Research

YouGov RealTime research provides survey results as soon as the next day from our industry-leading omnibus and targeted research services, with live reporting available on most services for an even quicker read on results. Whether you're looking for domestic or international research, YouGov's vast, engaged and highly profiled panel enables you to reach consumer and business audiences at a fraction of the cost of a typical ad-hoc study. [Discover more](#)



Custom Research

YouGov Custom Research engagements leverage cutting-edge research and analytic techniques with an eye for assessing the economic impact of your actions. Our industry experts deliver you crucial insights and tools to plan and make strategic and tactical decisions while maintaining a focus on tangible outcomes. We have expertise across a variety of sectors, including consumer products and retail channels, financial services, luxury goods, technology, education, public policy, and more. [Discover more](#)

