

# From metrics to messaging: How ESG factors can boost your brand's PR efforts

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Sustainability, social impact and ethical business practices - this is an era where responsible brand representation dominates the conversation in the corporate terrain. With ethical consumers on one side and purpose-driven investors on another, organisations find themselves in a heightened realm of accountability like never before. But, how do organisations effectively communicate their environmental, social, and governmental (ESG) efforts to the world?



ESG is increasingly becoming a critical aspect of business strategy and reputation management. The convergence of PR and ESG offers organisations the opportunity to shape their reputation and secure a competitive edge, while also navigating the evolving expectations of stakeholders. According to a <u>study</u> by PwC, almost half of investors surveyed expressed willingness to divest from companies that aren't taking sufficient action on ESG issues. This underscores the importance of understanding and tracking ESG initiatives, and integrating ESG concerns into PR strategies. Identifying key ESG metrics for your brand is the first step toward unlocking what lies at the intersection of responsible communication, sustainable practices and measurable impact.

## Why should brands care about ESG?

In today's business landscape, it is indispensable that brands pay close attention to ESG. These three critical components are significantly important for companies seeking to build a sustainable and successful brand. Each component is uniquely important for brands to take into their business considerations.

Firstly, the environmental component of ESG allows brands to showcase their commitment to sustainability and reduce their negative impact on the environment and helps brands differentiate themselves from each other and attract a growing market segment that prioritises sustainability. By actively addressing issues like climate change, waste management, and energy efficiency, companies can improve their reputation and appeal to environmentally conscious consumers and investors. Brands have different metrics at their disposal to measure the social aspect, such as tracking industry keywords and monitoring ESG developments in their industry to stay informed and establish thought leadership.

Incorporating ESG considerations into PR strategies is indispensable in the process of establishing a brand as responsible, credible and trustworthy.

Secondly, the social component of ESG allows brands to emphasise their dedication to social responsibility and ethical practices. By focusing on aspects such as diversity and equality, fair labour practices, and data protection, companies can foster a positive image and attract socially conscious consumers and investors.

Today's consumers, especially millennials and Gen Z, are especially aware of their consumption patterns. In fact, they actively seek out brands that align with their values, thus demonstrating a genuine commitment to social responsibility can create a competitive advantage and foster long-term customer loyalty. A metric to measure this component is by monitoring consumer <u>sentiments</u>. Tracking customer sentiment allows brands to communicate ESG initiatives effectively, identify negative sentiment, and rectify concerns promptly, as timely responses shape positive public perception and maintain appeal to investors, stakeholders, and customers.

Thirdly, the governance component of ESG is crucial for brands as it demonstrates a commitment to ethical decision-making and transparency. By addressing issues like board composition, political contributions, stakeholder-focused business operations, and lobbying efforts, companies can build trust and credibility with stakeholders. Strong governance practices not only helps mitigate risks and potential legal or reputational issues, but also safeguards a company's long-term success. Especially, investors prioritise companies with reliable governance structures as they signify stability, accountability, and responsible management.

Examples of potential metrics to use for measuring brand's activity include looking at <a href="https://snaps.com/shape-en-line-block">shape-en-line-block</a>. By monitoring SOV, brands can compare PR efforts with ESG competitors, assess visibility against industry peers, and prioritise ESG initiatives based on stakeholder perception and expectations. Another avenue is by tracking <a href="https://snaps.com/brand-and-ceo/mentions">brand and ceo/mentions</a>, staying on top of the discussion and addressing negative feedback promptly for improvement. Responsiveness fosters trust and loyalty, while positive mentions reinforce brand reputation.

Ultimately, integrating ESG considerations into brand strategies is paramount in today's business landscape. By prioritising environmental sustainability, social responsibility, and ethical governance structures, brands can bolster their reputation, attract socially conscious consumers and investors, differentiate themselves from competitors, and mitigate risks. Nowadays, ESG is no longer merely a passing trend; it is a fundamental aspect of building a sustainable and successful brand in the modern business landscape. The metrics introduced above are possible measurement tools to analyse a brands performance in terms of ESG. These metrics are not mutually exclusive and can be used across all three components.

### Broad vision, tailored approach

While it's important to be mindful of the bigger picture, it's equally important to tailor your approach to ESG according to the regional nuances applicable to your organisation. For instance, in the wake of new laws surrounding GDPR, third-party cookies and heightened awareness of data privacy, companies operating in Americas and European regions should be diligent about demonstrating their compliance and dedication to safeguarding customer's privacy.

Another example of how ESG can inform PR strategies would be to look at how, in Asian countries, particularly China, pollution has emerged as a matter of concern both locally and globally. With this in consideration, enterprising businesses wanting to expand to Western markets could mindfully leverage their PR endeavours to demonstrate their commitment to minimising air pollution. This is a great way of showcasing prudence and conscious effort, which in turn helps gain respect from consumers and investors alike.

In closing, the importance of holistically understanding ESG and identifying the right metrics cannot be emphasised enough. Incorporating ESG considerations into PR strategies is indispensable in the process of establishing a brand as

responsible, credible and trustworthy. Not only does this approach appeal to socially conscious consumers and investors who prioritise sustainability, ethical practices and social impact but a strong ESG proposition also enables organisations to tap new markets and expand in existing markets.

Read more about ESG measurement and how Meltwater can help your organisation with earning consumer trust through ESG PR in our <u>Guide To Modern PR</u>.

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