

/Perceptions of Corporate Charity in Times of Corona

Our 3-C-checklist

- **Is it Core?** A charitable initiative should be related in some way to your corporation's DNA or core business if you want the act to be perceived as coherent.
- **It is Consequential?** Your initiative needs to make a perceptible difference to the recipient. One way of achieving this is to keep the initiative local by supporting a community.
- **Is it Comprehensible?** The initiative should be simple enough to summarize in a jargon-free sentence and not have complex structures.

The Analysis – 15 cases hand-picked from around the world

/AirBnB

Initiative: The short-term rental platform, based in San Francisco, announced it would introduce “free” housing for first responders helping cope with the impact of the pandemic. It also announced that its founders will take no salary for the next six months and top executives will take a 50% paycut to ensure employees are paid. AirBnB also suspended all marketing activities to pay employees.

Perception: Any potential positive coverage of Airbnb's announcements was drowned out by negative coverage about the cancellation policies, possible layoffs and the company's deteriorating financial health. The company's official Twitter account was bombarded with hundreds of complaints from customers and hosts threatening to “strike” by removing their listings.

Core?	★★
Consequential?	★★
Comprehensible?	★

/Barclays

Initiative: The UK banking group launched The Barclays Foundation, as a £100 million charity to help tackle the impact of coronavirus. Half of the money is direct funding for charities, and half is a commitment to match employees and management's donations.




Perception: Barclays' decision was well received by British media which saw the creation of a charitable foundation (instead of a one-off donation) as a convincingly long-term response. The initiative is also likely to encourage goodwill amongst employees and could have a positive impact on recruitment and employee retention.

Core?	★★
Consequential?	★★
Comprehensible?	★★

/Deutsche Bank

Initiative: The German bank gave the cities of Frankfurt and Berlin almost 500,000 surgical masks that Deutsche Bank had acquired at the start of the epidemic. At the same time, it announced that it would provide "unbureaucratic support" to clients through the coronavirus crisis.




Perception: Although Deutsche Bank published a press release and posted on social media channels, the initiative got little coverage, and news that the masks were from its own stockpiles resulted in some interpretation that the bank was seeking to benefit from the shortage.

Core?	
Consequential?	
Comprehensible?	

/Heineken

Initiative: The Dutch brewer announced accommodating measures to clients, providing liquidity, canceling events and orders free of charge, and offering rent rebates and holidays to the 130 retailers that rent its properties.




Perception: Heineken was applauded for taking the measures proactively, ahead of discussions with its retail tenants. The proactive move, clearly targeting a small but specific community, reinforced Heineken's reputation in the Netherlands for being an early adopter of corporate responsibility standards.

Core?	
Consequential?	
Comprehensible?	

/Jägermeister

Initiative: The German liquor producer, famous for its powerful 35° after-dinner digestif, provided the Braunschweig Hospital with 50,000 liters of alcohol for the production of disinfectants.




Perception: The swift donation of the company's signature product – powerful alcohol – at a time when the health care needed all the help it could in obtaining disinfectants, gained significant coverage in German media, even earning Jägermeister the epithet of "corona-killer".

Core?	
Consequential?	
Comprehensible?	

/Novartis

Initiative: The Swiss pharmaceutical company committed to donate up to 130 million doses of the anti-malaria drug hydroxychloroquine in response to hopes that it could provide a treatment for Covid-19.




Perception: Despite the controversy about chloroquine as a Covid-19 treatment, the announcement was well received in Switzerland. Novartis, playing to its strength as a reputed medicinal drugs producer, was credited with moving swiftly, especially when the national authorities speeded approval for the drug to treat COVID-19 patients in hospitals.

Core?	
Consequential?	
Comprehensible?	

/Shell

Initiative: The Dutch energy and petrochemicals giant donated substantial amounts of chemicals in various countries to help produce badly needed hand sanitizer. At the same time, it announced that its 15,000 service stations in thirty different countries would give free coffee and sandwiches to healthcare professionals and other key workers such as delivery drivers. It also said it would provide about 1,000 meals for vulnerable groups from its corporate HQ restaurant.




Perception: Dutch media gave scant coverage to the coffee and sandwiches initiative and, despite the international scale of its efforts, domestic critics suggested more could have been done compared to the size of the company.

Core?	
Consequential?	
Comprehensible?	

/Softbank Group

Initiative: The Japanese investment company's CEO tweeted in mid-March that he would give away one million coronavirus test kits, then quickly withdrew the offer after fierce social media backlash erupted based on fears the kits would cause chaos at medical facilities. The next day, he said that instead he would donate one million masks to elderly care homes and doctors.




Perception: Although the initiative was initially hailed as bold, the resulting criticism on social media resulted in widespread negative press reports panning the plan as ill-considered and a far cry from Softbank's core strengths.

Core?	
Consequential?	
Comprehensible?	

/Sonix

Initiative: When the Portuguese textile group's chairman learned that a shortage of healthcare garments meant doctors and nurses were wearing the same clothes for days on end, he switched production to produce uniforms and masks to Portuguese hospitals.




Perception: Sonix's early move was widely picked up by the press and inspired other garment and textile producers to follow its lead.

Core?	
Consequential?	
Comprehensible?	

/Sony

Initiative: The electronics giant set up Japan's largest aid fund, providing multilateral organisations like WHO, UNICEF and MSF with \$100 million to address the crisis, in addition to applying its own technologies to support medical, educational, and entertainment efforts.

Perception: The announcement was reported widely, but overall impact in Japan of the announcement was seen as relatively weak, despite the size of the fund, possibly reflecting a sense that local communities would gain little from the fund's proceeds.

Core?	
Consequential?	
Comprehensible?	

/Starbucks

Initiative: The Seattle-based coffee giant announced an array of measures to provide financial support for charities and nonprofits involved in efforts to fight the pandemic, as well as offering help to support the needs of its retail partners through the crisis. It also said that, even though stores are closed to customers, it would give free coffee to all healthcare workers, first responders and public sector workers.

Perception: Starbucks was featured in multiple lists of companies performing “selfless acts” to help in the crisis and its free coffee offering – and its generous pay policy - was widely praised by news media and on social media.

Core?	★★★★
Consequential?	★★
Comprehensible?	★★★★

/Swiss International Air Lines (Lufthansa Group)

Initiative: The Swiss airline donated one ton of Easter bunny chocolates, originally intended for passengers, to health facilities in the Canton of Zurich and in Western Switzerland as a gesture of thanks to those contributing most in the crisis.

Perception: The announcement was largely ignored by Swiss media. Although the gesture was kind, and a tangible contribution against food waste, it was seen as largely irrelevant to either the airline itself or the recipients.

Core?	■
Consequential?	■
Comprehensible?	★★★★

/Swiss Post

Initiative: The Swiss postal services launched a “solidarity postage stamp” intended for domestic mail services, priced at five times its one-franc face value in order to raise funds for the Red Cross and the national donation agency Glückskette.

Perception: The initiative, coming at a time when dependence on postal deliveries has never been higher due to the lockdown, earned a lot of positive media coverage, enhanced by the detail that the stamp had been designed by several graphic designers all working from home.

Core?	★★★★
Consequential?	★
Comprehensible?	★★

/Total

Initiative: The French oil and energy group handed out €50 million in free fuel coupons to French hospital workers, in addition to announcing a €5 million cash donation to the Institut Pasteur vaccine research centre.

Perception: The free coupon initiative received relatively limited coverage in the French media, despite the substantial scale of the contribution. However, the coverage that was generated was all positive.

Core?	★★★★
Consequential?	★
Comprehensible?	★★

/Unilever

Initiative: The Anglo-Dutch consumer goods group said it would contribute €100 million through donations of soap, sanitiser, bleach and food, largely through the World Economic Forum’s COVID Action Platform. It also said it would offer €500 million of cash flow relief to support livelihoods across its extended value chain, through early payments to vulnerable suppliers.

Perception: The Unilever moves, although sizeable and well-conceived, were hardly covered by Dutch media, a phenomenon probably best explained by the fact that the Dutch papers were primarily focused on local issues and initiatives.

Core?	★★
Consequential?	★★
Comprehensible?	★★

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