Embracing Business-to-Individual (B2I) Communications
The impact of the COVID-19 pandemic on society, business and individuals has been profound. Many of the attitudes, behaviors and ways of doing business accepted as bedrock one year ago have been fundamentally transformed and may never reemerge the same.

Disruption of supply chains, mass quarantines and the rapid mainstreaming of remote workforces has forced many businesses to implement two-year technology road maps in a matter of months. Industries built on belt-buckle-to-belt-buckle sales forces now engage customers, close the deal and build loyalty via Zoom and Teams meetings. Global teams are finding it easier to collaborate, traveling less and being more efficient, yet missing those “water cooler moments” that spur connection and accidental innovation.

We have also seen a divergence of experiences and stressors based upon job, location, role and where one sits in society. Previously overlooked, and often undervalued, front-line workers are now seen as heroes. Issues and inequities long simmering under the surface have been exposed for what they are and are putting tremendous pressure on business and society.

The winds of change are swirling. In times of such uncertainty, people are actively seeking out a sense of identity, purpose and someone to show them the way forward. Core tenets like reputation, trust and brand are more important than ever, and more vulnerable.

As communicators and marketers, we live at the focal point of this convergence. Our C-suites, employees, customers, and stakeholders are looking to us for answers on how to transform our enterprises and society. A new future is loading and we have an opportunity to shape it for the better. Now is the time to take confident risks, embrace Diversity, Equity and Inclusion, fuel change and inspire action.

Steve Halsey
Chief Growth Officer
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THE FUTURE IS LOADING:
PREPARING FOR A HYBRID, B2I POST-PANDEMIC ROLLING REALITY

We’ve lived through a year of economic upheaval, heartbreak, anxiety, social distancing, and accelerated adoption of technologies.

A recent survey conducted by G&S found that more than half of Americans (56%) are at least somewhat confident that small businesses will bounce back within two years (Fig. 2), and 68% are at least somewhat confident of an economic recovery within two years (Fig. 3). In short, Americans have a sense of realistic optimism.

We say “realistic” confidence because Americans continue to feel current challenges and are aware of the difficult road ahead. Just under half of Americans polled by G&S in early January say they are more optimistic about the future (Fig. 1).

While February saw a steep decline in cases with vaccinations on the rise in the U.S., the World Health Organization (WHO) reported a rise in global infections during the last week in February due to new COVID-19 variants and premature efforts to lift public health restrictions. The situation will remain fluid for some time.

On the other hand, the U.S. Department of Commerce (DOC) reported that U.S. gross domestic product (GDP) grew at a four percent annual rate during the fourth quarter of 2020 and is forecast to continue to recover following its worst year since the 1940s. DOC also reported that U.S. household income rose for the first time in three months in December.

The tempered optimism is clearly about the future, not the mixed signals of the immediate present.
After a year of pandemic, economic turmoil, and social and political unrest, Americans understand that we’re living in a “rolling reality.” Their perspectives, priorities and concerns are also evolving with lightning speed.

The implications for business across all markets are significant.

• **Isolated, worried and looking for hope, people want to be treated and communicated with as individuals.** This includes all company stakeholders: customers, consumers, employees, investors and community leaders. The continued spread of advanced personalization technology to industries ranging from healthcare and financial services to fast food, online retail, and B2B sales is ushering in a progression from traditional B2B and B2C communication to “B2I” – Business to Individual – communication. In all channels, B2I is defined as gathering and understanding the preferences and needs of each customer and prospect. A B2I approach is driven by audience insights and data so brands can provide precisely what customers want, how and when they want it. In-person selling has always been the personification of B2I, but digital B2I is rapidly catching up and, in some respects, surpassing it.

• **The trend toward incorporating proactive Environment, Social, and Governance (ESG), including Diversity, Equity and Inclusion (DE&I) measures into corporate goals, KPIs and culture as an essential element to sustainable company performance accelerated during 2020, according to sources like the Harvard Law School Forum on Corporate Governance and the Business Roundtable. As the pandemic hopefully ebbs in 2021, the focus on ESG and DE&I issues will continue to grow as companies define their greater purpose in society.**

• **The pandemic has increased safety concerns for consumers and businesses alike.** Anxieties range from safety related to food and food processing to product packaging, workplace conditions, healthcare appointments, and visits to any store or product showcase. Magnified by the pandemic, the spotlight on safety issues may level over time, but it’s both a personal and societal issue that will remain important.

• **In the midst of all this change, one thing (at least) remains steadfast: the importance of reputation, trust, and greater purpose.** G&S polls confirm that when it comes to choosing a financial advisor, a realtor, a home renovation contractor, a doctor, a food brand or any other product – nothing is more important than a brand’s or a person’s reputation, and a referral from someone the consumer knows personally. Protecting this reputation is harder than ever now in this B2I environment as individuals turn the tables and resort to I2B communication via social media and other means.
The rising importance of corporate purpose is not surprising in the age of the COVID-19 pandemic. Facing trying times, people increasingly want to know if the companies they work for, depend on and choose to buy from have articulated and demonstrated a mission, a vision and values that align with their own.

According to the Page Society’s groundbreaking research in The CCO as Pacesetter: What It Means, Why It Matters, How to Get There, companies need to move from simply defining a corporate purpose that includes societal value, to it becoming an essential part of the very fabric of the business. This requires the elevation of purpose and societal value as permanent parts of corporate strategy cycles. It also means that the “I” in B2I has greater relevance and impact on both what is expected from corporations and the way business is done.

With so many of us separated from direct contact with friends, family, neighbors and co-workers, Americans are craving the daily interaction with other people they used to take for granted. It’s little wonder that people want and expect personalized treatment and communication in their lives. Asked what live events they were most looking forward to post-pandemic, 62% said large gatherings of family and friends (Fig. 5).
We also asked Americans what they perceive to be the country’s most urgent issues besides ending the COVID-19 pandemic (Fig. 6). Allowed to check all that apply, 58% selected economic recovery, followed by 48% who said affordable healthcare. No surprise since both issues are paramount pandemic concerns.

What is notable are the next three priorities, concerning the environment and social justice: Clean/renewable energy policies (38%); Ending racial, gender and ethnic discrimination (37%); and Climate change and sustainability (36%).

**Fig. 6**
Source: G&S Snap Poll, February 2021.

THE FUTURE IS LOADING PRESENTS OUR PULSE AND PERSPECTIVES ON WHAT MATTERS MOST, DESIGNED TO HELP BUSINESS AND MARKETING LEADERS PLAN AHEAD.

G&S conducted a series of surveys in April and October of 2020, and January and February of 2021, to delve more deeply into these and other issues. They also help identify how the pandemic has, or has not, changed American consumers’ behaviors, perceptions, concerns, preferences and priorities. The Future is Loading presents our pulse and perspectives on what matters most, designed to help business and marketing leaders plan ahead. We identify important trends that will fuel ongoing conversations, and highlight new opportunities, across many industries – opportunities that can help companies emerge from the pandemic stronger than ever.
THE GREAT ACCELERATION OF TECHNOLOGY ADOPTION AND B2I COMMUNICATIONS

Online, audio and web conferencing platform technologies have been available for some time now, but their adoption felt like an overnight transition for most Americans.

Within days of mandatory stay-at-home restrictions, businesses, families and friends were using Zoom, Microsoft Teams, Skype and other apps for informal calls, formal meetings and conferences, and video chats with family and friends. Within weeks, industry trade shows, B2B sales calls, medical appointments, special events and dozens of other in-person business meetings had gone virtual. And within a few months, virtual-visual communications became as “normal” as anything could be in a year like 2020.

The past year not only accelerated the adoption of existing technology, it has had a profound impact on the way business is conducted. Business travel, daily commutes to the office and every type of in-person business activity were limited to a bare minimum. This not only reduced enterprise operating costs significantly, climate scientists reported notable reductions in both air and water pollution levels around the world.

Most business leaders and market observers agree that some things will never go back to pre-pandemic “normal.” While we do miss human connections, virtual communications are inarguably also valuable and cost-efficient. The future of business transactions and communications is going to be a hybrid of in-person and digital contact, but the first priority for many businesses is more basic.

IN THE FACE OF SO MANY CHANGES, WE MUST BE BEACONS OF INFORMATION AND ADAPTATION. LEADERS SHOULD GATHER CONTINUOUS FEEDBACK, BE OPEN TO CHANGE AND TELL THE TRUTH - EVEN WHEN IT’S TOUGH.

Kathleen Reynolds
Vice President, Client Services
“LAST MILE” DIGITAL TRANSFORMATION

The pandemic shone a white-hot spotlight on professional and industrial digital services that lag behind the seamless experience consumers have come to expect, and receive, when ordering a pizza or summoning a taxi. Companies across all industries are scrambling to catch up.

DIGITAL TRANSFORMATION IS NOT A DESTINATION, BUT A PERPETUAL PROCESS OF LAYING DOWN NEW TRACK AS THE TRAIN IS MOVING. IT REQUIRES YOUR CULTURE TO EMBRACE DISRUPTION TO PROPERLY IMPLEMENT THE TYPE OF INNOVATION THAT WILL APPEAR THROUGH A SUCCESSFUL TRANSFORMATIVE EXPERIENCE.

Nicholas Love, Vice President, Digital Marketing

THE LAST MILE IN ROUTINE HEALTHCARE

For instance, as popular as virtual medical appointments have become during the pandemic, many healthcare practices have not made it a simple adjustment to switch a scheduled in-person appointment to a virtual encounter, likely due to ongoing reimbursement issues and operational hurdles. The pandemic also caught healthcare practices that had not yet created online patient portals flat-footed, forcing them to adapt in a hurry. Many established patient portals still make things as simple as scheduling or rescheduling a doctor appointment a cumbersome experience. Patience may be a virtue, but today’s healthcare patients have come to expect on-demand digital services. Healthcare practices that don’t install last-mile advances to their digital services will soon find themselves at a disadvantage in the post-pandemic rolling reality.

THE LAST MILE IN FINANCIAL SERVICES

After years of advertising innovative tech services, banks, mortgage lenders, insurance companies, and investment brokers have learned that consumers consider digital services to be table stakes. In fact, only one percent of Americans in our 2021 survey identified “the latest technology” as the most important attribute for choosing a financial institution – down from two percent in late 2020. Customers demand and expect seamless digital services, an expectation the pandemic has amplified (Fig. 7).

Even some of the largest banks that adopted digital services early using in-house resources lag behind in some respects. Customers often find that such basic services as digital cash-to-cash or peer-to-peer payments are not available. If customers are complaining about digital services, financial service enterprises need to ante up before more nimble competitors edge them aside. Among the many challenges with digital technology is the relentless upgrade of capabilities, and the impact that has on established processes.
THE LAST MILE IN MANUFACTURING

The “big data era” in manufacturing has been taking shape for several years now, but the COVID-19 pandemic magnified the urgency of adopting last-mile technologies as soon as possible. Adopting connectivity technology to enable remote workers to communicate became doubly important during the pandemic, according to the Association of Equipment Manufacturers (AEM). The need to maintain social distancing has led manufacturers of all sizes to adopt digital solutions that allow workers to communicate and interact virtually. In the longer term, remote connectivity and process digitization improves equipment management and optimizes plant assets. The result is optimization of productivity, enhanced product quality and, for early adopters, a substantial competitive advantage.

As many sectors of the manufacturing industry struggled with lower demand and disruptions in the supply chain, another long-term technology trend that became more urgent is the Internet of Things (IoT). With remote monitoring and predictive maintenance capabilities, IoT technology has been especially critical for pivoting operations while maintaining efficiency and productivity. A May 2020 VDC Research survey found that IoT adoption had continued to surge during the pandemic, with 37% saying their organization had already implemented an IoT initiative, including 15% that said it was a large scale project. Another 42% said they had begun the process of examining or developing a formal IoT strategy.

MANUFACTURING CLIENTS THAT HAVE AUTOMATED IOT PROCESSES WERE ABLE TO ADAPT MORE QUICKLY TO CHALLENGES IMPOSED BY THE PANDEMIC. BUSINESS COMMUNICATORS CAN ALSO APPLY THIS INDUSTRY 4.0 MINDSET TO MAKE BETTER-INFORMED, DATA-DRIVEN DECISIONS.

Beth Crisafi-Smith, Vice President, Client Services
Virtually every industry in America was tech-driven before the pandemic – from financial services and healthcare to agribusiness, home real estate, advertising, manufacturing, home delivery services and online retail. No surprise, then, that the accelerated adoption of digital communication underlies the most visible, ubiquitous changes shaped by the COVID-19 pandemic.

But the pandemic has also reminded us that people miss the personal experience of in-person sales and service. In fact, businesses such as financial services, real estate, healthcare, and even home renovation demand – by law, tradition or preference – in-person encounters to make some final decisions and close the deal in person.

Personalization is such an important business driver that leading companies in many different industries have invested heavily in the necessary talent, technologies, processes, and data required to gather and analyze real-time behavioral data. This allows them to tailor experiences to their individual wants and needs. Nothing can replace the personal service of in-person encounters, but artificial intelligence (AI) is making enhanced personalization of digital services possible.

The result is customer-targeted communications and offers to customers from online retailers, fast food restaurants, healthcare providers, insurance companies and many others. IBM reports that the pandemic has triggered an acceleration of innovation and adoption of technologies like AI, with new uses in retail and banking, among others. More importantly, AI has become instrumental for detecting, monitoring, managing and mitigating COVID-19 itself.

AI technology has many “big data” uses, but among the most impactful is the ability to personalize digital communications between a company and its customers. At G&S, we see AI technology as driving the evolution from traditional B2B and B2C communication toward B2I communication. Following is a review of current and future trends in hybrid, B2I communication and services in select industries.
Another example is language barriers. One technology innovator has already created a platform dedicated to medical interpretation using telehealth technology. At the click of an app, doctors and patients have access to a roster of interpreters who can speak 200 different languages. Services like this enable complex healthcare diagnoses for both routine situations and emergencies, transcending location or language.

Technological advancement is a key reason we have been able to save more lives in the COVID-19 pandemic, compared to the 1918-21 Spanish Flu outbreak that claimed up to 50 million lives worldwide. As of February 28, 2021, the global death toll for COVID-19 was 2.5 million – a horrific number, but one that potentially could have been worse.

Advances in digital communication technology not only helped with social distancing, they also enabled faster identification of outbreaks and made lockdowns more tolerable. Advanced medical technology and standards of care have made a huge difference, and will help the world out of the pandemic with the development of several COVID-19 vaccines. Meanwhile, AI technology is being used by the CDC and other organizations to collect massive amounts of data to track new cases and deaths, pinpoint geographic hot spots, and identify the spread of new strains.

**TELEHEALTH AND OTHER FORMS OF DIGITAL COMMUNICATION ARE HERE TO STAY. THE FUTURE WILL DEFINITELY BE A HYBRID BETWEEN VIRTUAL AND IN-PERSON CONTACT, SO THE MAIN OPPORTUNITY MOVING FORWARD WILL BE ACHIEVING THE OPTIMAL BALANCE TO INCREASE ACCESS AND IMPROVE QUALITY.**

Rachael Adler, Senior Vice President, Client Services

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**WHICH OF THE FOLLOWING ACTIVITIES DO YOU DO ONLINE?**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Before the Pandemic</th>
<th>During the Pandemic</th>
<th>Plan to Do After the Pandemic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Making a Doctor’s Appointment via an Online Portal</td>
<td>12%</td>
<td>20%</td>
<td>40%</td>
</tr>
<tr>
<td>Ordering Medicine/Prescription via an App</td>
<td>15%</td>
<td>32%</td>
<td>37%</td>
</tr>
<tr>
<td>Participating in Telemedicine/Virtual Appointments</td>
<td>9%</td>
<td>17%</td>
<td>35%</td>
</tr>
<tr>
<td>Communicating with My Healthcare Provider via Email</td>
<td>9%</td>
<td>15%</td>
<td>34%</td>
</tr>
<tr>
<td>Getting Medicine/Prescription Delivered to My Home</td>
<td>12%</td>
<td>22%</td>
<td>28%</td>
</tr>
<tr>
<td>Making a Doctor’s Appointment via an App</td>
<td>13%</td>
<td>22%</td>
<td>37%</td>
</tr>
<tr>
<td>Ordering Medicine/Prescription Online</td>
<td>18%</td>
<td>26%</td>
<td>37%</td>
</tr>
<tr>
<td>Using a Health App on My Phone</td>
<td>16%</td>
<td>19%</td>
<td>33%</td>
</tr>
<tr>
<td>Communicating with My Healthcare Provider via App</td>
<td>15%</td>
<td>16%</td>
<td>35%</td>
</tr>
<tr>
<td>Communicating with My Healthcare Provider via Text</td>
<td>15%</td>
<td>16%</td>
<td>35%</td>
</tr>
</tbody>
</table>

A HYBRID FUTURE FOR B2B TRADE SHOWS, CONFERENCES AND EVENTS

Every industry encountered serious pandemic challenges, but few of them faced the same time urgency that B2B trade show, conference and event owners and planners had in March of 2020. Many states either banned or discouraged trade shows and other potential super-spreader events. Registered exhibitors and attendees were demanding their money back. After years of planning and months of collecting booth and participation fees, a creative solution was needed in a hurry.

While some events were canceled, many more were rescheduled and transformed. Virtual events have been staged since the 1990s, but new technology transformed them into more realistic, seamless and memorable experiences. Virtual exhibitors used sophisticated software to make the experience resemble real-world booths, with imagery of desks and product displays and even company hosts. Interactive virtual presentations were staged, and visitors could request a live virtual discussion for more information about exhibitor products and services.

THE PANDEMIC PROVED THAT YOU DON’T NEED TO FLY TO A DISTANT CITY TO ATTEND A TRADE SHOW TO EFFECTIVELY ENGAGE WITH TARGETED AUDIENCES.

Josh Laster, Vice President, Client Services

In a July survey by The Center for Exhibition Industry Research (CEIR), 6% of B2B event organizers who had postponed an in-person event said they had added a hybrid or virtual component to their plans. The stunning success and advantages of virtual trade shows were something of a surprise to B2B companies that rely on these events to generate their hottest leads. Without costly travel expenses, visitor attendance was significantly higher and more diverse in most cases. Not only did B2B marketers reach a wider audience, but leads became more measurable.

Perhaps best of all, the cost of virtual trade shows for exhibitors and visitors alike is significantly lower. Our B2B clients are using the money saved for other priorities, including digital marketing and virtual field sales enhancements. The pandemic opened the door to replacing high-cost events with more cost-effective ways to reach a more targeted audience.

Moving forward, B2B companies are planning more creative, personalized approaches to virtual events. G&S is helping B2B clients imagine and develop ways to enhance the experience, like creating virtual “at the bar” types of experiences that help build new and reinforce existing relationships. Virtual cocktail parties, virtual hospitality suites, virtual lunches and dinners – fun, personal relationship-building experiences after the formal work is done.

OUR CLIENTS ARE TAKING A GOOD PORTION OF THEIR TRADE SHOW BUDGETS AND INVESTING IN DIGITAL MARKETING.

Beth Crisafi-Smith, Vice President, Client Services
The in-person value of attending industry events remains, but the future of trade shows will almost certainly be a hybrid between virtual and live.

It also opened the door to a more strategic approach to marketing events. Many companies have restricted external communication tactics surrounding trade shows and conferences to the four-day cycle of the event. This approach ignores all the opportunities to promote the company and its products and services well before and long after the event.

**IT DOESN’T MAKE STRATEGIC SENSE TO RESTRICT TRADE SHOW COMMUNICATIONS TO A FOUR-DAY CYCLE. IT SHOULD BE A FOUR-MONTH CYCLE AT LEAST.**

Brian Hall, Principal and Managing Director, Chicago

**THE B2I HYBRID FUTURE OF B2B SALES**

Another facet of B2B selling where the pandemic accelerated an existing trend is the day-to-day sales process itself. Just as many B2B companies were finally hammering out all the kinks in their sophisticated enterprise e-commerce platforms to make them unrestricted, consumer-quality seamless experiences, the pandemic forced an overnight shift to remote selling for sales reps. McKinsey reports that over 90% of B2Bs globally have transitioned to a virtual sales model since COVID-19 started, and 65% of B2B decision makers agree that remote selling has been equally or even more effective.

Not surprisingly, surveys of B2B companies by Altimeter and Netwin Infosolutions confirm that the biggest challenge for sales reps now is creating an effective digital experience while maintaining the personal touch. The consumerization of B2B buying that started with customer e-commerce portals more than ten years ago has matured to the point where buyers expect the same speed and accuracy from their professional buying experience as they get from their personal experience as consumers. In fact, a 2018 survey by Demand Gen of American B2B buyers indicated that Amazon Business was the top B2B marketplace, followed by China-based Alibaba.

And as with online consumer sales, B2B suppliers that invest in personalization tools such as AI data collection and customizable platforms with features like live chats, are rewarded by profit increases, according to Netwin Infosolutions. Digital sales will never entirely replace in-person B2B sales calls, but the process of shopping for B2B products and services today is surprisingly similar to shopping for B2C products and services. The increased personalization of digital tools suggests that the future of B2B selling will be a B2I hybrid.
SLIGHT ADJUSTMENTS IN THE HYBRID HOME BUYING AND RENOVATING INDUSTRY

Most consumers demand the in-person experience when it comes to making final decisions and closing the deal for anything affecting their homes. Virtual home tours and virtual renovation product showcases can narrow consumer choices and save time. But nothing can replace the experience of walking the rooms of the actual home. And most people need the sensation of seeing and touching the products and materials under consideration for home renovations.

When lockdown restrictions subsided in many areas last summer, millions of Americans warmed up to the opportunity to tour a home or visit a product showcase for renovations wearing a mask. Even with risk, Americans prefer to tour homes and select home products and services in person.

Selling in the home and building space has become a two-step, B2I personalization process. Step-one: virtual tours and virtual showcases help streamline the sales process by helping customers narrow their preferences. Quick chats online, phone calls and Zoom calls enhance personalization of the experience.

These are important components of B2I communication, but the ultimate B2I experience is still step-two: the in-person meeting that most customers demand for finalizing the deal – following COVID safety protocols until further notice.

WE HAVE MORE WAYS THAN EVER TO INTERACT VIRTUALLY WITH BRANDS AND LEARN ABOUT PRODUCTS ONLINE, BUT WHEN IT COMES TO MAKING FINAL DECISIONS ON THE PURCHASE OF A HOME, PEOPLE TAKE IT PERSONALLY. THEY WANT TO SEE, TOUCH AND EXPERIENCE IT FIRST-HAND.

Meredith Topalanchik, Senior Vice President, Client Services
Financial services are clearly tech-led today. The pandemic has also reminded us that financial transactions sometimes require direct, in-person service. Although they have moved some transactions online, many customers still prefer in-person service for activities ranging from opening a new account and depositing checks to applying or signing for a loan (Fig. 10).

Even amid a pandemic, people are still visiting their local bank branches and meeting with their investment advisors. People of all ages want the human “hand-holding” that experts with a depth of knowledge and the right touch provide to make customers feel safe, reassured, and comfortable. The bigger challenge is how to continue humanizing digital engagement to provide increasingly seamless B2I service and communication.

During the pandemic, customers have focused on virtual services out of both preference and necessity. As we hopefully emerge from the pandemic in the months ahead, there will be a pent-up demand for more of a “human touch,” for human contact, for personal service.

This represents an opportunity for brands to shine a bright light on their people – their greatest asset and front-line personalization differentiator. Yes, offer simple digital and automated solutions. Yet you must make it easier for customers to get through to a customer service specialist during telephone encounters. Offer genuine live chats online with company experts. Promote this human touch and focus external communications on the talented team of people who define and differentiate your company.
This news rocked the global automotive world, and it underscored the fact that the coronavirus pandemic magnified and accelerated the growing importance of Environment, Social and Governance (ESG) and Diversity, Equity, and Inclusion (DE&I) policies and actions.

Previous economic crises have sometimes tended to reduce corporate emphasis on sustainability and social initiatives in order to focus on financial recovery and survival, but that did not happen in 2020. COVID-19 is a uniquely people-centered crisis compounded by uneven economic impacts and a surge in social justice efforts to address racism and other systemic societal issues. Even as many companies struggle for survival, corporate leadership is experiencing intensified interest in their ESG and DE&I policies and actions by all stakeholders – employees, local communities, investors, government, and the general public.

For many companies, especially manufacturers, environmental issues such as carbon emissions, energy consumption, water and resource use, and waste have typically dominated their ESG agenda. In both surveys and actions, corporate leaders are now saying, and demonstrating, that the pandemic is forcing them to reconsider their role in the social order, their impact on the world, and what society expects of them. The “S” in ESG has become an equally important part of corporate policy and planning.

SOCIAL FACTORS ARE TAKING CENTER STAGE NOW IN ESG STRATEGIES. CORPORATE VALUES, AND DE&I RECORDS ARE UNDER INTENSE SCRUTINY. RACIAL INJUSTICE IS NOW A MATERIAL ISSUE – IT’S THE COST OF ENTRY FOR EMPLOYEES AND INVESTORS IN MANY CASES.

Audra Hession, Principal and Managing Director, Reputation Management Consultancy
Before the pandemic struck, there was also a growing trend toward alignment with supply chain partners that share and DE&I values as well. Anti-racism movements, among other organized efforts focused on creating a more equitable world, created a groundswell in 2020 that civic and corporate leaders couldn’t ignore. These catalysts, along with the pandemic, accelerated this trend for shared societal values, even amid serious supply chain disruptions. In a May survey of 250 engineers and other industrial automation professionals, VDC Research found that 85% had experienced supply chain disruptions due to COVID-19, while 67% said they had decreased their organization’s production volume.

**THE IMPACT ON GLOBAL MANUFACTURING AND SUPPLY CHAINS**

Sustainability has been a requirement – a “license to operate,” in ESG parlance – for the entire global manufacturing supply chain for roughly two decades. Sustainability goals and policies have become firmly embedded into corporate culture and decision-making. Supply chain partners, from materials sourcing to manufacturing and distribution, not only expect and demand reliable business partners, but allies for helping each other achieve sustainability goals as well.

Those disruptions forced many companies to think about the long-term viability of the complex global supply chains that have developed over the last several decades. In some cases, small and medium-size suppliers required extraordinary support from their larger supply chain partners in order to stay in business. The pandemic forced many large manufacturers to invest directly to help especially vulnerable business-critical suppliers. For instance, global makers of consumer goods helped sustain small farmers in developing countries that produce cotton, cocoa, palm oil, and other products. Even so, many key suppliers went out of business.

**EVEN IF YOU MANUFACTURE THE GREATEST PRODUCT ON THE PLANET, YOU STILL NEED TO LAYER IN SUPPLY CHAIN ALIGNMENT FROM A SOCIETAL VALUES AND SUSTAINABILITY PERSPECTIVE. THAT’S TRUE WHETHER YOU’RE A MASSIVE GLOBAL COMPANY OR A SMALL SPECIALTY PLAYER.**

Supply chains will undoubtedly evolve to become more flexible and resilient, with sufficient diversity to ensure continuity during catastrophic events. Right now, everyone is focused on the pandemic, but climate change is very likely to cause future disruptions. The increased commitment to ESG objectives during the coronavirus pandemic bodes well for their ongoing role as integral elements of private enterprise purpose and action.

**COMPANIES IN EVERY SECTOR ARE UNDER PRESSURE TO EXPLAIN AND DEMONSTRATE THEIR PURPOSE BEYOND CREATING SHAREHOLDER VALUE. THAT INCLUDES INVESTOR PRESSURE RANGING FROM THE LARGEST PENSION FUNDS TO THE SMALLEST INDIVIDUALS.**

Brian Hall, Principal and Managing Director, Chicago

Steve Halsey, Chief Growth Officer
SHARP INCREASE IN ESG INVESTING

Perhaps the most telling metric of the rise in importance of ESG issues was the dramatic increase in ESG-based investing – originally a minor specialty led by dedicated “green funds.”

According to a global survey of institutional investors released by MSCI13 in February, 2021 – 77% of investors increased ESG investments “significantly” or “moderately” in response to COVID-19. This figure increases to 90% for the largest institutions with over $200 billion of assets.

The MSCI survey also revealed that 2020 saw a significant shift in ESG investing in the U.S., where interest had previously lagged behind Europe and Asia. Among U.S. respondents, 78% said they would increase ESG investment either significantly or moderately in a response to COVID-19. The figure for Asia-Pacific was 79%; in Europe-Middle East-Africa (EMEA), it was 68%.

Commenting on the results, Baer Pettit, President and Chief Operating Officer, MSCI, noted that one reason for the “profound shift” in ESG investing in 2020 is recognition that many companies with strong ESG practices outperformed their peers during the pandemic.

A recent study by Marsh & McLennan14 notes the growing evidence that ESG policies and practices have a positive impact on a company’s financial performance and long-term business strategy, based partly on the attraction and retention of diverse talent. It reports that, “Top employers, as measured by employee satisfaction and attractiveness to talent, have significantly higher ESG scores than their peers – a pattern that is partly due to these company’s relatively strong environmental performance, but the trend is also present across social and governance issues.” The study noted that this is especially important for attracting and retaining diverse talent, as Millennials and Generation Z’s constitute an increasing percentage of the workforce.

Another manifestation of ESG investment is incentive-driven lending practices by banks. Under pressure from shareholders and regulators to meet their internal sustainability targets, in 2020 Wall Street banks started offering bargain lending rates to commodity dealers for trading “green products.” According to the Wall Street Journal15, commodity traders such as Trafigura Group Pte. Ltd. and Gunvor Group have lines of credit from banks that give them cheaper rates to finance reduced-carbon production of materials ranging from oil to low-carbon aluminum.
One of the essential lessons traditionally taught in business schools is that the primary objective for publicly traded corporations is a fiduciary responsibility to deliver shareholder value above all else. In the United States, this is why there has always been a conflict between long-term strategies and the next quarterly earnings statement.

Even before the pandemic, this priority was beginning to shift. As companies began to bake ESG strategies and DE&I objectives into their culture, many began to realize that emphasizing both ESG and DE&I purpose and profit is a necessary balance for both short- and long-term growth.

Employees and customers alike were seeking clarity of, and connection with, a company’s purpose. It is no longer a “nice to have”, but a business-critical imperative for a company’s senior executives to truly define, live, infuse and connect purpose to their day-to-day actions. It starts by answering two essential questions.

1. WHAT IS OUR REASON FOR BEING?
2. WHAT WOULD THE WORLD LOSE IF OUR COMPANY NO LONGER EXISTED?

Purpose is usually closely tied to ESG and DE&I policies and practices. Considering the mounting evidence that companies with outstanding ESG and DE&I scores tend to outperform their peers, it’s a safe bet that these practices will become increasingly important in the balance between purpose and profits. The business case for advanced DE&I policies alone is compelling.

**INCREASED PROFITABILITY & PRODUCTIVITY:**
- Research from McKinsey\(^{16}\) shows that the most ethnically diverse companies are 35% more likely to outperform the least ethnically diverse companies.
- Inclusive companies have a 2.3x higher cash flow per employee over a three-year period.\(^ {17}\)
- According to Deloitte, inclusive teams outperform their peers by 80% in team-based assessments.\(^ {18}\)

**INNOVATION & COLLABORATION:**
- Firms in the top tier for DE&I are 1.8 times more likely to be change-ready and 1.7 times more likely to be innovation leaders.\(^ {19}\)

**RECRUITMENT & RETENTION:**
- According to research from Glassdoor,\(^ {20}\) 67% of job seekers said that a diverse workforce is an important factor to them when considering companies and job offers, and that 57% of employees want their company to do more to increase diversity.

**SOCIAL FACTORS HAVE TAKEN THE STAGE IN ESG STRATEGIES.**
**PROGRESSIVE DE&I POLICIES AND ACTIONS ARE NOT JUST THE ‘RIGHT THING’ TO DO. THEY HAVE BECOME ESSENTIAL, SMART BUSINESS PRACTICES. IN MANY CASES, THESE ACTIONS ARE THE COST OF ENTRY FOR EMPLOYEES AND INVESTORS TRACKING THESE MATERIAL TOPICS.**

Audra Hession, Principal and Managing Director, Reputation Management Consultancy
INCREASED CONCERN OVER SAFETY DURING AND AFTER THE PANDEMIC

Safety concerns during the pandemic are everywhere, from face masks and visors to plexiglass shields between customers and cashiers at most retail stores. Less visible is the discontent of “essential workers” in grocery stores, food processing plants, pharmacies, distribution warehouses, hospitals, medical offices, nursing homes, schools, and many other facilities. Their suffering is real, but intangible and unrelatable to many Americans.

Low wages and lack of employee benefits for many essential workers are part of the problem. However, the biggest concern by far remains lack of coronavirus safety precautions, including personal protective equipment (PPE), proper ventilation, adequate social distancing space, and sufficient work breaks and time off.

In late January, Time Magazine reported that unions of all types say the pandemic has increased interest in their work across industries ranging from health care and food service to retail. Interest in union organization by employees in many industries is expected to continue after the pandemic subsides.

From a consumer perspective, safety issues such as face masks, social distancing and whether or not to take a vaccine are generally perceived as personal choices, though some new federal regulations are in place for masks. Two of the primary COVID-related safety concerns not within their control have been food and packaging, especially food packaging.
THE DAYS OF TAKING FOOD FOR GRANTED ARE OVER

Concerns over contracting COVID-19 from eating food have declined dramatically due to consistent public service communications from the U.S. CDC, the World Health Organization (WHO) and other organizations, consumers are still interested in understanding the origin of their food but consumer interest in food safety is still very high.

Today’s consumers want to know where their food comes from, how it got to the supermarket, what safety and sustainability measures were taken, and a great deal more (Figure 11). As a result, many companies are shifting their communications to consumers with transparent information about safety measures at every step along the supply chain.

ONLY 9% ARE EXTREMELY/VERY CONCERNED COMPARED TO 29% IN FALL 2020

ABOUT CONTRACTING THE CORONAVIRUS THROUGH THE FOOD THEY EAT

Fig. 11.
G&S Survey, January 2021

WHEN IT COMES TO FOOD CONSUMERS WANT TO KNOW MOST ABOUT:

WHERE IT WAS GROWN (IN THE US OR ABROAD) 54%
WHAT SANITATION PRACTICES ARE USED AT RETAIL LOCATION 40%
HOW IT WAS PRODUCED (I.E. ORGANIC VS CONVENTIONAL) 33%
HOW IT WAS HANDLED IN THE RETAIL LOCATION 29%
HOW IT WAS TRANSPORTED FROM A FARM TO A DISTRIBUTOR 10%
HOW IT WAS TRANSPORTED FROM A DISTRIBUTOR TO A RETAILER 9%
NONE OF THE ABOVE 17%

Fig. 12.
Note: Respondents could choose up to three answers.
G&S Survey, January 2021
THE SAFETY OF FOOD PACKAGING BECAME A SERIOUS CONSUMER CONCERN

During the early days of the pandemic, many consumers took to sanitizing their increasingly frequent food packages, a dangerous practice discouraged by the CDC.

Others insisted on placing food deliveries in quarantine in their garage for a day or two, another unnecessary, albeit harmless, precaution. As with food itself, fears of contracting COVID-19 from touching food packages have declined significantly, likely due to public education campaigns.

Still, the pandemic has magnified the safety issue of food packaging, especially with millions of consumers receiving regular food deliveries from local grocers and online suppliers. And with 31% of consumers still at least somewhat concerned about catching COVID-19 from food packaging (Fig 13), safety is an issue that must be addressed by the industry. Safety requires the kind of communication effort the industry has made with sustainability for many years. Sustainability and safety will likely become twin messages in company ESG communication efforts moving forward.

ONLY 10% ARE EXTREMELY/VERY CONCERNED COMPARED TO 31% IN FALL 2020

ABOUT CONTRACTING THE CORONAVIRUS THROUGH FOOD PACKAGING

Fig. 13
THE ENDURING IMPORTANCE OF REPUTATION, TRUST, AND BRAND

Profound changes abound, yet reputation and trust remain steadfast values by which consumers measure their brand preferences. Without a good reputation and fundamental trust, a company’s stated “purpose” means little to stakeholders. Pandemic risks and tragedies, racial justice movements, activism, political unrest – all these have made the American public and investment community acutely interested in, and watchful of, where private sector enterprises stand on purpose-related social issues.

Many companies and industries have responded to this wellspring of public and investor interest in company purpose and social commitment with decisive policies and actions. For instance, all size banks in the United States met the crisis with policies and programs that created goodwill in their communities and helped restore banking industry reputation declines experienced over the last several years.22

The goodwill that so many American banks experienced in 2020 was the result of humane policies and philanthropic programs designed to help those most impacted by the pandemic.

Based on the annual survey data published by American Banker and RepTrak, three of the biggest reputation risks for banks involve social justice: unequal pay by gender; unequal opportunities by race, gender or other factors; and discriminatory business practices. In response, many banks and other financial institutions established inclusion employment policies and initiated less discriminatory policies and penalties for consumers based on income, age, gender, race or ethnicity.

G&S consumer surveys also indicated that reputation still reigns supreme in the home buying and home renovation space – two bright spots in the U.S. economy through most of the pandemic months. Needless to say, reputation is of critical importance to companies in every industry, but investing in a new home or upgrading a living space is not only a major financial commitment, it’s also a very emotional, personal undertaking.
Clearly, consumers rely on their friends and relatives for recommendations. They might also browse online for reviews or pay attention to celebrity endorsements, but the bottom line is that word-of-mouth is still the primary driver in this market.

**BEDROCK VALUES LIKE TRUST, REPUTATION, CONVENIENCE AND OUTSTANDING PERSONAL SERVICE REMAIN CONSTANTS IN A SEA OF CHANGE.**

Anne Green, Principal and Managing Director, New York

More surprising was a Gallup poll released in September indicating that farming/agriculture is the business sector that had the most positive perception among Americans. With 69% of respondents saying they had a positive view, it was the first time since Gallup first started measuring perception among industries 20 years ago that agriculture was the clear leader. It is worth noting that second on the list was the grocery industry at 63%, and third was the restaurant industry at 61%. The supply of food is clearly on consumers’ minds during this pandemic.

Our survey of consumers affirmed the Gallup Poll results in October, indicating that 68% of Americans perceived the farmers’ role in society to be more critical now than they thought it was in 2019. Three months later, in January – with starvation less of a concern – this number dropped to 49%, still a much higher rating than pre-pandemic levels. Equally significant is the low percentage of people who disagree.
The steadfast reliance on trust, reputation and brand in the home buying and renovation industries is a testament to the enduring value consumers place on these attributes. The dramatic improvement of public perceptions of banks demonstrates how enlightened policies and positive deeds can generate substantial goodwill during a crisis – goodwill likely to endure as long as those policies and deeds continue. The sudden rise in public perceptions of farmers shows how a crisis can remind consumers of critical functions they had come to take for granted.

IT TOOK A PANDEMIC FOR AMERICANS TO RECOGNIZE THE CRITICAL IMPORTANCE OF FARMERS TO THE ECONOMY AND OUR VERY LIVES.

Caryn Caratelli, Principal and Managing Director, Client Services

DIFFICULT TO ESTABLISH, IMPOSSIBLE TO FAKE OR PRICE – REPUTATION, TRUST AND BRAND WILL ALWAYS BE THE MOST VALUABLE ASSETS ANY COMPANY CAN POSSESS.

Audra Hession, Principal and Managing Director, Reputation Management Consultancy
RESILIENCE AND INNOVATION IN THE FACE OF DISASTER

Rife with tragedy, relentless in ongoing challenges, and rich with new opportunities – the ongoing coronavirus pandemic has forever changed the way we work, play, think, and communicate. The American people have met the challenges with unexpected resilience and innovation in a thousand ways, day after socially distanced day.

The future of business communication is definitely hybrid, with an increasing emphasis on personalized B2I engagement.

**HEALTHCARE & WELLNESS**

Telehealth appointments have become a familiar alternative to in-person appointments, but will not replace them altogether. Telehealth may also prove to be instrumental in creating more equitable access to quality healthcare for everyone.

**AGRIBUSINESS**

Food may never be taken for granted again, and technology will continue to streamline many buying decisions, from houses to selecting financial services. This is especially true as various sectors of the economy install the “last mile” of technology transformation. Here again, the future is a B2I hybrid.

**FINANCIAL & PROFESSIONAL SERVICES**

Social issues and safety have become equal partners with the environment as top priorities in corporate and supply chain ESG objectives. The MSCI survey cited earlier noted that 31% of the largest institutional investors believe that climate change will have the biggest impact on the way their organization invests over the next three to five years. This, combined with Wall Street’s awareness that companies with strong overall ESG track records tend to outperform their peers, suggests that the importance of ESG is likely to continue growing long after the pandemic has passed.

The future is loading. More than ever, survival and success require that we adapt and change with rapidly evolving realities. This massive health crisis has proven that, as individuals and as a society, we can accomplish the impossible – quickly and efficiently, as the need arises.

Flexibility, agility, and a willingness to change serve as our guiding beacons for understanding and responding to the needs and desires of society. Values like reputation, integrity and trust serve as our compass.

We remain steadfast in our “realistic” optimism for the future, and we are working with clients to help them address challenges and make the most of new and unfolding opportunities.
SURVEY METHODOLOGY

G&S conducted surveys in April and October 2020, as well as in January and February 2021 to inform our point of view.

The main G&S Survey was administered online in January 2021. The food, healthcare and finance sections were completed by a representative U.S. sample of 1,041 adults aged 18+, while the home renovation and manufacturing sections were completed by a representative U.S. sample of 1,050 adults aged 18+. Both samples have been balanced for age and gender based on the Census Bureau’s American Community survey to reflect the demographic composition of the U.S.

The February G&S Snap Poll exploring attitudes around corporate purpose, ESG and DE&I was administered online. It was completed by 422 adults aged 18+ in the U.S. on February 10, 2021, and was balanced for age and gender.
WHO WE ARE

G&S is a business communications agency helping innovative companies change the world.

As a team of researchers, media strategists, storytellers and engagement experts, we help inspire people to take action, resulting in business growth for our clients.

As we look ahead to the horizon, we asked ourselves: what has changed forever, and what is here to stay? This question formed the basis of our 2021 Reshaping the Future campaign and this report, “The Future Is Loading,” a review of how consumer behaviors changed over the course of the pandemic to help business leaders plan for the years ahead.

Based on a series of research polls conducted primarily between October 2020 and February 2021, we uncover the greatest trends shaping several industries along with expert insights about how to plan for the years ahead.

Learn more and connect with an expert at learnmore@gscommunications.com
THE FUTURE IS LOADING FOOTNOTES

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A SPECIAL THANK YOU TO ALL OF OUR G&S EMPLOYEES, CLIENTS, PARTNERS AND INDUSTRY PEERS FOR THE DISCUSSIONS, DIALOGUE AND LEADERSHIP IN THESE TRYING TIMES. TOGETHER, WE ARE CHANGING OUR INDUSTRY AND RESHAPING THE FUTURE FOR THE BETTER.