

HOW HELPING REFUGEES HELPS BRANDS

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TENT

ABOUT THE TENT PARTNERSHIP FOR REFUGEES

TENT IS MOBILIZING THE PRIVATE SECTOR TO IMPROVE THE LIVES AND LIVELIHOODS OF THE MORE THAN 25 MILLION MEN, WOMEN, AND CHILDREN WHO HAVE BEEN FORCIBLY DISPLACED FROM THEIR HOME COUNTRIES.

AS TRADITIONAL ACTORS STRUGGLE TO COPE WITH THE GLOBAL REFUGEE CRISIS – WITH EVER-INCREASING NUMBERS OF REFUGEES, DISPLACED FOR LONGER PERIODS OF TIME – IT IS CLEAR THAT BUSINESSES HAVE A MORE IMPORTANT ROLE THAN EVER BEFORE.

TENT WORKS CLOSELY WITH BUSINESSES TO HELP THEM IDENTIFY AND UNDERSTAND OPPORTUNITIES TO HELP REFUGEES.

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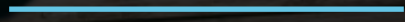
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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY



KEY CONCLUSIONS

Despite rising polarization on refugee policy in the United States, U.S. consumers exhibit a surprising level of support for brands that help refugees, indicating that brands can “do good,” by making positive contributions in the lives of refugees, and “do well,” by attracting consumer support, at the same time.

- ▶ Brands can consider making commitments to support refugees, knowing that, on net, U.S. consumers support these actions and are more likely to purchase from brands that make them.
- ▶ U.S. consumers – especially millennial consumers – do not discriminate significantly among most types of business support for refugees. Therefore, brands can focus on projects that best align with their business operations and brand values and yield the greatest impact for refugees.
- ▶ Brands with a significant proportion of millennial consumers, female consumers, or consumers of color, are likely to see particular support for projects to help refugees.
- ▶ Instead of ruling out efforts to support refugees, brands with a significant proportion of conservative consumers or consumers in their mid-fifties or older should consider efforts to support refugees overseas, which are likely to trigger less opposition from these consumer demographics.



INTRODUCTION

INTRODUCTION



THIS STUDY ANALYZES HOW CONSUMERS RESPOND TO BRANDS THAT COMMIT TO SUPPORTING REFUGEES.

The number of refugees globally has risen to 25.4 million, with a surge in new refugees over the past several years and a decrease in the number of refugees returning to their countries of origin.

Traditional actors are unable to meet refugees' needs in a comprehensive manner. A number of organizations, including the Tent Partnership for Refugees, have highlighted the urgent need for the global businesses community to step up in support of refugees.

At the same time, the resettlement of refugees in the United States has become increasingly politicized. In 2017, the Trump administration resettled only 33,000 refugees in the United States - compared to approximately 97,000 in 2016.

The administration lowered the cap on refugee admissions to 45,000 refugees for fiscal year 2018 and again to 30,000 for fiscal year 2019, reducing resettlement to historically low levels. Supporters of the

current administration are notably less likely to support refugee admissions to the United States.

Given this polarization around refugee resettlement, companies may be concerned that supporting refugees could alienate consumers and ultimately hurt their business. Companies like Starbucks and Chobani, which have made visible efforts to hire refugees, have faced criticism from certain quarters. While these experiences have understandably made other companies more apprehensive about taking similar steps, this report demonstrates that companies will find that more consumers react positively than negatively.

OUR FINDINGS DEMONSTRATE THAT OVERALL, WHEN BRANDS AND COMPANIES TAKE STEPS TO SUPPORT REFUGEES, U.S. CONSUMERS ARE MORE LIKELY TO PURCHASE FROM THEM.

This reflects the actual experience of Starbucks and Chobani, both of which have continued to perform strongly in the wake of initial criticism, from certain quarters, to their refugee-hiring initiatives.



PARTICIPANT PROFILE

3. Pew Research defines middle class in the United States as ranging from \$42,000 to \$125,000 in pre-tax household income. <http://www.pewresearch.org/2016/05/11/are-you-in-the-american-middle-class/>

PARTICIPANT PROFILE



TO DERIVE THE FINDINGS PRESENTED IN THIS REPORT, WE SURVEYED A LARGE AND DIVERSE GROUP OF U.S. CONSUMERS WHO REFLECT THE OVERALL POPULATION OF THE UNITED STATES.

The data we used was collected in an online survey of 7,139 consumers in the United States. The respondents were recruited through Research Now, a leading data collection and market research company, and were financially incentivized to take the survey. Respondents were asked a series of questions about ten brands in each of ten product categories (for a total of 100 brands): alcohol, automobiles, cosmetics, apparel retail stores, grocery stores, home furnishings, hotels, soft drinks, soap-shampoo and sports apparel. The demographic breakdown of the survey participants by gender, race, census region, education, age, income, family composition, religion, and political ideology is illustrated on the following page.

Both female and white consumers are overrepresented in the sample. The survey respondents are 59% female, but the U.S. population is only 51% female; the survey is 82% white, but the U.S. population is only 77% white.

Female consumers tend to be more supportive of companies taking steps to support refugees than male

consumers, which would have skewed our findings positively, but since white consumers are the least supportive of these efforts among racial groups (as illustrated in Section 3), our assessment is that on balance the sample should still be representative of the U.S. population.

Notably, all respondents were over the age of 18 – but, as demonstrated on [page 23](#) it is likely that respondents under the age of 18 exhibit high levels of support for brands that support refugees.

Survey data also indicates that there is a high level of awareness of the refugee crisis among consumers in the United States; overall, approximately 84% of respondents are aware of the refugee crisis. Respondents with higher socioeconomic status are most likely to be aware of the refugee crisis, but in the income brackets capturing the American middle class*, awareness of the refugee crisis is still high, ranging from 82% to 88%. Even in the lowest income bracket, capturing people who make less than \$15,000 annually, 71% of respondents are aware of the refugee crisis.

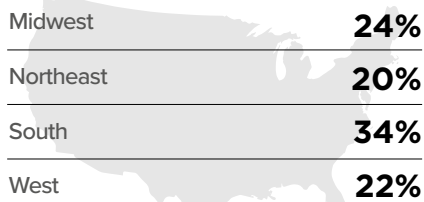
SURVEY DATA ALSO INDICATES THAT THERE IS A HIGH LEVEL OF AWARENESS OF THE REFUGEE CRISIS AMONG CONSUMERS IN THE UNITED STATES; OVERALL, APPROXIMATELY 84% OF RESPONDENTS ARE AWARE OF THE REFUGEE CRISIS.

* Pew Research defines middle class in the United States as ranging from \$42,000 to \$125,000 in pre-tax income.

PARTICIPANT PROFILE



REGION



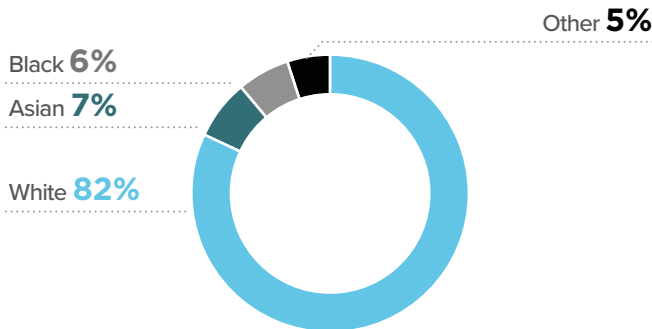
GENDER



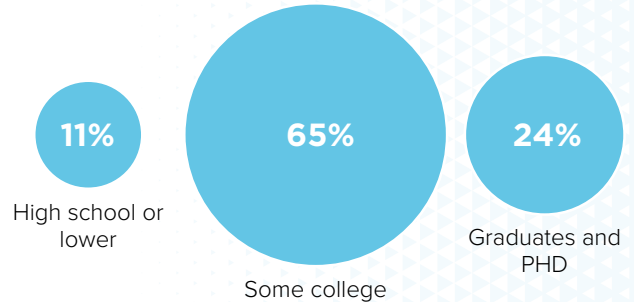
GENERATION



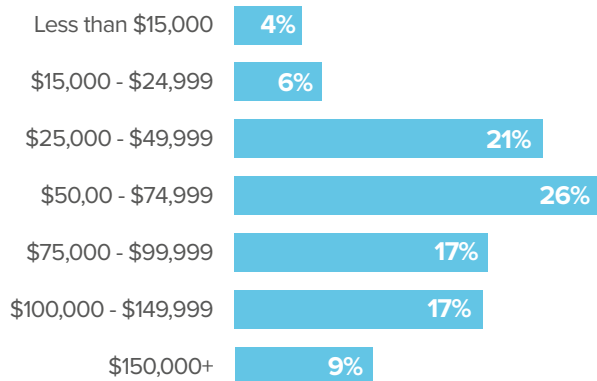
RACE



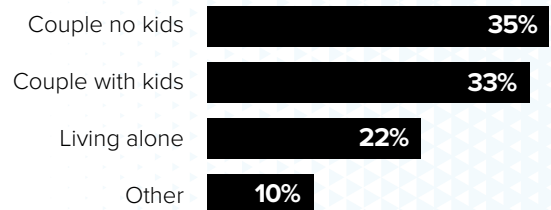
EDUCATION



INCOME



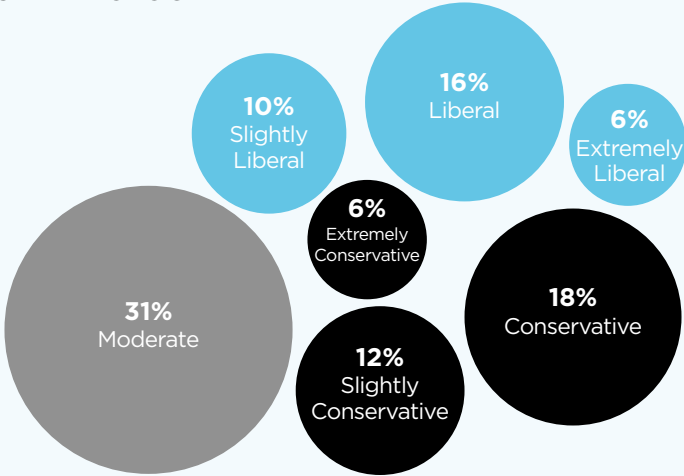
FAMILY COMPOSITION



RELIGION

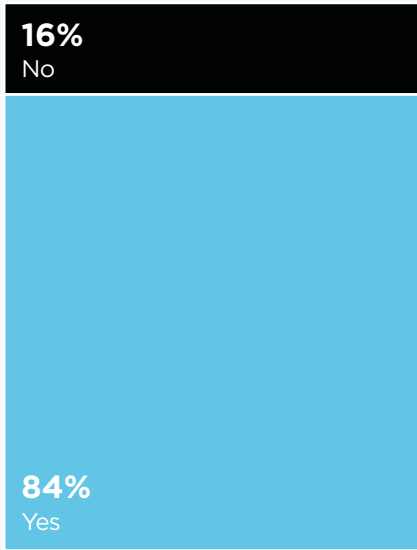
Catholic	24%
Other Christian	20%
Unaffiliated	16%
Atheist	5%
Orthodox Christian	2%
Other World Religions	1%
Historically Black Protestant	0.4%

POLITICAL IDEOLOGY

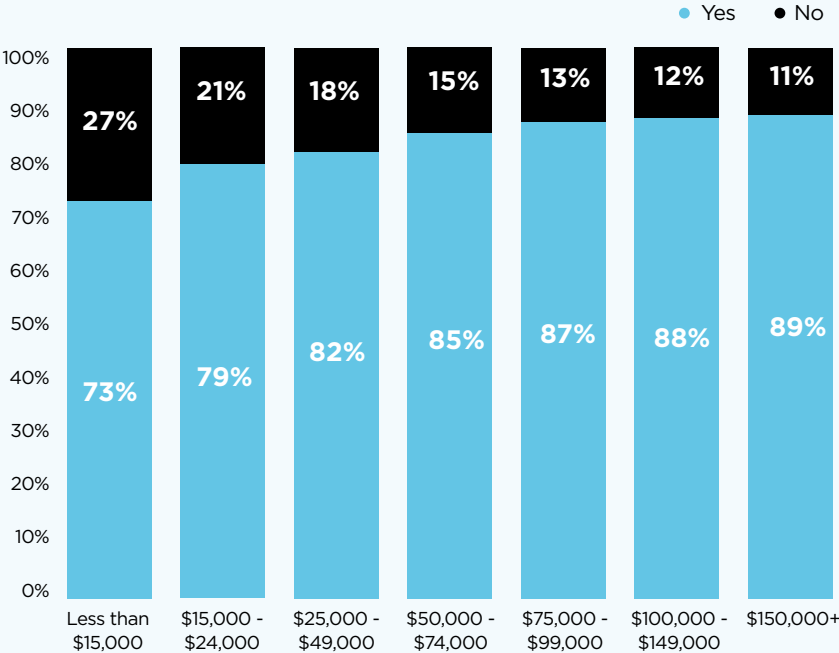


AWARENESS

ARE YOU AWARE OF THE REFUGEE CRISIS?



INCOME BRACKET AND AWARENESS



▲
SECTION 1:

HOW BRANDS CAN SUPPORT REFUGEES

HOW BRANDS AND COMPANIES CAN SUPPORT REFUGEES



BRANDS CAN SUPPORT REFUGEES IN A VARIETY OF WAYS, BUT TEND TO HAVE THE MOST IMPACT WHEN THEY HIRE REFUGEES, INTEGRATE THEM INTO THEIR SUPPLY CHAINS, DELIVER SERVICES TO THEM, OR INVEST IN THEIR ENTREPRENEURIAL ENDEAVORS.

The Tent Partnership and the Center for Global Development have proposed that, in the context of a refugee crisis characterized by long-term displacement and low levels of economic integration, companies can have the greatest and most sustained impact when they leverage their “core business” operations, such as by hiring refugees, integrating refugees into supply chains, delivering services to refugees, or investing in refugee entrepreneurs.

We sought to test consumer reactions to these potential commitments, as well as two other areas where brands may consider helping – donating money or engaging in political advocacy.

UNDERSTANDING COMMITMENT TYPES

Hiring commitments

Brands can hire refugees into their workforce directly. For example, WeWork publicly committed to hiring 1,500 refugees within five years. To test consumers’ reactions, we asked two versions of this question:

- ▶ Would you be less or more likely to buy products from a brand or company that had committed to hire 500 refugees in the United States?
- ▶ Would you be less or more likely to buy products from a brand or company that had committed to hire 500 refugees overseas?

Supply chain commitments

Brands can create jobs for refugees in their supply chains by working with their suppliers or sourcing from refugee-owned or refugee-employing enterprises. For example, IKEA is selling in its retail stores hand-woven rugs, textiles, and other items produced by an enterprise employing refugees and Jordanians. To test consumers’ reactions, we asked the following question:

- ▶ Would you be less or more likely to buy products from a brand or company that had committed to source certain products/services from companies employing refugees?

Service delivery commitments

Brands can tailor their services to better reach refugee populations, recognizing that refugees often face unique barriers to accessing financial, connectivity, or other service. For example, through the Smart Communities Coalition, Mastercard and Western Union are collaborating to provide refugees in Kenya with access to remittances, banking, education, healthcare and other basic needs. To test consumers’ reactions to this kind of commitment, we asked the following question:

- ▶ Would you be less or more likely to buy products from a brand or company that had committed to provide educational, financial or other services to refugees?

Impact investing commitments

Brands can support refugee entrepreneurs and small businesses. For example, Generali, the Italian insurance company, committed to helping refugees start 500 new businesses by 2020. To test consumers' reactions, we asked the following question:

- ▶ Would you be less or more likely to buy products from a brand or company that had committed to invest in refugee entrepreneurs?

Charity

Brands can also support refugees by donating money to organizations that help them. While the Tent Partnership and the Center for Global Development have suggested that traditional philanthropy is less likely to have a high impact in the longer term than commitments that leverage a brand's core business operations, a number of brands prefer to support refugees in this way. For example, over 2016 and 2017, Johnson & Johnson donated \$1.75 million to Save the Children, a global charity that works with refugees among other vulnerable populations. To test consumers' reactions, we asked the following question:

- ▶ Would you be less or more likely to buy products from a brand or company that had donated \$5 million to help refugees around the world?

Advocacy

Finally, brands can seek to influence government policy on refugees. In the United States, the primary policy issue concerns the U.S. government decision on how many refugees to resettle in the United States. To test consumers' reactions, we asked the following question:

- ▶ Would you be less or more likely to buy products from a brand or company that asks the U.S. government to agree to resettle more refugees?

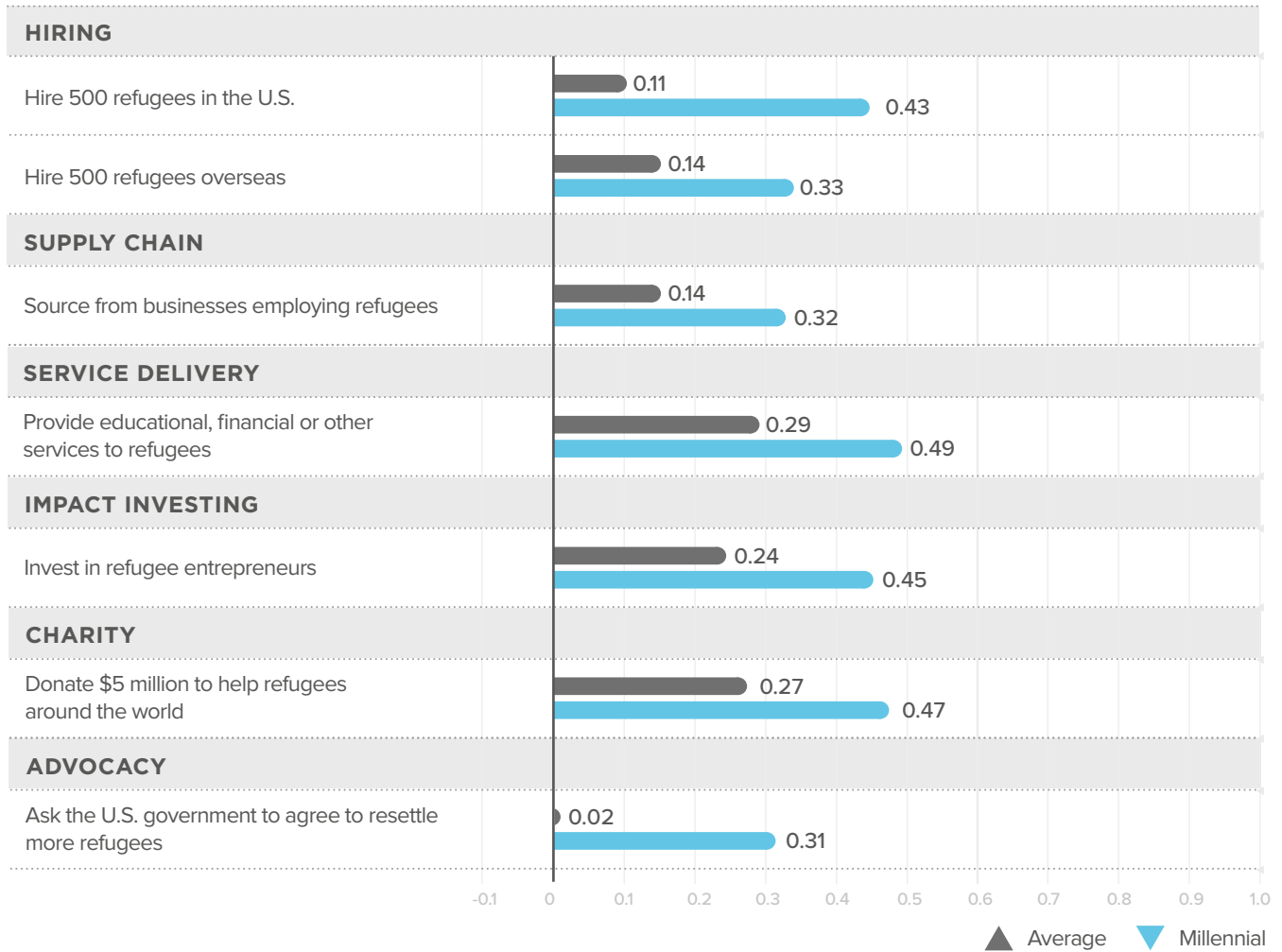
DO CONSUMERS PREFER CERTAIN COMMITMENT TYPES?

Consumers were asked about whether they would be much less likely, less likely, neither more nor less likely, more likely, or much more likely to buy products from a brand or company if they knew it was involved with these different kinds of activities to support refugees. Responses were scored between -2 and +2; -2 indicates "much less likely," -1 indicates "less likely," 0 indicates "neither less or more likely," +1 indicates "more likely," and +2 indicates "much more likely."

In the Consumer Response by Commitment Type chart, zero signifies that consumers are, on net, neither more or less likely to purchase from the brand. As the chart demonstrates, almost all the results are well above zero, which reflects that there are more consumers who are more likely to purchase from a brand due to its commitment than there are consumers who are less likely to purchase from a brand due to its commitment.

For example, on the question of a brand committing to hire refugees in the United States the scale score for millennials is 0.43, which translates into 44% of millennials who are more likely to purchase a brand committing to hire refugees in the United States, compared to 11% that are less likely to do so. On the question of brands committing to extend financial, educational, or other services to refugees, the scale score for millennials is 0.49, which translates into 48% of millennials are more likely to purchase a brand committing to extend financial educational, or other services to refugees, whereas only 10% are less likely to do so.

CONSUMER RESPONSE BY COMMITMENT TYPE



Overall, (i) consumers tend to respond positively across the board to brands supporting refugees and (ii) consumers, especially millennial consumers, do not exhibit highly varied responses to most types of support for refugees. Consumers do tend to respond most favorably to three types of brand commitments: delivering services to refugees, investing in refugee entrepreneurs, and donating money. However, for most consumers, brand commitments to hire refugees or source from businesses employing refugees were only marginally less appealing. The only brand commitment that did not garner a minimally positive response

(from the total population) was advocacy for the U.S. government to resettle additional refugees.

Given that consumers, on balance, respond positively to a broad arrange of potential commitments, and do not appear to discriminate significantly among these potential commitments, brands can focus on developing commitments that reflect their core competencies and brand values, and have the greatest and most sustainable impact for refugees.

▲
SECTION 2:

**FRAMING BRAND
SUPPORT FOR
REFUGEES**

FRAMING BRAND SUPPORT FOR REFUGEES



THE WAY IN WHICH BRANDS PUBLICLY FRAME THEIR SUPPORT FOR REFUGEES INFLUENCES HOW CONSUMERS RESPOND TO THEIR EFFORTS.

The study also set out to test how companies can frame their refugee commitments to generate the greatest positive effect on consumer purchase intentions.

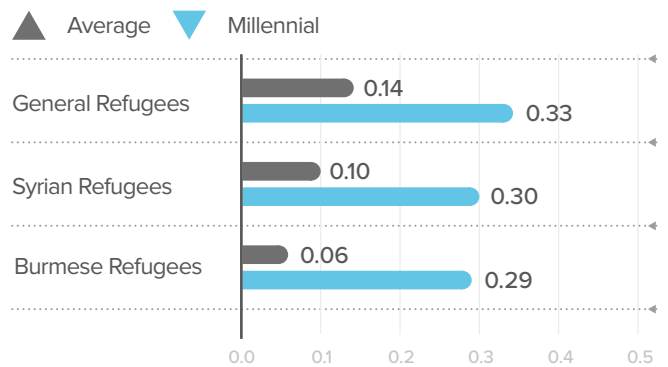
First, we tested how consumers responded when commitments were framed as helping specific populations of refugees versus refugees in general. To do so, we asked multiple variations of the following question:

- ▶ Would you be less or more likely to buy products from a brand or company that had committed to hire 500 refugees overseas?

This question alternated among "refugees," "Syrian refugees," and "Burmese refugees" to see if referring to a specific refugee population has an effect on consumers' purchase intentions. Respondents were randomly assigned one of the three variations of the question.

We found that consumers respond more positively to brand commitments to help refugees when they are focused on “refugees” generally, without reference to their country of origin. This may reflect the fact that the refugee population that is resettled in the United States is highly diverse, with Burma, the Democratic Republic of Congo, Iraq, Somalia, and Syria as leading countries of origin, and respondents have more or less sympathy for discrete refugee populations. When asked about “refugees” generically, respondents may conjure specific populations to whom they are more sympathetic. We also found that respondents reacted more favorably to commitments to help Syrian refugees than those to help Burmese refugees, which may reflect the fact that the Syrian refugee crisis is more widely known.

WOULD YOU BE LESS OR MORE LIKELY TO BUY PRODUCTS FROM A BRAND OR COMPANY THAT HAD COMMITTED TO HIRE 500 REFUGEES OVERSEAS?

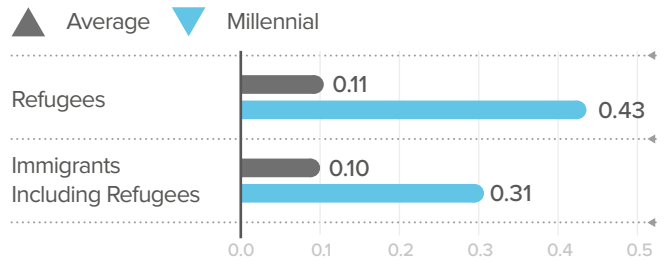


Second, since a number of brands have been very publicly outspoken about supporting immigrant rights, we tested how consumers responded to a brand commitment focusing on refugees as distinct from a brand commitment supporting immigrants including refugees. Respondents were randomly assigned to two groups, and each group was asked one of the following variations:

- ▶ Would you be less or more likely to buy products from a brand or company that had committed to hire 500 refugees in the United States?
- ▶ Would you be less or more likely to buy products from a brand or company that had committed to hire 500 immigrants, including refugees, in the United States?

Perhaps surprisingly, millennials responded more favorably to brand commitments supporting refugees specifically. Brands do not appear to be taking on more risk by supporting refugees than they do by supporting immigrants.

WOULD YOU BE LESS OR MORE LIKELY TO BUY PRODUCTS FROM A BRAND OF COMPANY THAT HAD COMMITTED TO HIRE 500 [IMMIGRANTS/IMMIGRANTS INCLUDING REFUGEES] IN THE UNITED STATES?



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SECTION 3:

**CONSUMER
DEMOGRAPHICS AND
PURCHASE INTENTIONS**

CONSUMER DEMOGRAPHICS AND PURCHASE INTENTIONS

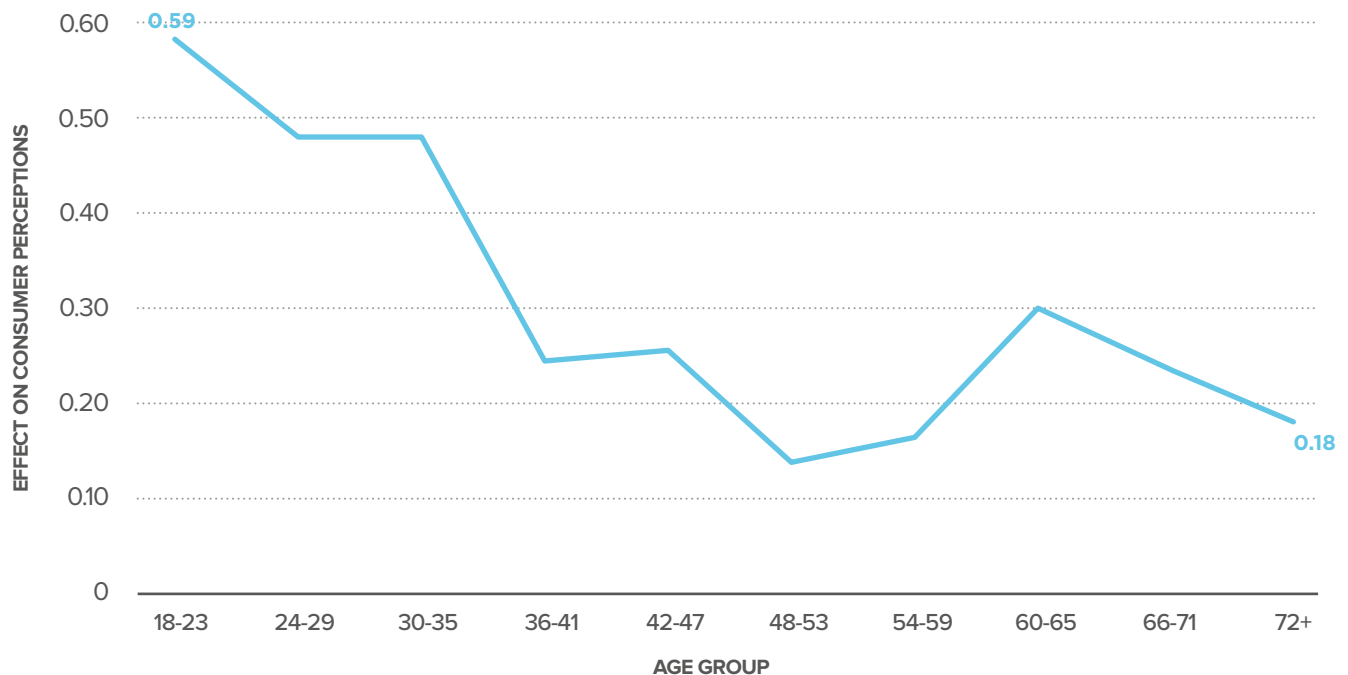


U.S. CONSUMERS REACT FAVORABLY TO BRANDS SUPPORTING REFUGEES OVERALL, BUT CERTAIN DEMOGRAPHICS WITHIN THIS POPULATION REACT PARTICULARLY POSITIVELY.

When brands take steps to support refugees, U.S. consumers tend to be more likely to purchase their products than they would be if the brands were not taking these actions.

Although the effects of supporting refugees on consumers' purchase intentions are generally positive across the board, certain consumer demographics are especially supportive of these efforts – including millennial consumers, female consumers, and consumers of color. The following charts illustrate these demographic differences by mapping the effect that brand commitments to provide educational, financial or other services to refugees have on each group's purchase intentions.

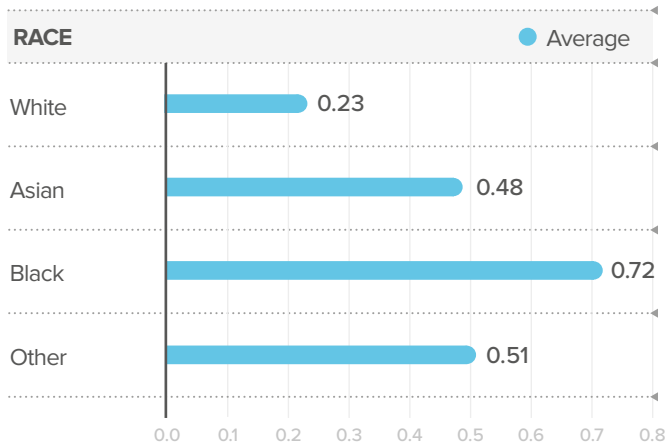
IMPACT OF AGE: COMMITMENT TO DELIVER SERVICES TO REFUGEES



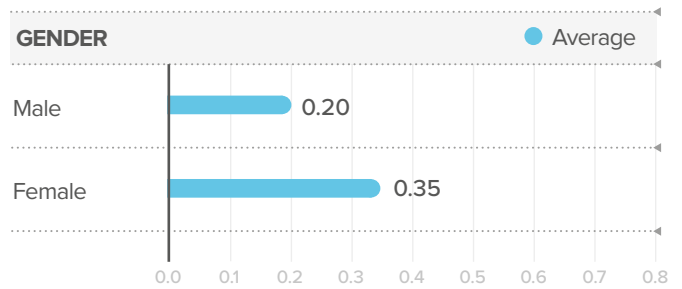
Our findings indicate that age is a strong indicator of consumer sentiment towards brands supporting refugees; overall, the younger the consumer, the more positive the effect on purchase intentions. Millennials – the youngest age group included in our survey sample – are most positively influenced by companies and brands helping refugees. However, these findings suggest that if we had surveyed teenagers in Gen Z (the generation following millennials), they would report an even stronger effect on their purchase intentions than millennials. This is especially notable given how important a market millennials – whose annual spending power is projected to reach \$1.4 trillion in the U.S. alone by 2020 – are for most brands.

Millennials' predisposition for brands that support refugees makes sense in the context of the 2018 Edelman Earned Brand Report, which found that 69% of millennial consumers are “belief-driven buyers” – meaning that they “choose, switch, avoid or boycott a brand based on its stand on societal issues.” Specifically, this study found that 67% of belief-driven buyers will purchase from a brand for the first time because of its position on a controversial social issue, which could include a brand committing to supporting refugees. Moreover, 65% of belief-driven consumers will choose not to purchase from a brand that has not engaged with an issue that they believe the brand is obligated to address – like the global refugee crisis.

THE IMPACT OF RACE



THE IMPACT OF GENDER



The Impact of Race chart shows that racial minorities – in particular, consumers identifying as Black or Asian – respond much more favorably to brand commitments to help refugees.

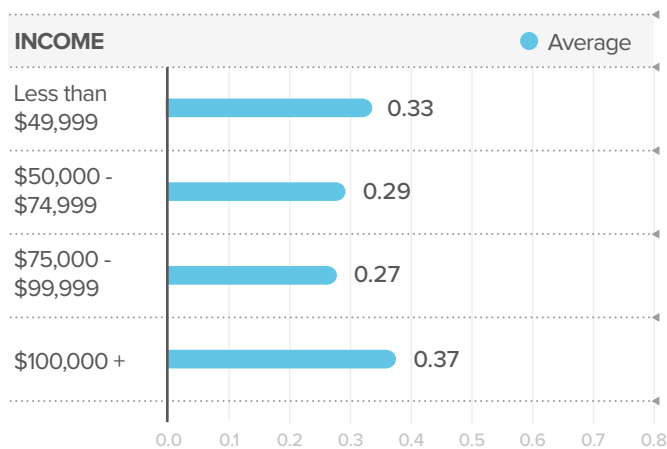
The Impact of Gender chart shows that women respond more favorably than men to brand commitments.

The Impact of Income chart shows that consumers with incomes over \$100,000 are slightly more likely to respond favorably to brand commitments to support refugees. Overall, geography has almost no effect on

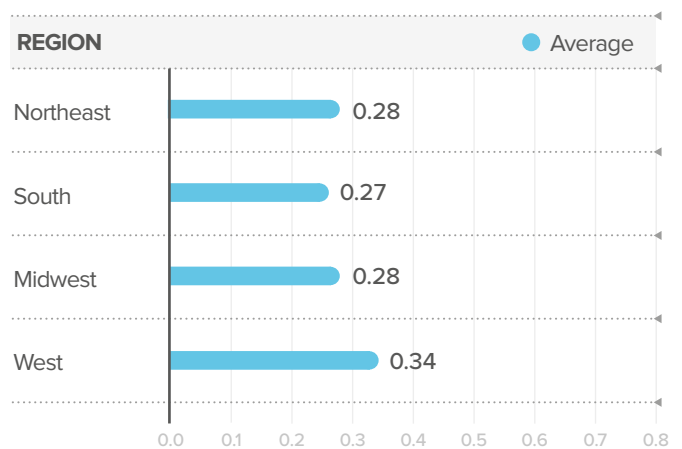
consumer response, as demonstrated in **The Impact of Region chart**.

Brands whose target consumers are well represented by the demographic groups most positively influenced by efforts to support refugees – including millennial consumers, female consumers, consumers of color, and high-income consumers – may feel more motivated to develop a commitment to help refugees, with discretion to develop a wide range of potential commitments.

THE IMPACT OF INCOME



THE IMPACT OF REGION





SECTION 4:

DO CONSUMERS PREFER DOMESTIC OR OVERSEAS COMMITMENTS?

DO CONSUMERS PREFER DOMESTIC OR OVERSEAS COMMITMENTS?

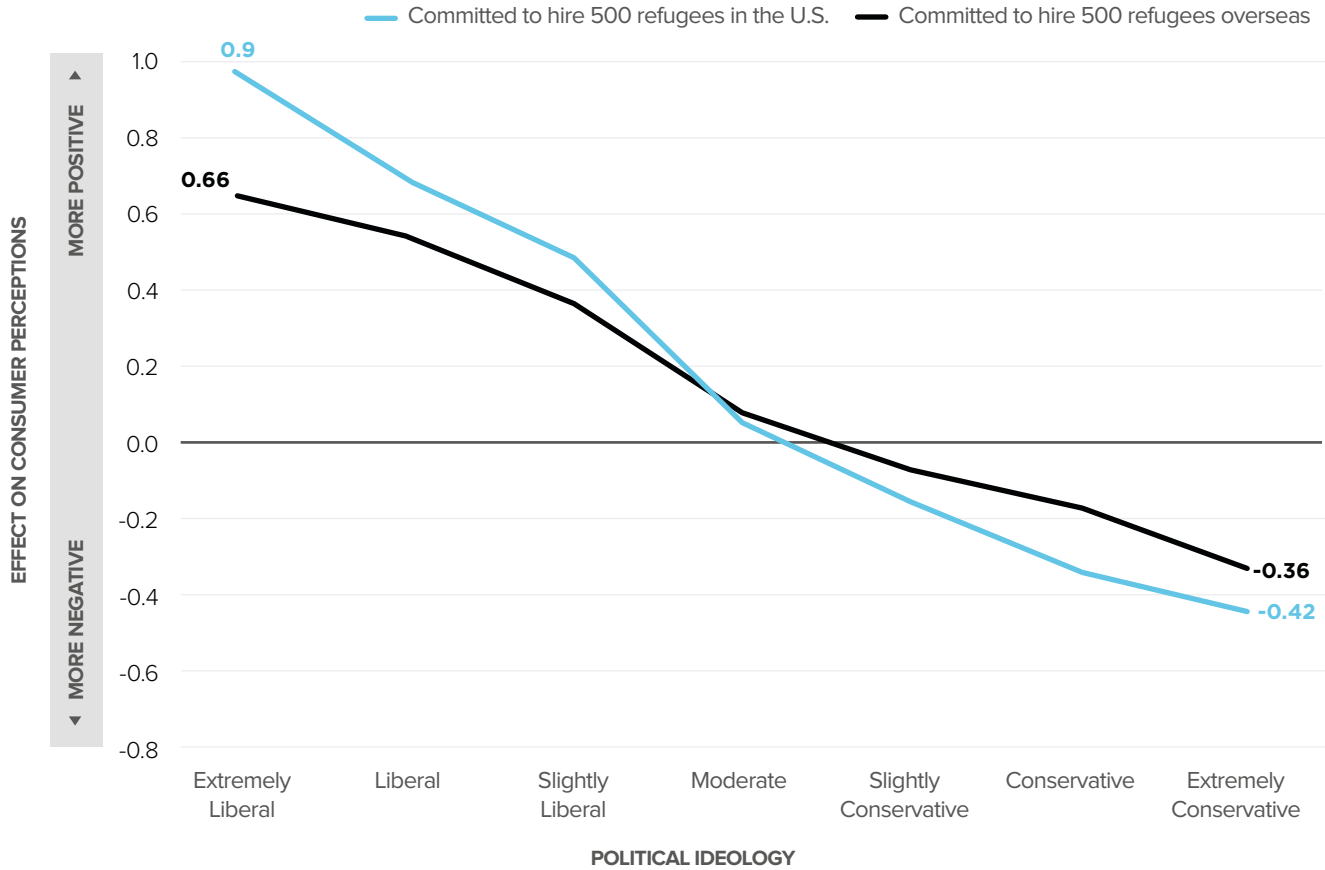


U.S. CONSUMERS TEND TO RESPOND DIFFERENTLY TO BRAND COMMITMENTS THAT SUPPORT REFUGEES DOMESTICALLY VERSUS OVERSEAS, LARGELY BASED ON THEIR DEMOGRAPHIC CHARACTERISTICS.

Brands can choose to support refugees in the United States or overseas (where the vast majority live). We asked respondents whether two types of hiring commitments – those in the United States and those overseas – would affect their purchase intentions and compared the results. In doing so, we found that political ideology is a strong predictor of consumers' preference for overseas commitments or domestic commitments.

The [Impact of Political Ideology chart](#) (p. 28) shows that the political orientation of consumers shapes significantly how they are likely to respond to brand commitments to hire refugees. This, no doubt, reflects the increasing political polarization around refugee issues in the United States. The more liberal a consumer is, the more favorably they respond across the board. It is important to note that while self-identified conservatives generally do not support any brand commitments to help refugees, they are less opposed to commitments to help refugees overseas. Therefore, brands with more conservative-leaning consumers may wish to focus their support for refugees outside of the United States – such as by hiring refugees overseas or integrating them into their supply chains overseas.

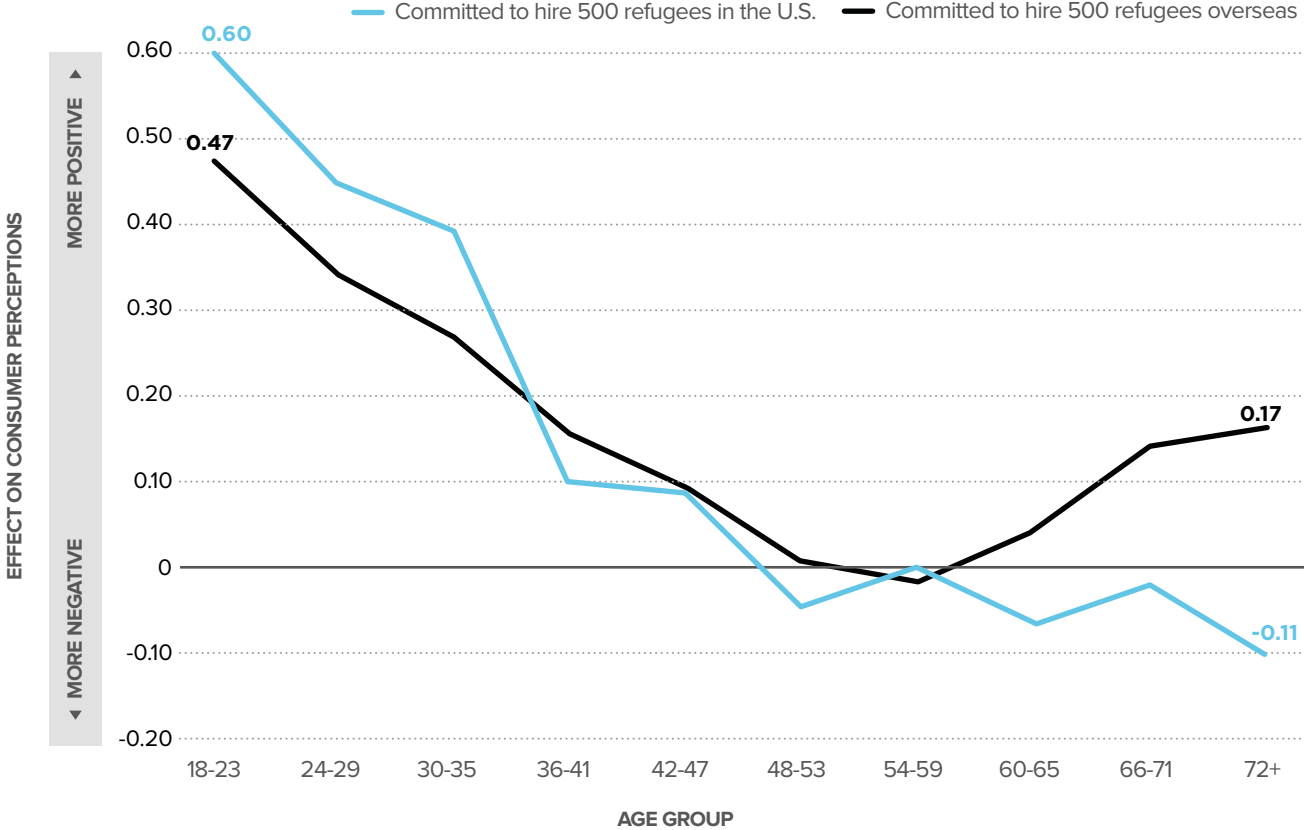
THE IMPACT OF POLITICAL IDEOLOGY



Age also appears to have an influence on consumers' preference for overseas versus domestic commitments to support refugees. As demonstrated in the graph on the right, millennials – especially younger millennials – are very supportive of hiring commitments as a whole but react slightly more favorably to brands hiring refugees in the United States. Older consumers, especially those 60 and above, respond more positively to overseas hiring commitments.

In sum, brands with a significant proportion of millennial and politically moderate to liberal consumers can confidently make domestic or overseas commitments to support refugees, knowing that their consumers are likely to respond positively in both instances. However, brands with a consumer base that skews more conservative may want to focus their efforts to support refugees overseas in order to garner consumer support.

THE IMPACT OF AGE



ANNEX



RELATED STREAMS OF LITERATURE

The impact of a firm's refugee initiatives on the firm's business is not explored in the literature. However, there is a large literature on Corporate Social Responsibility (CSR). CSR initiatives implemented in practice are often summarized into the following six categories: community support, diversity, employee support, environment, non-U.S. operations, and product (Sen and Bhattacharya, 2001). The refugee initiatives can be perceived as a type of community support at both global (helping to resolve the refugee crisis) and local (integrating refugees into the local community) level.

Although most frequently studied form of CSR activity is the donation for charities (Simmons, et al., 2006; Robinson, et al., 2012; Koschate-Fischer, et al., 2012; Joireman, et al., 2015), other types of CSR activities studied in the literature include advertising with social message (Drumwright, 1996), marketing campaign to support the community (Du, et al., 2011) and sustainability reporting (Du, et al., 2017).

Another literature that is similar to literature on CSR and that is relevant for our work is "cause marketing." Cause marketing involves companies promoting causes with value to the society at large. Previous work focused on various forms of cause marketing including promoting diversity and fair labor practice (Sen and Bhattacharya, 2001; Lichtenstein, et al., 2014), environment protection (Yoon, et al., 2006; Joireman, et al., 2015), promoting health causes (Simmons and Becker-Olsen, 2006; Du, et al., 2011; Robinson, et al., 2012), and support for the Third World (Koschate-Fischer, et al., 2012).

With the increased importance of CSR and cause marketing, there is also much debate in regard to the need of broadening firms' responsibilities from just generating shareholder value to increasing total societal value. Marketing has for a long time focused on creating customer value to be able to have sustainable profits but "stakeholder marketing" goes beyond creating value to the consumer and argues for a push towards multiple

stakeholders, including employees, future generations, local and global community, that is, society at large (Mick, 2007; Bhattacharya and Korschun, 2008; Laczniak and Murphy, 2012, Smith, et al., 2010; Raghubir, et al., 2010; Hoeffler, et al., 2010).

Finally, there is considerable literature on how CSR initiatives and cause marketing may affect crucial elements of the firm's business from customer response, brand equity, competitive positioning, to stock market performance. For example, CSR initiatives influence the customer's purchase intent (Sen and Bhattacharya, 2001; Robinson, et al., 2012), donation behavior (Lichtenstein, et al., 2004), attitude toward the firm (Wagner, et al., 2009), emotional reaction (Joireman, et al., 2015) and willingness to pay for the product (Koschate-Fischer, et al., 2012). CSR initiatives also influence brand positioning (Simmons and Becker-Olsen, 2006), brand equity (Torres, et al., 2012), competitive position of the firm (Du, et al., 2011), and financial market performance (Orlitzky, et al., 2003; Luo and Bhattacharya, 2006; Servaes and Tamayo, 2013; Du, et al., 2017).

Given that the literature has shown that CSR initiatives may affect consumer purchase intent, in this research we aim to empirically study whether specifically company and brand involvement with refugees affect consumer purchase intent.

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