

# Verizon's DEI efforts reflect corporate America's evolving perspective on such initiatives' merits

Article

**The news:** Verizon announced the results from the adoption of its Responsible Marketing Action Plan (RMAP) one year ago, saying the effort drove change in diversity, equity and inclusion (DEI).

- The company **exceeded its goals for 2021, and will raise its commitment levels for 2022** as a result.

**Beginning from within:** One Verizon objective was to build an inclusive work environment and retain diverse talent. Data for Q4 2021 demonstrated that among Verizon's combined marketing and agency teams, 39.3% were people of color and 51.7% were women, increases from 37.1% and 50.9% in Q4 2020.

- Verizon vowed to spend over 30% of its creative supply chain budget with diverse companies in 2021.
- The communications giant exceeded its goals, spending 65% with diverse-owned video production companies, as 49% of video productions used diverse directors.
- The company also spent 46% with diverse-owned experiential production firms and 45% with diverse print production firms.

**Zoom out:** Increasingly, consumers want to invest in companies that invest in DEI initiatives and are transparent about their success or failure.

- Target recently launched a media fund to grant more than \$25 million in paid media to diverse-owned/founded firms by 2025.
- Last week, Pinterest announced an expansion of its Creator Fund to additional markets, all while placing a greater emphasis on LGBTQIA+ creators.
- Ulta Beauty promised to spend \$50 million this year on various diversity measures, including an accelerator program focused on helping Black founders build and market their business.

**Consumer insight:** Over half (51%) of US adults are much more/more likely to support a company that makes public commitments to diversity and equality, outnumbering those who dislike these pronouncements by a three-to-one margin, per ThinkNow.

- The same study found **44% of consumers will go out of their way to patronize a store they've never frequented if it makes a commitment to DEI—and 31% will stop visiting a store that does not publicly support such initiatives.**

- Black adults in the US rate the lack of DEI as their top reason for being dissatisfied with purchases, per McKinsey.
- Brand DEI initiatives can positively influence consumers' attitudes toward companies, per researchers at Rice University and the University of Miami.

**Diversity and Corporate Social Responsibility (CSR) Initiatives that Are Important to Their Company According to Brand Marketers Worldwide, Jan 2022**

% of respondents

Corporate social responsibility in our marketing efforts	68%
Diversity, equality, and inclusion in our marketing efforts	67%
Environmental and social governance in our marketing efforts	66%
Diversity and inclusion in the content where ads are purchased	65%
Diversity and inclusion in vendor selection	65%

Note: extremely/very important

Source: Nielsen, "2022 Annual Marketing Report," April 12, 2022

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**DEI gone awry:** While true commitment to DEI is a net positive, brands have taken missteps with some misguided attempts to curry consumer favor.

- **Wells Fargo** announced this week it is **pausing a hiring policy requiring recruiters to speak to a diverse candidate pool** after The New York Times reported in May these interviews were often for roles which had already been informally filled.
- If this story sounds familiar, it's because something similar happened with the **NFL**, resulting in a lawsuit announced in February.
- **Walmart** was **roundly criticized for launching a limited Juneteenth ice cream**. Considering the holiday is about emancipation from slavery, it's the kind of launch we'd argue would never get approved had more diverse perspectives been in the decision-making process.

**The big takeaway:** With brands like **Sephora** seeing 96.8% positive feedback on their DEI campaigns, companies are increasingly confident that committing to DEI initiatives is the way to go.

- The question is not *should* we engage, for many companies: It's a question of *how*.
- Corporations like Verizon are seeing the economic benefits of diversity—both in their output as well as consumers' affinity for their brands.

