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.

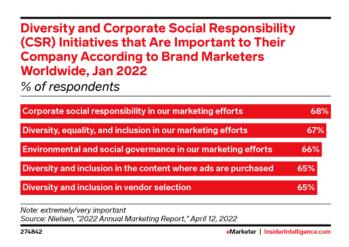
- Target recently <u>launched a media fund</u> to grant more than \$25 million in paid media to diverse-owned/founded firms by 2025.
- Last week, Pinterest announced an expansion of its Creator Fund to additional markets, all while placing a greater emphasis on LGBTQIA+ creators.
- Ulta Beauty promised to <u>spend \$50 million</u> 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 <u>their top reason</u> for being dissatisfied with purchases, per McKinsey.
- Brand DEI initiatives can <u>positively influence consumers' attitudes</u> toward companies, per researchers at Rice University and the University of Miami.



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 <u>something similar happened</u> 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.





