

Why socio-economic impact matters to the retail industry

THE RETAIL INDUSTRY AT-A-GLANCE



1/3

of the world's GDP and employs billions of people around the world.¹



1 in 4

retail jobs are employed by young people (ages 16-24).²



63%

of low-wage retail workers are women.³

Sources: ¹Falke Information; ²U.S. Bureau of Labor Statistics; ³Demos.org.

Successful retailers create good jobs, help grow local economies, and support communities. The challenge, however, is that retailers are not always able to demonstrate these impacts.

In today's challenging economic and political climate, major retailers around the world are increasingly being asked to demonstrate how their businesses are making positive contributions in the regions and communities in which they operate.

Leading companies today are undertaking local socio-economic impact studies to obtain the data and insights they need to answer their most important questions:

- How many jobs are we creating in the local and wider economy?
- How do our workers, of all ages, skills, and backgrounds, benefit from the training and development opportunities we provide?
- How does our supply chain stimulate growth of local businesses and neighboring communities?
- How do our partnerships and investments in the local community help improve the quality of life of our key beneficiaries?
- How do our environmental programs generate cost reductions and environmental efficiencies at the retail level?

What are your impacts?

Retail companies create a wide range of local socio-economic impacts through its operations, its relationships with suppliers, local businesses, customers, and in the wider economy. Here is a sample of these local impacts:

Direct impacts

of company operation

- Retail jobs created
- Wages, benefits, and training opportunities provided
- Local taxes paid
- Investments made
- Energy and water use reduced
- Waste reduced

Indirect impacts

through the value chain

- Local businesses supported
- Indirect jobs created
- New customers and businesses attracted to the local area

Wider impacts

on society

- Wider local economic growth
- Social impact from community partnerships
- Environmental impact generated by customers



Business benefits of impact data

For retailers, impact data provides tangible benefits:



1. Improving engagement with key stakeholders.

Retailers can use impact data to engage in fact-based dialogue with key stakeholders on shared issues. Retailers can achieve license-to-operate by building better relationships with local government and policy makers, nonprofits, and civic organizations that are working to bring new economic opportunities into their communities.



2. Create better jobs and build business resilience.

Impact data helps retailers understand how existing practices may be vulnerable to new costs, risks, or reputational damage. For example, by understanding how jobs are impacting individual retail workers' lives, retailers can create better jobs, from improving work schedules, wages, and benefits to enhancing training opportunities that lead to greater productivity, loyalty, and happiness.



3. Identify new opportunities.

Impact data helps retailers identify new opportunities to work with local stakeholders, such as businesses and suppliers that understand the local market, but are also eager to leverage larger companies for resources that can help local businesses achieve greater scale. These interactions can also lead to new products, services, and innovations that are tailored to local customers.

Hallmarks of a good impact study

For companies undertaking an impact study, three key questions to consider are:



1. How to set the right scope.

Retailers should outline the objectives and desired outcomes for the impact study, as well as agree on a well-defined scope for the study. Will it focus on particular regions or a single store, such as a new store that's about to open in a new area? Clear boundaries will help inform data collection and analysis.



2. How to collect the right data.

Businesses and their stakeholders need reliable, trusted insights to make the right decisions and to build mutual trust. To achieve this, retailers should prioritize reliable methods and respected sources to collect data. Engaging directly with stakeholders, such as vendors, suppliers, employees, government officials, civic organizations, and customers, can provide valuable first-hand insights.



3. How to get value from the results.

A good impact study can help spur new conversations and engagements with key stakeholders and drive real, concrete action on the issues that matter the most, especially at the local level. Impact studies can also help build employees' pride in what they do, knowing that their work, and the companies they work for, are having a broader impact in the community.

How can we help?

Corporate Citizenship is a global management consultancy specializing in sustainability and corporate responsibility. We are highly skilled in creating tailored socio-economic impact studies to support companies in various ways:

MAPPING



We help you identify key impact areas across the value chain to assess.

DATA COLLECTION



We help you collect data and conduct interviews and field research.

ANALYSIS



We analyze the data using established sources and calculation methodologies.

REPORTING



We develop reports that synthesize key findings and recommendations.

For more on socio-economic impact, please visit our website at: corporate-citizenship.com/service/impact-measurement

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