

A photograph of two young boys, one Black and one Asian, sitting together and looking at a smartphone held by the boy on the right. They are both smiling and appear to be in a classroom or school setting with large windows in the background.

Where next for
CSR?

Purpose and
Shared Values

Aristia CRAwards
12 November 2013

MANY NAMES...



Purpose is an organization's reason for being beyond profits.

A LONG-TERM, VALUE(S)-DRIVEN STRATEGY

Companies that succeed in building a profitable relationship with the external world **define themselves through what they contribute.**

This approach does not mean changing purpose; it means being explicit about how fulfilling that purpose benefits society. Nor does it mean abandoning a focus on shareholder value; it means recognizing that **you generate long-term value for shareholders only by delivering value to society as well.**

Common “Challenges”



**Population
growth**



**Resource
consumption**



**Inter-
dependence**



**Systemic
stresses**

Get ready for more ‘re-sets’...

An Evolving “Consumer”



hungry

concerned

vocal

empowered

Willing and able to punish brands and corporations

Edelman's 5th GoodPurpose Study

Global consumers attitudes to 'Purpose'...



Edelman Berland surveyed 8,000 consumers across 16 countries, aged 18+



88%

'Purpose' will be increasingly important to building brands

83%

It is important for brands to have a sense of 'purpose'

81%

'Purpose' is a business opportunity

What is 'Purpose'?

Please select the three most important to you



What is purpose to consumers?

Societal Drivers Dominate

SOCIETAL
ATTRIBUTES
MORE IMPORTANT
TO BUILDING
FUTURE TRUST
THAN
OPERATIONAL

 Societal
 Operational

Most Important Attributes that Build Trust

1 Listens to customer needs and feedback

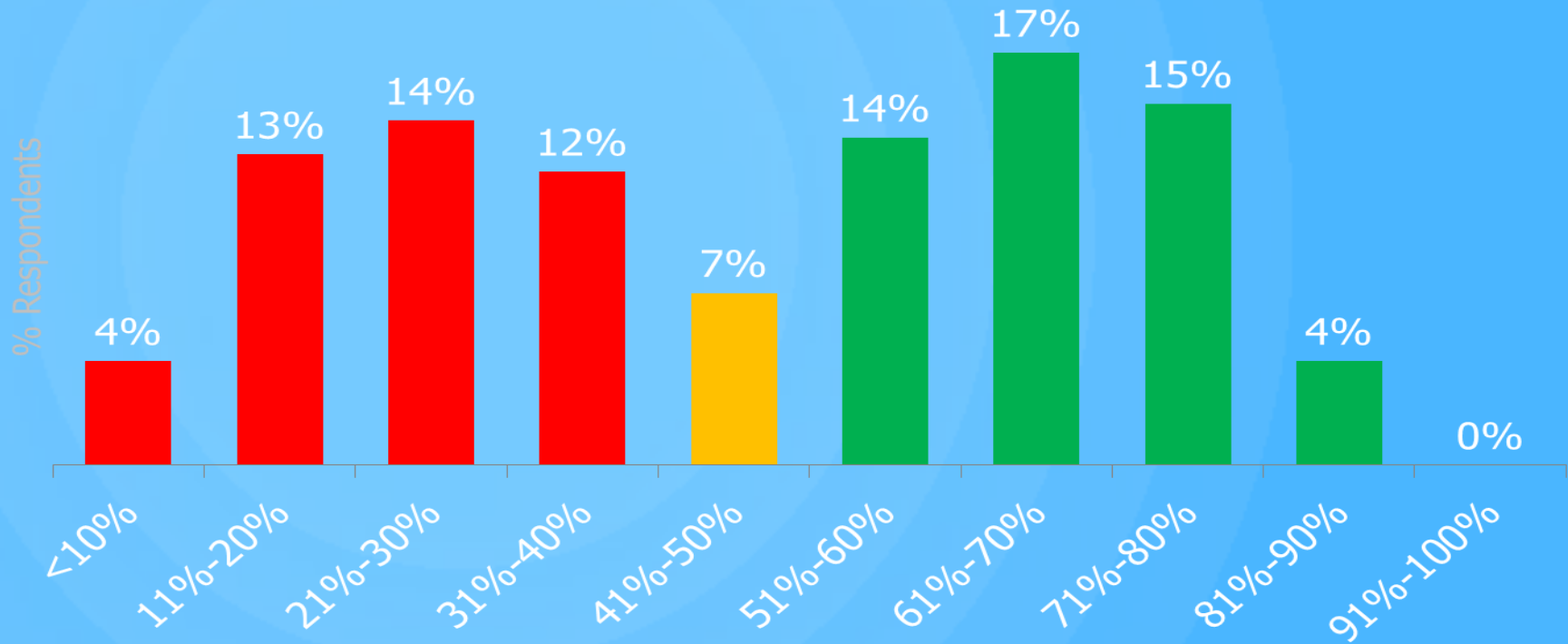
1 High quality products or services

3 Treats employees well

- 4 Places customers ahead of profits
- 4 Takes actions to address issue or crisis
- 6 Has ethical business practices
- 7 Has transparent and open business
- 8 Communicates frequently and honestly
- 9 Works to protect/ improve environment
- 10 Addresses society's needs
- 11 Positively impacts the local community
- 12 Innovator of new products**
- 13 Highly regarded, top leadership**
- 14 Delivers consistent financial returns**
- 15 Ranks on a global list**
- 16 Partners with third parties**

Cynics vs. believers...

What proportion of global consumers say they regularly support good causes?



What proportion of global consumers say they regularly support good causes?

Marketers' perception

46%

An opportunity?

What proportion of global consumers say they regularly support good causes?

Marketer's perception

46%

Consumer reality

60%

It's ok to do good while doing well...

Proportion of consumers who say it's OK for brands to support good causes and make money at the same time?

Marketers' perception

56%

It's ok to do good while doing well...

Proportion of consumers who say it's OK for brands to support good causes and make money at the same time?

Marketers' perception

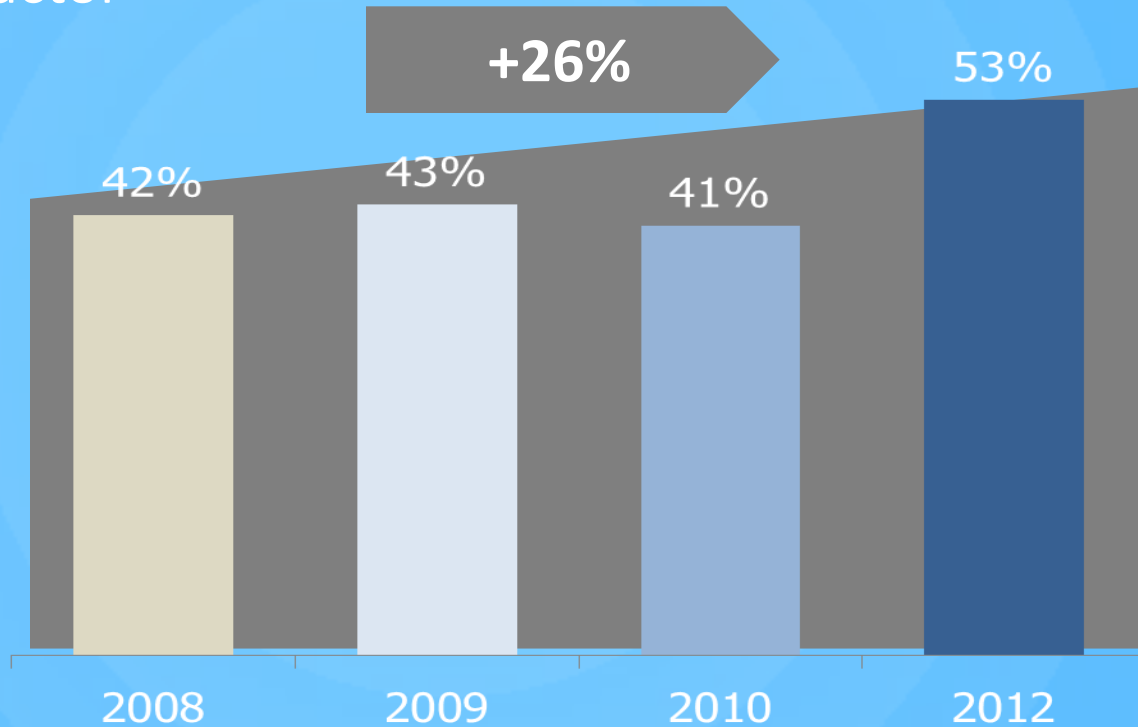
56%

Consumer reality

76%

Social Purpose as Purchase Trigger

When quality and price are the same, Social Purpose most important factor



Growth from 2010

- Japan (+100%)
- China (+79%)
- Netherlands (+43%)
- Germany (+36%)
- India (+43%)

Relatively little pushback against purpose



Source: WFA Brand Purpose research; Jan 2013; Base 149 respondents

Possible to measure purpose ... but hard

Is it possible to measure the impact of 'purpose' on...?



PR & positive reputation (93% agree)

Consumer engagement (91%)

Employee satisfaction (90%)

Brand equity (86%)

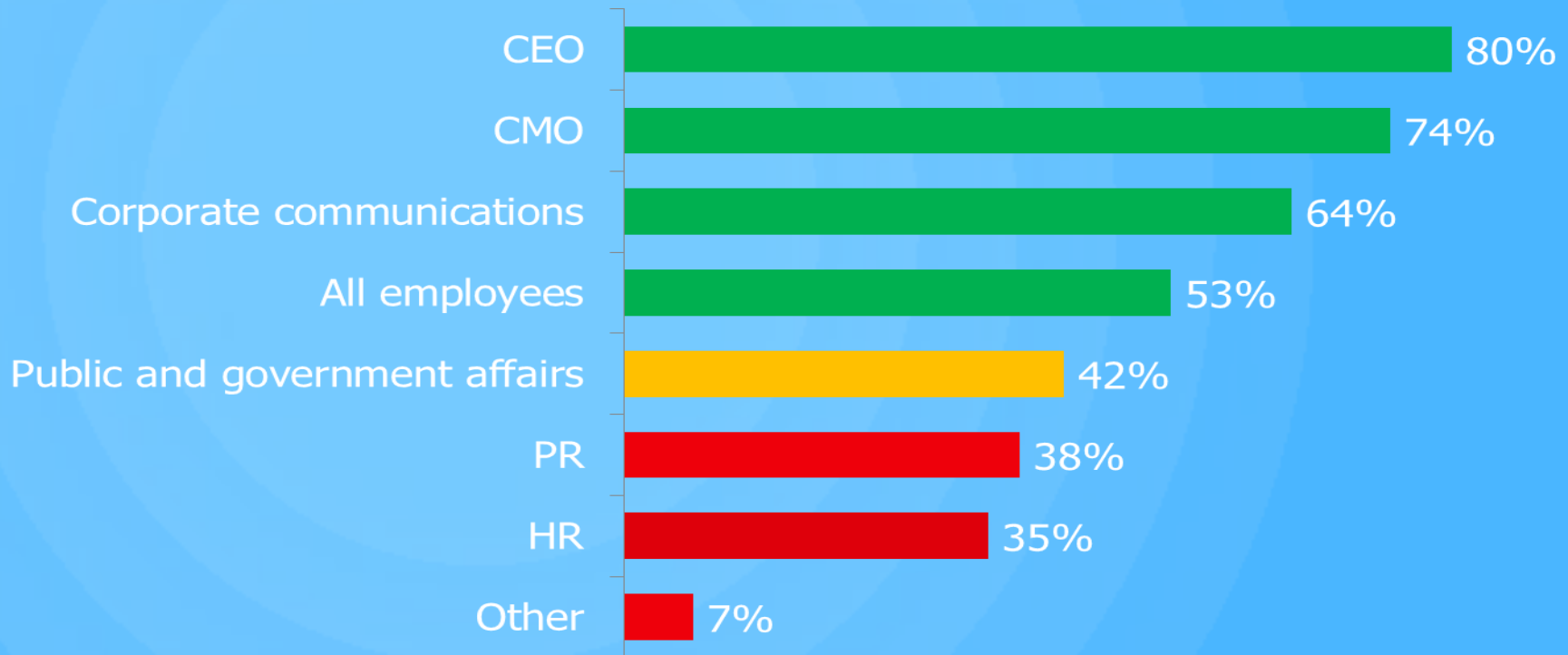
Customer satisfaction (71%)

Sales (54%)

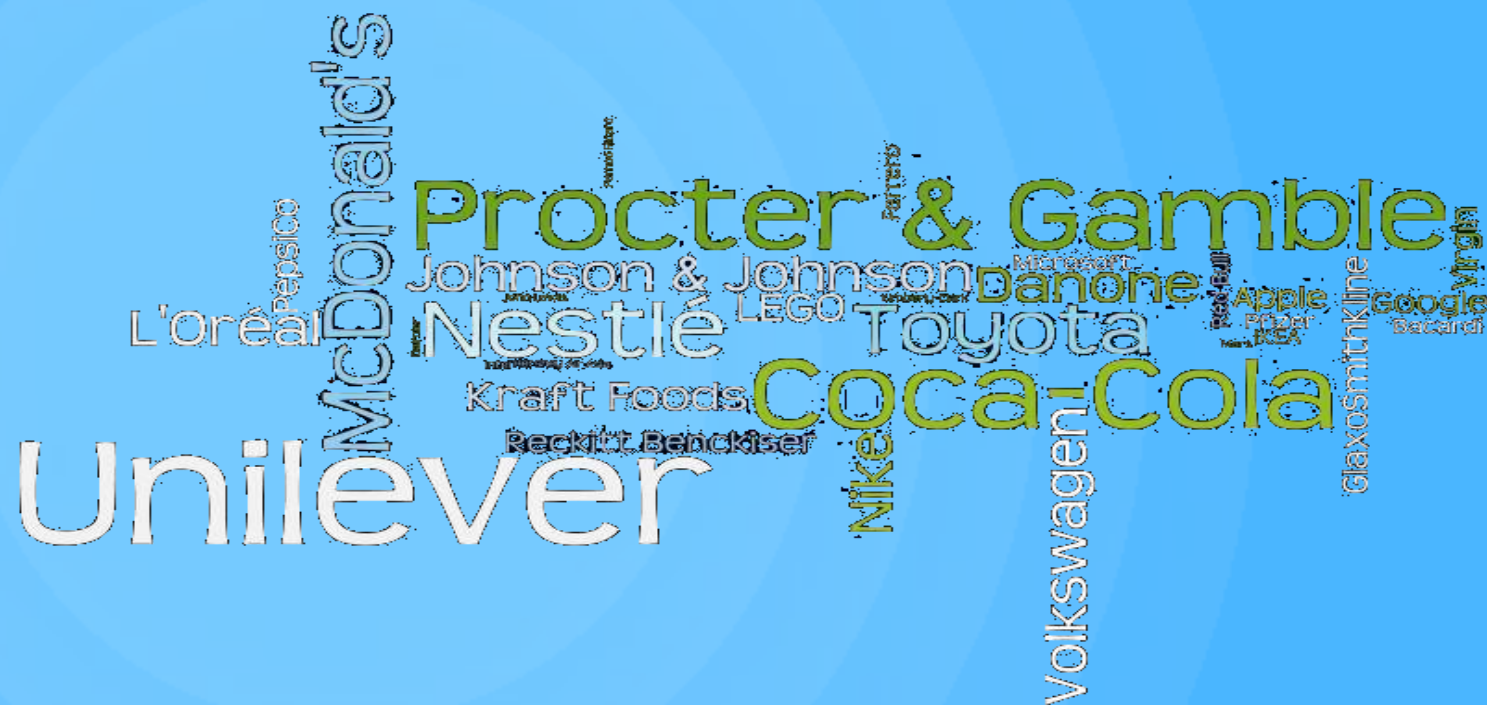
Source: WFA Brand Purpose research; Jan 2013; Base 149 respondents

'Purpose' needs to be top down

Who should be involved in designing and shaping 'purpose'?



Purpose Leaders...



Consumers calling on business to address societal issues



SHARE



it got us thinking...

what if brands
rediscovered the
virtue of sharing?

to start, we identified 16 sharing behaviors for brands across 6 dimensions

SHARED DIALOG

- 1 listens and responds thoughtfully
- 2 gives many ways to ask questions and give opinions
- 3 invites people to share stories/experiences using their products and services with others
- 4 enables people to share info/stories/videos with friends

SHARED EXPERIENCE

- 5 offers brand experiences beyond just using the product
- 6 links people and the brand online and in real life through events and activities

SHARED GOALS

- 7 asks people about their needs
- 8 demonstrates it wants people to succeed at what's important to them

SHARED VALUES

- 9 communicates openly and transparently about how products are sourced and made
- 10 conducts business in ways that align with people's values
- 11 gives back to the community
- 12 shares people's beliefs for helping the world

SHARED PRODUCT

- 13 enables people to personalize products
- 14 invites people to test products, collaborate on design, and provide feedback
- 15 openly offers information on how the brand performs against competitors

SHARED HISTORY

- 16 Shares company history or story

we then talked to...



11,000 *people*

general online consumer population who report at least a minimal level of engagement* with brands

in...



8 *countries*

Brazil, Canada, China, France, Germany, India, UK, USA

about...



212 *brands*

48 multi-national brands, plus approx. 30 "local" brands per country

across...



12 *industry sectors*

apparel, auto, beer/wine/spirits, consumer electronics, energy, FMCG, financial services, food & beverage, health & wellness, retail, technology, telecommunications

through...



1 *online survey*

30 minute duration

*to participate in the survey, respondents had to report participating in a minimum of one brand engaging activity in the last 12 months. brand engaging activities might include things like visiting a brand website, attending a brand sponsored event, following a brand on Twitter, wearing branded clothing, etc.

to find out...



IMPORTANCE

which sharing behaviors are most important to people?



INTEREST

how important are those behaviors and do people want more of them?



INTENT

do people use, purchase or recommend brands that share?

90%

of people want brands to share

Q13: you will be presented with things that a brand could do to build and maintain a connection with you or customers like you. For each one tell us if you feel that the brands that you like are currently doing each of these things too much, just right, or not enough? [% who selected JUST RIGHT or NOT ENOUGH]

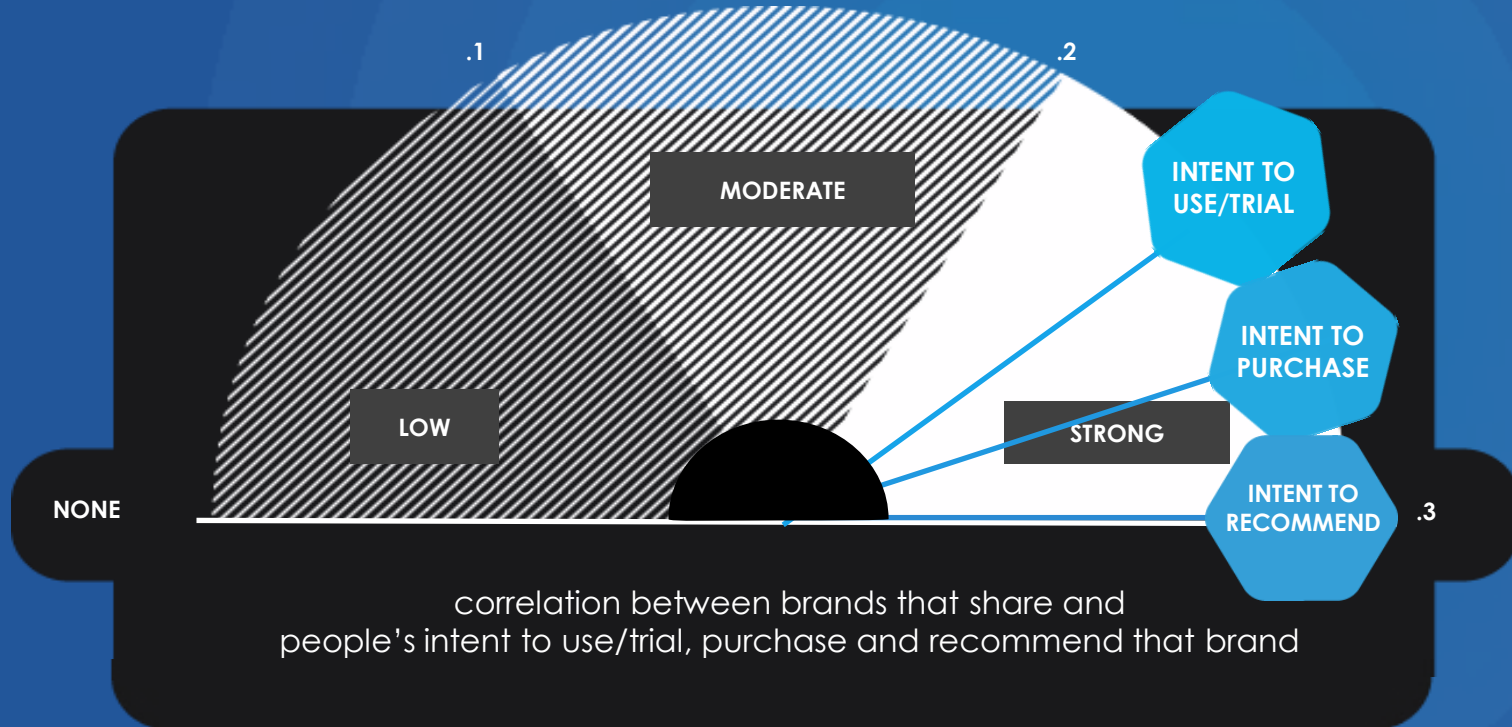
10%

of people think brands do it well

Q15: please select the statements that you feel apply to [BRAND]. [Average % who stated sharing statements applied to [BRAND]]

people reward brands that share

sharing correlates strongly with actions that drive business value



Q16-18a: for each [BRAND] please indicate how likely you are to: **[purchase from or use that brand]**, **[recommend that brand to a friend, colleague or relative]**, **[give that brand a try/increase use]** the next time you are purchasing/using the type of product or service that brand offers

the six dimensions of sharing



we converse



we believe in the same things



we do things together



we create together

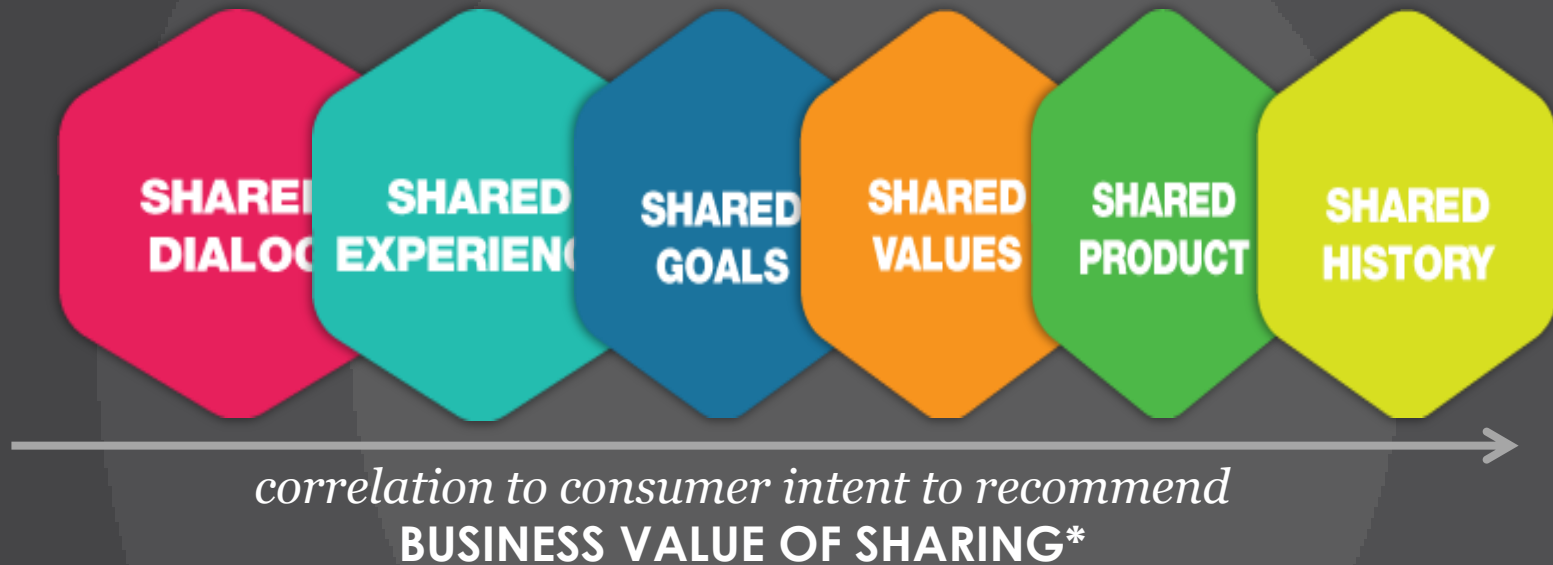


we want to achieve the same things



we know the same story

there is a hierarchy of sharing...

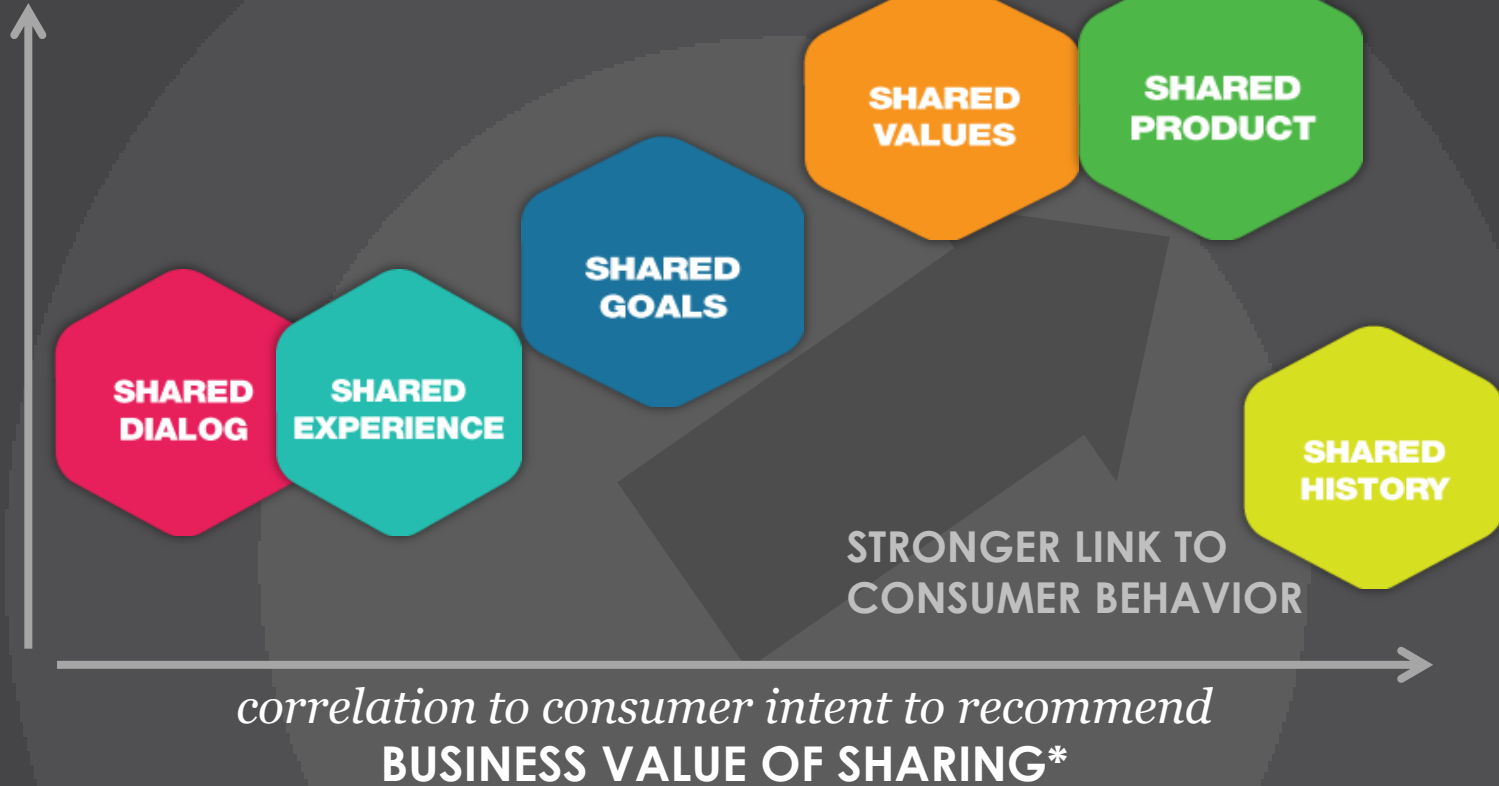


*illustrative representation

Q18a: for each [BRAND] please indicate how likely you are to **recommend that brand** to a friend, colleague or relative] the next time you are purchasing/using the type of product or service that brand offers

but there is more to the story

DEMAND FOR SHARING*
consumers who desire more



*illustrative representation

Q13: you will be presented with things that a brand could do to build and maintain a connection with you or customers like you. For each one tell us if you feel that the brands that you like are currently doing each of these things too much, just right, or not enough? [% selected NOT ENOUGH]. Q18a: for each [BRAND] please indicate how likely you are to **recommend that brand** to a friend, colleague or relative] he next time you are purchasing/using the type of product or service that brand offers

- 
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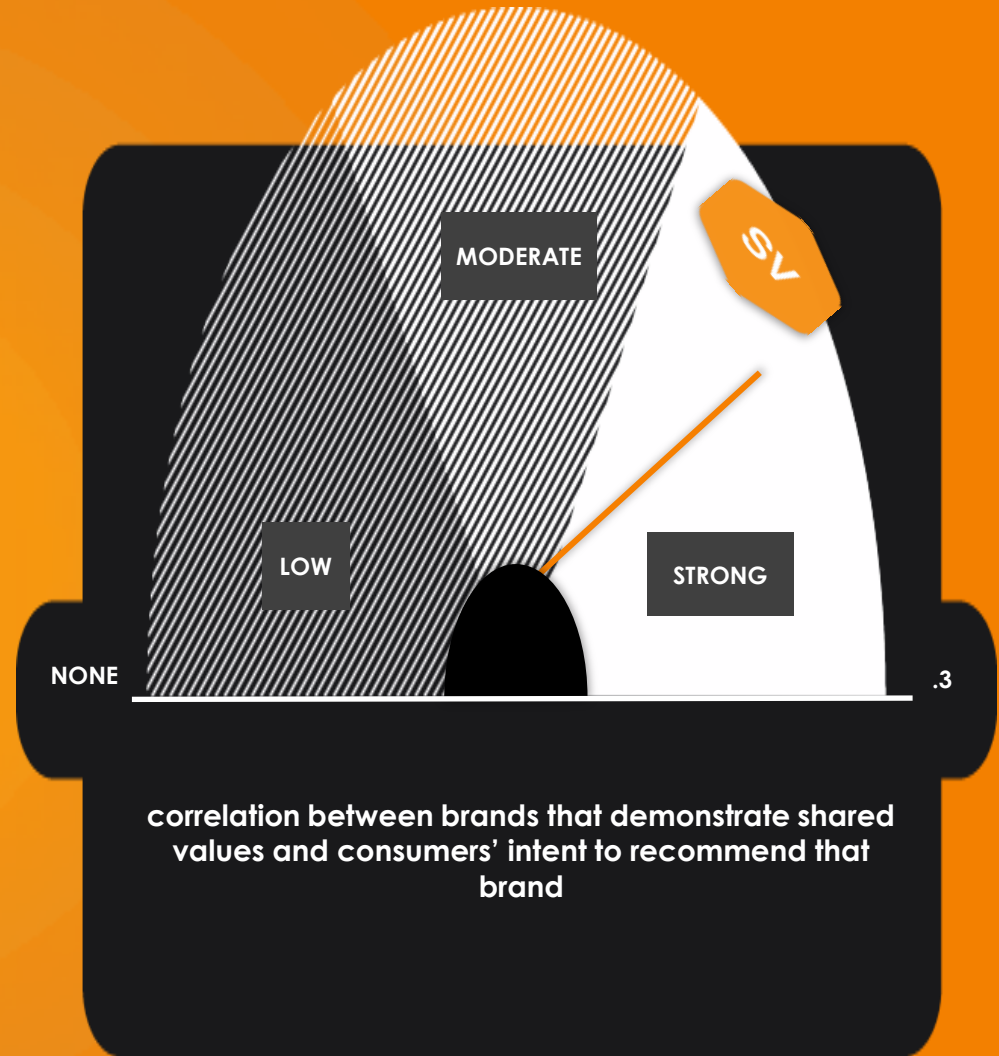
SHARED VALUES

stand up for what you stand for

**you can place a value
on your brand's values**

92% of people want to
do business with
companies that share
their beliefs

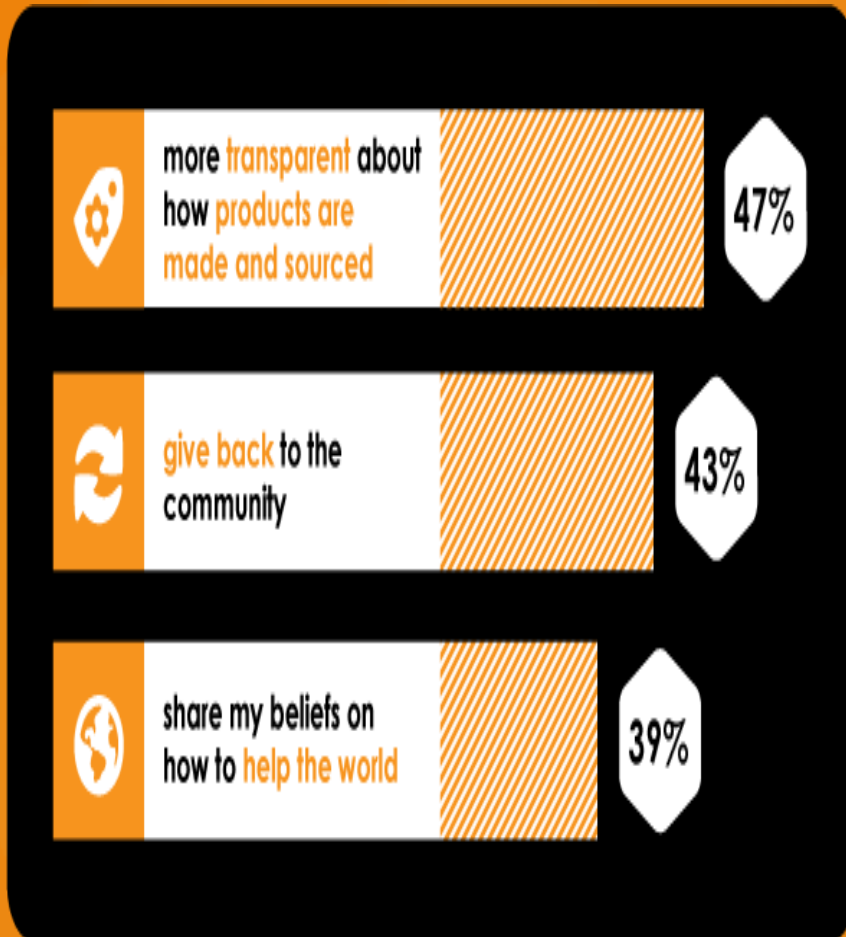
a strong correlation
proves that people buy,
use and recommend
products whose values
they share



translate your values into tangible actions

nearly 50% of people
want you to be more
open and transparent
about how your
products are made
and sourced

4 in 10 people want
you to do more to give
back to the community



% of people who want brands to share more of
their values

Q13: you will be presented with things that a brand could do to build and maintain a connection with you or customers like you. For each one tell us, if you feel that the brands that you like are currently doing each of these things too much, just right, or not enough? [% selected NOT ENOUGH]

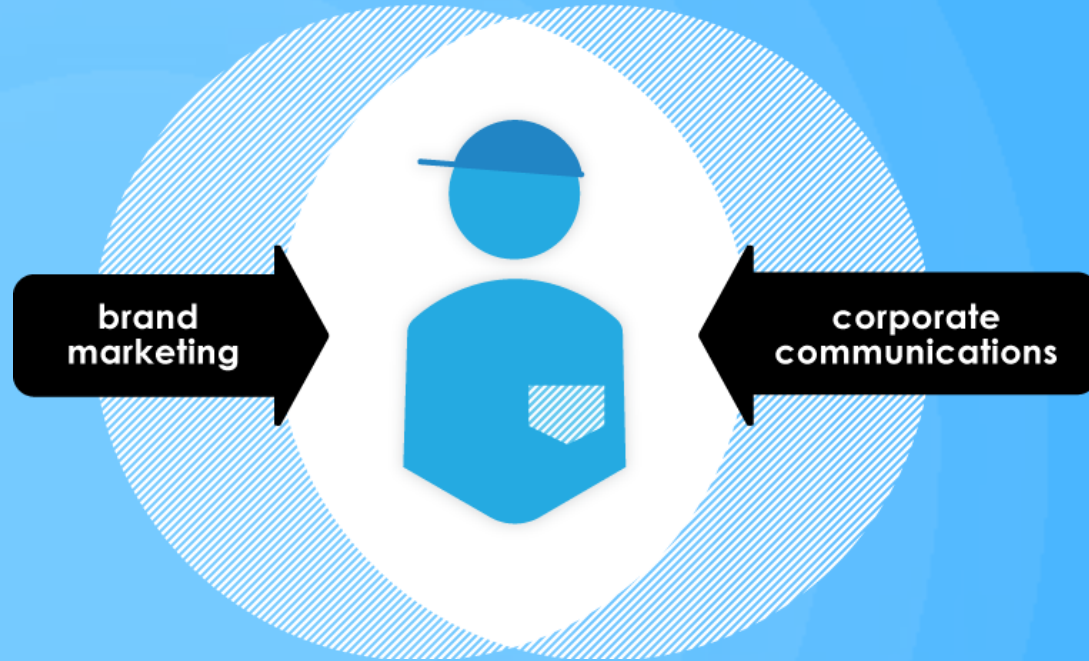
old
model



new
model

**change your marketing communications
ethos**

migrate from a linear, push model to an
inclusive sharing model



harmonize your narrative

create a single brand narrative with
consumer needs
and interests at the center

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