



Boom or bust

How top brands are using
the power of purpose

talkwalker 

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Purpose beyond profit



Since 2016, Maltesers (a popular British chocolate candy) have run a series of campaigns promoting equality. Made by AMV BBDO, they [tackle a range of topics](#), from how hot flushes can disrupt day to day life, to the dating woes of accountants, in a very down to earth way.

It's [Maltesers' most successful campaign in the last 10 years](#), generating a 4% growth in sales and a 10% uplift in brand affinity.

But this isn't a flash in the pan piece of marketing. It ties into the Mars Inc.'s brand purpose: to promote inclusivity and diversity across the world.

In the past, brand purpose was seen as a gimmick. But with the increase of brand transparency and increased social awareness from younger consumers, it's now becoming vital to the success of global businesses.

“The brands that will thrive in the coming years are the ones that have a purpose beyond profit.”

Richard Branson, Virgin

Brand purpose can help drive engagement, advocacy, sales and profit for your company. But only if done right.

In this report, we look how defining your business' brand purpose helps you engage consumers, and grow your brand. With examples (good and bad) from some of the biggest companies in the world.

How brand purpose makes you money

One important aspect of brand purpose, is its impact on your bottom line. It certainly isn't corporate social responsibility or philanthropy.

Yes, brand purpose boosts your societal impact. But when done correctly, it must impact your results too. But that's the benefit of it. When done correctly, it's almost always guaranteed to pay off. Here's why...

Looking at current consumer trends, [88% of consumers want brands to be more purposeful](#). This is linked to the growth in environmentalism advocated by Millennials, and social equality promoted by Generation Z. These [pivotal generations feel they can change the world](#), will support brands with an authentic purpose that echoes their own, and pay more for responsibly made products.

“There is a time and a place for CSR. However, it doesn't qualify as brand purpose as it tends not to relate back to the product or be related to profit-generation.”

Lucy Aitken, [Warc](#)

The 2017 Edelman earned brand report demonstrates how important this brand relationship is.

- 50% of consumers worldwide say they are belief-driven buyers.
- It's higher still in the Gen Z (53%) and Millennial (60%) age brackets.
- 57% of consumers are currently buying or boycotting a brand based on the brand's social or political purpose

To really appreciate the potential value of owning a brand purpose, just look at 'The Stengel 50'. [Jim Stengel's study of 50,000 brands over a 10 year period](#), found that the top 50 highest performing businesses were driven by a brand purpose.

Not only that, those 50 businesses grew 3 times faster than their competitors, and were 400% more profitable than the S&P 500.

Brand purpose pays off.



The Stengel 50 was 400% more profitable than the S&P 500

What is brand purpose?

To understand your brand purpose, you need to know what one is.

Simon Sinek's defines it using his Golden Circle model.

The Golden Circle

What

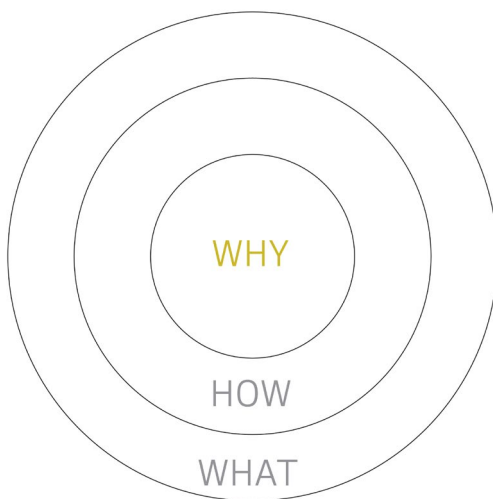
Every organization on the planet knows WHAT they do. These are products they sell or the services

How

Some organizations know HOW they do it. These are the things that make them special or set them apart from their competition.

Why

Very few organization know WHY they do what they do. WHY is not about making money. That's a result. WHY is a purpose, cause or belief. It's the very reason your organization exists.



© Simon Sinek, Inc.

You should be able to define your business with 3 questions:

What?

Your should easily be able to define what your business does.

How?

Primarily, your business should be able to define how you do what you do it. This includes anything that makes you stand out in your marketplace, such as your USPs.

Why?

Now, here's the key question. Why does your business do what you do? Why do you exist? Don't say "to make a profit" - that's a result. Think about why your brand will change the world. That why will be your brand purpose: the very reason for your business existence.

Sinek places the Why? in the very center of the Golden Circle for a reason. Because your brand purpose should be at the heart of your business, radiating out into all that you do.

“Brand concept becomes ingrained in the DNA of the brand, of why people buy it, invest it, and work for it. It steers every action, keeps them true. And it is supported by a business model which interlocks the pursuit of value to society, and value to shareholders.”

Peter Fisk, thegeniusworks.com





How to define your brand purpose?

To help you narrow down your purpose, look at [Stengel's Grow](#). His study of 50 of the largest brands in the world, helped him categorize all brand purposes into one of the five areas of fundamental human values.

- **Eliciting Joy** - With brands that focus on user experience like Lindt or Coca-Cola.
- **Enabling Connection** - Whether that's connecting face to face like Starbucks, or globally, like FedEx.
- **Inspiring Exploration** - Encouraging people to travel and engage, like Patagonia or Airbnb.
- **Evoking Pride** - Very popular in the motor industry, with brands like Mercedes-Benz or BMW.
- **Impacting Society** - Creating real social changes on an international level, like Innocent or Method.

Your brand purpose should fit into one (or more) of those values.

It also helps if you consider what matters to you, and your customers.

What matters to you

For this, consider what you're passionate about. If you're the business founder, you need to think about your ideology. What's the reason you established your business in the first place? What is the driver that gets you going in the morning? How do you want to change the world?

If your company is already established, then those answers should come from research. A brand ideology shouldn't change (though it may evolve over time), so look into your company history to see what drove your founders, and work from there.

What matters to your consumers

Understanding what matters to your customers will help you to align your brand purpose. This helps cultivate consumer loyalty.

“Differentiating yourself with brand purpose isn’t just about standing out for the sake of it. It’s about finding a way to be relevant to people in need of your products or service.”

Humphrey Couchman, [FabrikBrands](#)



These are the issues Capital 1 consumers discussed most on social media in the last 3 months. To ensure their brand purpose is relevant, they should be tackling issues such as these.

• HOW TO DEFINE YOUR BRAND PURPOSE?



Lush

Define your
social strategy

“Everything we do has to be organic and has to come from a very authentic place.”

Natasha Ritz, Brand Communications Manager, Lush Cosmetics Australia & New Zealand

Started as a cottage industry in 1995, Lush produces fresh, handmade cosmetics, like bath bombs, body lotions, and perfumes. They have always had a clearly defined brand purpose, with **very transparent brand values**. Their strategy is to engage with the issues that matter to their consumers, whether they're **environmental** or **social**.

This engagement is essential for their marketing strategy. **The brand doesn't have an advertising budget**, instead relying on organic sharing and content marketing. Lush and their consumers must have shared values for this to work. And those values can't be faked.



Keywords from Lush's brand values appear consistently throughout Lush's social mentions. This demonstrates the alignment between brand and consumer.

The brand consistently generates awareness and sales through this strategy. If your brand is struggling to gain audience engagement, look to your brand purpose to create content that appeals to your audience's values.





**Cards
Against
Humanity**

Cards Against Humanity

Boost your
brand sentiment
without forgetting
who you are

*“Our business
decisions are all
informed by our
values about the
game and the
world we want to
live in.”*

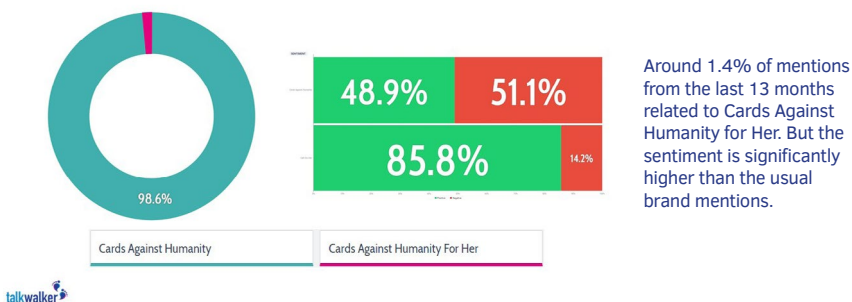
Max Temkin, Cards Against
Humanity co-creator

Cards Against Humanity is a brand that sells a card game that's especially popular with students. It is based on a controversial (and occasionally offensive) sense of humor. So you wouldn't normally associate them as a brand with high moral values. But they do have a clear brand purpose - freedom.

They don't follow a typical consumerist model. The game is available as a free download, and editable under a Creative Commons license. They have also run anti-consumerization campaigns, such as their Black Friday anti-sale, where they increased the price of the game by \$5.

The brand then uses their social engagement, and funds sourced from wackier marketing campaigns, to enact real world change. They've bought land in an attempt to block the Mexican border wall. They're conducting social studies to see what matters to their consumers. And they own an island preserve that's both a protected habitat, and an escape for their loyal consumers to Hawaii 2. They're also open about their political activities, [funding Hillary Clinton during the 2016 elections](#) while [running anti-Trump campaigns](#).

Due to their distinct humor and choice of topics they support, their brand sentiment is very split. But their Cards Against Humanity for Her campaign in June 2017 caused a significant change.



The brand's purpose is circular. The product funds the brand's social outreach, whilst the outreach boosts the sentiment of the brand. The two elements may not always appear linked, but there's an overall brand purpose driving everything they do.

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State Street Global Advisors

Brand purpose
must run from the
inside out.

*“Fearless Girl
stands as a
powerful beacon,
showing women—
young and old—
that no dream is
too big and no
ceiling is too high”*

Letitia James,
Public Advocate

The Fearless Girl first appeared in March 2017 in the financial district of New York. Placed opposite the Charging Bull of Wall Street, it depicts a young girl standing defiantly, opposing the might of the bull.

It also put State Street Global Advisors' brand purpose on display. They commissioned the statue to raise awareness of women in business, as part of International Women's Day. With the added advantage of building commercial awareness of their index fund for gender-diverse businesses.

However, it was a divisive statement. While some people wanted it to become a permanent addition, the original Charging Bull artist, Arturo Di Modica criticized it for being an [advertising trick](#). (It has since been [valued worth \\$7.4 million in publicity](#).)

However, with such a public display of brand values, State Street Global Advisors should have ensured that value ran through the entire company. In October 2017, the company was found to have discriminated against 305 top female employees. The case demonstrated that the brand wasn't firmly behind the cause it had promoted, and the subsequent drop in sentiment cost them dearly.

Your brand purpose must be upheld throughout your whole company, or it won't pay off.



Starbucks

Employees must
advocate your
purpose

*“Acting with courage,
challenging the status
quo and connecting
with our customers and
each other, with dignity
and respect have long
served as Starbucks core
values.”*

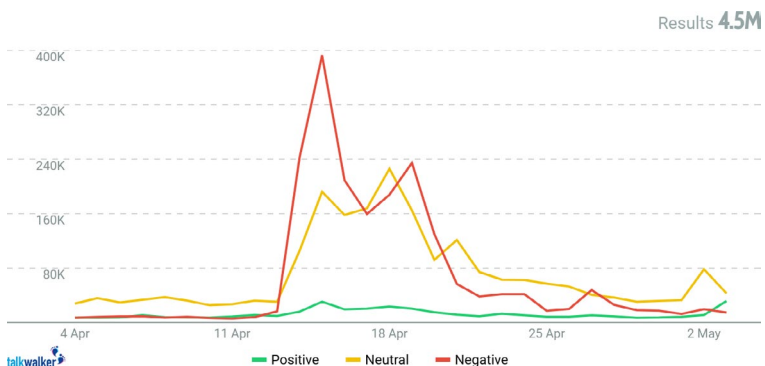
Howard Schultz, founder and
executive chairman, Starbucks



Not every brand issue mistake is down to the company. You have to rely on your employees to abide by your values or face serious consequences.

Starbucks pride themselves on their [brand values](#).

However, when two black men were arrested in a Starbucks while waiting for a friend, the brand faced a PR disaster.



The peak of negative mentions surrounding the controversy demonstrates how significant an issue this was for Starbucks.

The issue was an internal gap between the brand’s values, and the employee’s understanding of them. When creating your brand values, ensure your staff are educated on them, and engage with them. After all, they are often the customer-facing aspect of the business, so will be your greatest opportunity to engage your consumers.

Starbucks closed 8,000 stores to provide staff with training.

Pepsi

Brand purpose
isn't spin.
Embrace it!

"I think the most important thing around brand purpose is integrity. If you believe in why you're doing something, and not just starting an initiative to spin it, then it's an incredibly powerful thing. But it can easily be misused, and it often is."

Nigel Gilbert, CMO of bank TSB



You can't fake your brand purpose.

In the last few decades, technology has revolutionized consumerism. Not only has it changed the way we shop, but it's changed the way we think about shopping. Technologically savvy Millennials (and the subsequent Generation Z) have access to more brand data than ever before. And they make the most of it, engaging with more product research than any previous generation.

Brands now have to be more transparent than ever before.

But that transparency pays off. The more open your brand is, the more likely you are to gain trust from your customers. [According to Label Insight](#), 94% of consumers are likely to be loyal to you if you are transparent. And 73% are willing to spend more on your product.

That means when you establish your brand purpose, you must embrace it. It must resonate across all your brand channels, your products, your community engagement, communications, recruitment, everything.

Consider [PepsiCo's much criticized campaign starring Kendall Jenner](#). The brand wanted to engage social injustice, a key consumer issue. But it wasn't within the scope of Pepsi's brand purpose, so it appeared to be an attempt to cash-in on a social movement.

Rather than engage the issue, Pepsi used it as a marketing ploy, and it significantly backfired.



The social outrage following the Pepsi campaign demonstrates how severely it failed to hit the mark.

The importance of monitoring your brand purpose

To fully justify your brand purpose, you need to demonstrate its impact on society. Remember, without impact, brand purpose is just a gimmick.

You also run the risk of greenwashing. [This involves brands focusing more on promoting their green aspects, than actually following through on their claims.](#) If you're going to push your brand purpose, you have to be ready to back it up with supporting evidence.

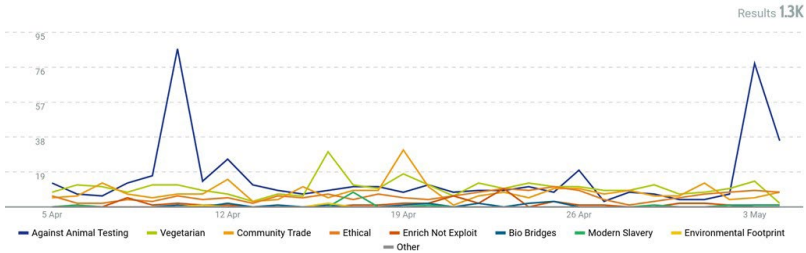
Yet, [60% of businesses that launch brand purpose initiatives don't measure their impact on society.](#)

But what metrics should you monitor to see your impact?

“To measure how profit is generated through purpose, we look at the basic KPIs such as sales, shares and also our equity, which explores what consumers think about the brand and the strengths of the brand.”

Roisin Donnelly, brand director, Northern Europe, Procter & Gamble

We have a detailed [guide to PR measurement](#), but one key element to monitor is how consumers engage with your brand values.



By monitoring the key brand values for **The Body Shop**, such as **Against Animal Testing**, **Vegetarian**, and **Community Trade**, you can see how consumers engage with key topics over time.

It's clear that consumers engage with **The Body Shop's** content that focuses on brand values, and they also organically share those values through user generated content.





Find your why!

*“People don’t buy **WHAT** you do,
they buy **WHY** you do it.”*

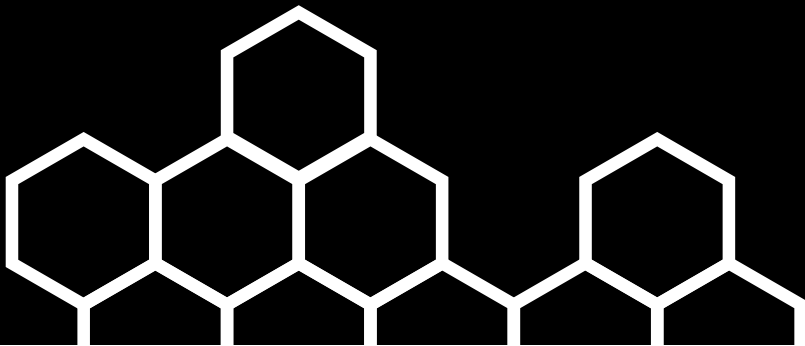
Simon Sinek, startwithwhy.com

There you have it. Brand purpose can make or break your company. You can use it to change the world, and change your bottom line.

But it isn’t just a marketing technique. It has to be a fundamental aspect of your business, rooted from your very beginnings, and branching out into your brand strategy. Only then will it help you grow.

Plus, you must monitor your impact consistently. Not only to see how you’re changing the world, but to ensure your consumers (and employees) are advocating your message too.

Brand purpose. It’s not just a fad. But a way to revolutionize how your business works.



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