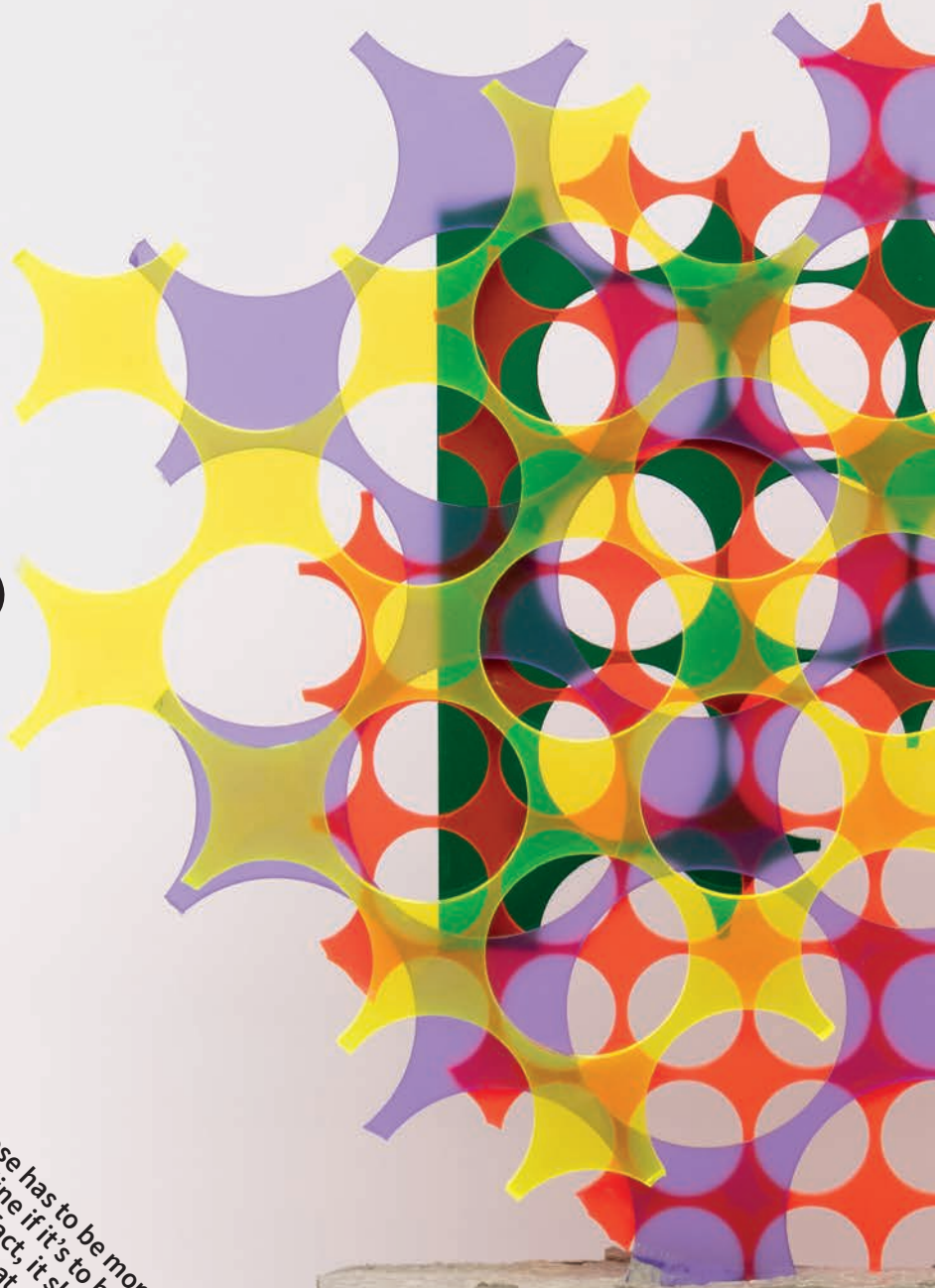
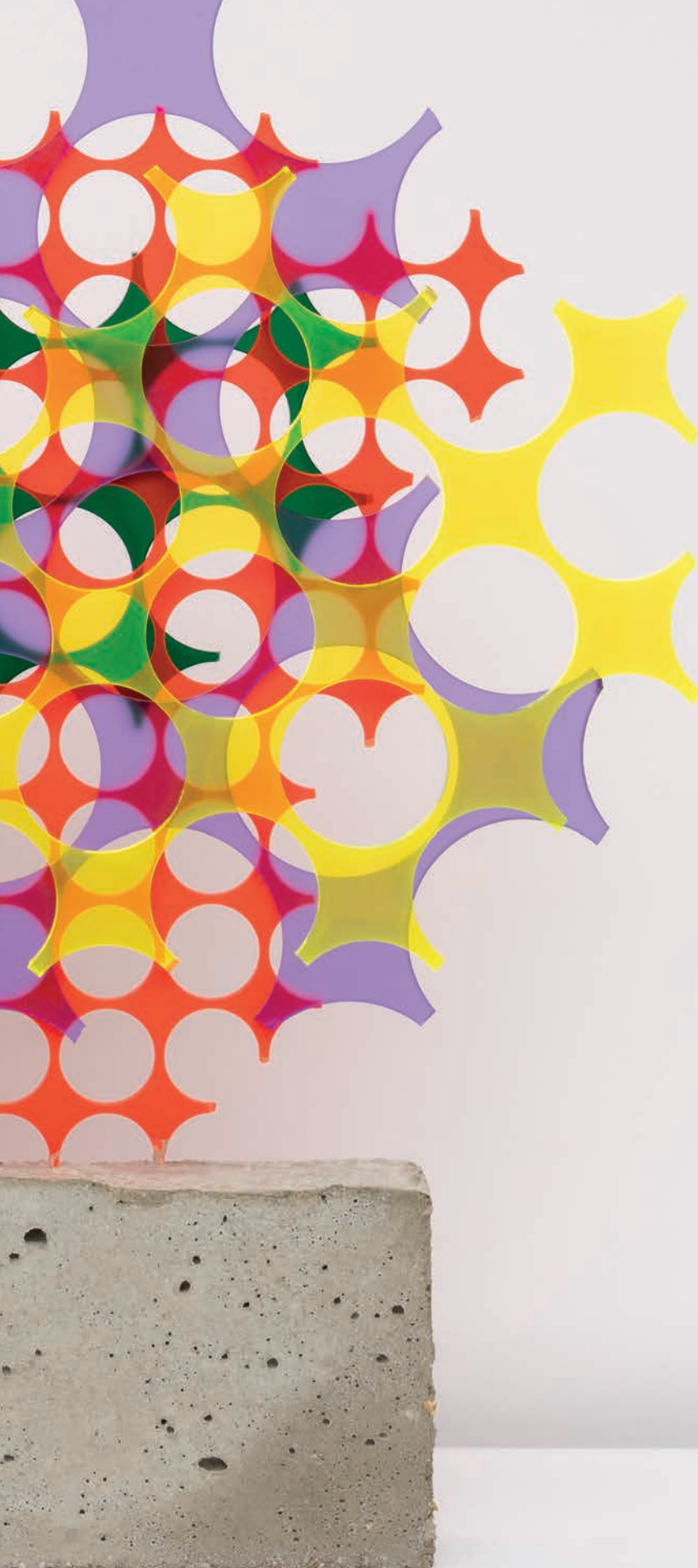


# Fit for Purpose

A company's brand purpose has to be more than a mere marketing tagline if it's to be an effective driver of growth. In fact, it should ideally be the kind of strategy that empowers an organisation to hold itself accountable with transparency and rigour, as *Rob Gray* discovers





At the most basic level, brand purpose is easy to define. It's a reason for a brand to exist aside from making money. For instance, NatWest championing potential by helping people, families and businesses to thrive; or Google's mission to organise the world's information and make it universally accessible and useful.

While that's pleasingly straightforward, the problem with brand purpose is that, once you get beyond a simple definition, it's an area bedevilled by vagueness. Often, it's poorly communicated, whether internally to employees or externally to customers and other stakeholders. Its impact on the business can also be far from clear, either because no serious attempt has been made to measure it, or because the steps taken have proved to be unilluminating.

That's a great shame given that brand purpose can give businesses a real commercial advantage – assuming it truly is a sustained commitment that relates to, and sits well with, a core product or service, rather than a bolted-on construct that organisations dip in and out of as the mood takes them. The 'why' of purpose can resonate deeply with consumers, and provide a trusted 'north star' to guide strategic decision-making.

This is certainly an area ripe for more rigorous research, both traditional and of a more tech-driven kind. Without question, smart use of artificial intelligence, automation and analytics solutions can help leaders across marketing, data, digital and growth divisions meet their organisations' strategic goals. But where exactly are brands at in that journey?

### Accenture survey findings

To gain a better understanding of the issue, MRS and global professional services firm Accenture recently conducted a survey among brand owners, targeting predominantly insights and analytics professionals. The findings from the 92 responses represent the full range of the market, with 35% of responses being from organisations with more than £1bn turnover (Accenture's typical client base) and 18% from organisations generating up to £50m. In spite of this range, many of the issues reported were the same, irrespective of the size of the organisation.

For instance, seven in 10 of those surveyed feel purpose is 'vital' or 'very important' to their company's long-term business objectives. However, only 40% of respondents work for an organisation that is already measuring brand purpose. While 80% feel their organisation's purpose is at least 'somewhat integrated'

into the business proposition, a mere 20% consider it ‘completely integrated’, resulting in a telling shortfall from the ideal.

The study also provides evidence that brands seem to be better at benchmarking themselves against their competitors, in terms of putting purpose at the heart of their business strategy, than they are at actually measuring brand purpose itself.

While two-thirds of respondents believe their company employees understand their organisation’s brand purpose, there is notably less bullishness around consumer awareness. Only one in three is confident that their customers can identify what their organisation’s brand purpose represents.

Although only a third of those surveyed feels their customers are aware of their brand purpose, 50% believe their customers share their organisation’s values. It can be argued that this underlines some of the woolliness around brand purpose: customers often roughly or intuitively ‘get’ what a brand stands for without being able to clearly articulate it using the phraseology agreed upon by marketers.

Equally, perhaps the disparity comes down to inadequate tools, methods or structures. While half of the respondents agree their organisation’s set-up enables them to get best value out of data and analytics, one in three disagrees.

### Consumer viewpoint

Many brands are still finding their way around the topic of brand purpose, and those measuring it are in the minority. Ipsos works with leading brands throughout the process, helping them define their purpose and how best to quantify it. As Lucy Burnham, group head of brand research at Ipsos UK, notes: “One of the challenges in measuring brand purpose is being clear on how it manifests itself to consumers. How is the brand’s purpose tangible in what it says, does or delivers? We work with our clients to define this very carefully and that informs marketers in terms of how to measure purpose and its role in brand performance.”

At consumer goods company Reckitt, each brand has a purpose aligned with one of the UN Sustainable Development Goals. “Purpose is pivotal to Reckitt strategy, so understanding the impact our purpose work is having on brand equity is essential to inform and guide brand planning,” says Tim Milwood, the company’s global insights lead for brand and communications. “This means not just understanding how well our brands are progressing against their

purpose objectives, but using cutting-edge questioning techniques and advanced analytics to really dig under the skin, to understand how much consumers genuinely care about the societal issues we are trying to address.

“This insight is crucial when it comes to identifying how we can nudge consumer behaviours to benefit our brands and society at large. To do this effectively requires ongoing evaluation and measurement using a multi-disciplinary approach, helping us test and monitor progress, and the impact of purpose activations, to continually learn and optimise.”

Careful use of data is essential because, when asked, people will sometimes say they care about brand purpose because that’s the socially acceptable thing to say. Burnham notes that “measurement of purpose

needs to understand what people actually do when confronted with competing factors, such as price, convenience and availability, and how far this differs from what they say they care about or will do. Often, the two can be very different.”

For example, Ipsos data from its brands and consumers’ virtual store-testing tool, Simstore, shows shoppers are three times more likely to select an environmentally friendly product when price is equivalent to a non-eco choice, but this likelihood falls substantially as the price of the greener alternative increases. This means that the measurement of purpose needs to encompass a range of analytical approaches and tools that can uncover what people really think and do, as opposed to what they say they do.

A solid approach to measuring brand purpose may employ techniques such as implicit response testing to tease out what people really think, as well as analytical tools that uncover what is genuinely important to consumers, and multiple data sources that tie up behaviour or unstructured conversation with more structured survey data. Using multiple data sources in this way can help get to the nub of things, thereby addressing Burnham’s point about the ‘say-do’ gap that often exists between what people say they want from brands and what they actually end up buying.

### A challenging process

Arriving at the definition of a particular brand’s purpose can be a challenging and convoluted process. Tim Wragg, chief executive at insights agency Hall & Partners, says the ‘how’ of brand purpose is highly variable. “In some instances, it’s simply a set of typical

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**“When asked, people will sometimes say they care about brand purpose because that’s the socially acceptable thing to say”**  
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brand equity measures. In our experience, it's important to fully think through the category, company and product purpose architecture. This can be an intimate and challenging process because it means describing reasons to exist. This requires working closely with clients to develop bespoke approaches because there's nothing adequate off the shelf."

Various approaches abound, as there are lots of different players operating in the brand purpose space, including ad agencies, PR firms, and insight and brand consultancies. Wragg finds that clients increasingly want to understand the role and value of their brand purpose for their customers. To this end, Hall & Partners typically uses structural equation modelling to quantify the effect of, say, sustainability on consumer choice within the brand's purpose, thereby helping to measure and quantify the influence of brand purpose on broader brand equity. For this to work, Wragg adds, data analytics is essential.

Zoë Ruffels, global head and vice-president of insights at Mars Petcare, says her consumer market insight (CMI) team measures brand purpose via brand equity association and the impact of activities on return on investment (ROI). The CMI team leads the process and research is not focused on purpose strategy, "but it is used to impact campaigns and the 'how' we bring the purpose to life. It is also used to demonstrate that purpose can not only have a social impact, but also a commercial one."

Things can go awry for brands when they focus on social impact without investigating the commercial effect. Additionally, product brands should always have a connection with the overall corporate purpose. Measurement needs to link to corporate strategy, as well as being conducted at brand level. Moreover, it's good to keep an eye on the bigger picture, advises Ruffels. "You need to make sure you measure the long-term impact of brand purpose through brand meaning, as well as the short-term commercial impact."

One of the central advantages of brand purpose is that it knows no bounds and opens new territories for innovation and messaging. For example, Hall & Partners found that, for one client, consideration was activated through the idea of being 'beyond fitness', pushing into broader lifestyle benefits and health management. This had potential extending beyond more typical, tactical outcomes, such as being competitively priced or having a physical storefront.

In the utilities sector, the agency did a market segmentation last year for an electricity provider that



segmented customers by their interest in clean and renewable energy initiatives. This found that some audiences were interested in the mission-driven aspects of the utility company, whereas others just wanted reliable and affordable energy.

**Impact of the cost-of-living crisis**

Affordability is a factor for a great many consumers in the context of the cost-of-living crisis. The degree to which this may damage or dilute the impact of brand purpose remains to be seen, although it goes without saying that rising costs are having a disproportionately severe effect on those in the lower income bracket. One positive upshot of the current situation, though, is how it is creating opportunities for brands to demonstrate their more caring side.

“Our research in healthcare in particular shows that professionals and patients alike are eager to see purpose demonstrated in how a company acts and

reacts to social forces and global challenges,” says Wragg. “Not just in advertising, but also in sales, customer service, DE&I [diversity, equity and inclusion], and so on. Purpose is about linking a company’s mission to the needs of people in a material way.”

People can be fickle and inconsistent, however, and more price- and convenience-driven than they might like to admit. Seasoned researchers will all have encountered numerous instances of the say-do gap. One example of this contradiction in action can be found in GfK’s ‘Who cares? Who does?’ report, published in 2021, which found that 65% of global consumers try to buy products with sustainable packaging, but just 29% regularly avoid plastic packaging.

Several other pieces of research into consumer attitudes and behaviour also give pause for thought. ‘The truths, myths and nuances behind purpose’, a study based on US research, completed last year by Razorfish and Vice Media Group, sought to understand how people across generations and demographics view purpose. It found that 82% of



consumers make purchase decisions with purpose in mind, yet brands struggle to put purpose into practice.

With respect to differences between age groups, Gen Z respondents were twice as likely as millennials – and three times more likely than Gen Xers – to feel that brands (more so than media companies and institutions) will ‘make the world a better place’, according to the research. Additionally, 76% of Gen Z respondents claimed that the brands they buy ‘embrace a greater mission’.

It’s not just the young who have lofty ideals, however: the survey found that 62% of consumers of all ages said a brand’s values are ‘important’ or ‘very important’ to them when it comes to making purchase decisions, with 40% actively researching a brand’s values and practices.

According to Accenture’s *Purpose of Brands Survey 2021*, consumers are willing to pay 12% more for brands that demonstrate values-driven attributes. Another Accenture report – *‘Are you thinking big enough about the purpose of your brands?’* – claims that brand purpose is not what many consumer-packaged goods companies think it is, stating: “It is not just about sustainability, and it is not a mission statement or marketing slogan. It encompasses the end-to-end business, from product design to operations. It also represents the full suite of attributes people choose from when considering a brand – is it fun, is it inclusive, is it environmentally sensitive?”

The same report suggests that purposeful brands that are defined by ‘human desires’ – entertainment, indulgence or health, for instance – are disrupting entire consumer-packaged goods categories.

Moreover, venture capital investment towards purpose-led brands has more than doubled since 2016. Larry Fink, chairman and chief executive at BlackRock, the world’s biggest fund manager, wrote in a 2018 letter to chief executives: “Without a sense of purpose, no company, either public or private, can achieve its full potential.”

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## All about the execution

In recent years, brand purpose has come in for a lot of criticism, some of it vitriolic. What’s important is to distinguish between good and bad execution, between the authentic and appropriate and the false, shoddy and downright shameless; the bandwagon-jumping or desperate greenwashing.

It stands to reason that there should be a world of difference between good and bad execution – and in an intriguing piece of work last year, marketing consultant Peter Field set out to prove it. He delved into the Institute of Practitioners in Advertising’s

Effectiveness Awards databank to compare 47 brand purpose cases with 333 non-purpose cases from the same period.

At first glance, what he found when judging activity based on ‘very large business effects’ didn’t reflect well on giving prominence to brand purpose. The average score for all non-purpose campaigns came in at 1.6, while for brand purpose campaigns it was a markedly less impactful 1.1. However, when Field separated out the 57% of brand purpose cases that were identified as having performed strongly, the large business effects

average for these came in at 2.1, significantly above the 1.6 benchmark for non-purpose cases.

While the topline finding may provoke some scepticism, the exercise drives home the point that – as Field himself observed at the time – if brand purpose is perceived as non-credible and in no way connected with the business of your brand, it won't stick.

It is also possible to conclude from Field's work that bad brand purpose execution is considerably worse than having no purpose-related messaging. That's not to suggest that brands should turn their backs on purpose; rather, it's an argument in favour of investment in the right research and analytics to avoid damaging missteps.

All of this should sit within a strategic framework. "If purpose is all about actions and impacts, you need not just a purpose statement, but also a purpose strategy that breaks down the statement into connected tangible and actionable focus areas, strategies and initiatives, with clear interdependencies and, ideally, concrete objectives – and guides the whole business and its actions," observes John Clark, planning director at global branding agency Coley Porter Bell. "With these in place, measurement becomes easier and more specific, as you are measuring concrete outcomes rather than less tangible opinions, feelings or awareness."

Clark offers pharmaceutical company Pfizer as a good example of a connected strategy. Pfizer's purpose statement is 'Breakthroughs that change patients' lives'. Tonally distinct, but arguably not too dissimilar from many of its peers in terms of content and spirit. Beneath the headline statement, however, sit five 'bold moves': 'Unleash the power of our people'; 'Deliver first-in-class science'; 'Transform our go-to-market model'; 'Lead the conversation'; and 'Win the digital race in pharma' – and each of these has sub-strategies, such as doubling their innovation success rate.

In addition, the pharma firm last year made public its ambition to achieve 25 breakthroughs by 2025. "It's these bold moves and the sub-strategies under them that are measured and reported on in each annual report," notes Clark.

### Sophisticated analytics

Measurement of brand purpose will require increasingly sophisticated analytics. Shorful Islam, chief data scientist and practice lead at marketing agency Tribal Worldwide, argues that doing an annual survey or audit in today's real-time data collection and measurement world will simply not be enough.

Businesses, he says, will need to use metrics that are

collected across the company, from supply and logistics, production to procurement and store to customer. Such a collection of automated routine data from systems deployed across the business can provide direct or proxy measures of sustainability that the company can use to create a more frequent measure of brand purpose.

"Organisations that are successful in measuring brand purpose are initially seeking to connect with consumers who have become sceptical about a brand's role in society and the environment," maintains Islam. "Therefore, organisations that are successfully measuring brand purpose are doing so across the organisation, from the way their employees are expected to behave to the relationship they have with their customers. It's more than simply a marketing exercise, but should be a focus of their marketing, ensuring that the brand purpose is reflected in all their activities."

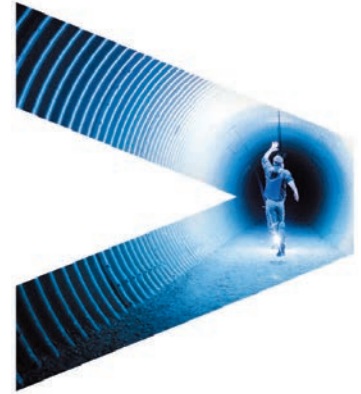
The employee dimension that Islam refers to should certainly not be overlooked, agrees Nikki Cunningham, managing director at branding agency Curious. She is adamant that it's important to engage all levels of staff. "Even if it's purely to get awareness, if you are asking your staff to follow a brand purpose and embody it in their actions, they need to buy into it, understand it and know how to live by it. External audiences need to see it evidenced in behaviour and business decisions, otherwise it removes the point of having a purpose and will be detrimental to building brand trust and reputation."

As well as being true to their values, businesses need to lead with clear objectives and realistic expectations, and avoid latching on to the latest trends for short-term gain. Setting unachievable targets for social good can be detrimental to the long-term success of a business. Don't make outlandish claims either; in the era of social media, brands are held to account and publicly ridiculed if they patently fall short on the promises they make. "Better to do a little well than claim a lot and be caught out," as Cunningham puts it.

Whatever companies share externally should be mirrored internally, making it imperative for brands to get their houses in order. Taking the necessary steps to do this was arguably harder in the past because of internal silos, alongside different buying points of research. Silos are being broken down nowadays, however, and that 360-degree view is increasingly being recognised as important, and something that, ultimately, drives brand commercial growth.

Returning to the growing role analytics will play in the development of brand purpose in the future, it's key to

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keep in mind that, at its best, analytics enables predictive insights and doesn't simply recap past activity. "Data can be interrogated to create predictive models that result in more commercial insights and enable better-informed decisions in terms of helping a brand to be recognised for its intended purpose," says Steven Brown, senior vice-president and global client lead at Savanta. "This includes enabling approaches to uncover drivers, once purpose is defined, among existing customers and prospects. This can be built from market understanding and – critically – from linking research with other data sources."

These other data sources can be transactional, behavioural, operational data, social media, and so on. Once companies have these in place, they can use analytics to build a commercially focused understanding of the drivers identified, their inter-relationships, and how to compound success through integrated decision-making at a strategic planning level.

Unquestionably, brand purpose matters from a commercial standpoint. Yet, as Accenture's survey findings show – and as amplified by other experts – the majority of brands are not yet measuring it and are aware it is not fully integrated into their business proposition. Perhaps some still take too narrow a view of what it is and what it can deliver. If so, it's time for them to wake up and proceed with purpose.

## Trust in the process

Accessing consumer data is becoming ever harder. According to a recent study from Gartner, 75% of the world's population will have their personal data covered under privacy regulations by 2024. The scale of the challenge for researchers and marketers is readily apparent.

There are several ways in which brands can try to persuade consumers to share their data – the so-called 'data-value exchange'. Payment in cash, free product, or other rewards are the most obvious inducements, but monetising the transaction will only work with a particular set of consumers. Many others look for something more meaningful, taking the stance: 'Why would I give my data to you if I don't need the money or the sum offered is negligible?'

Research across 16 countries, commissioned by the Global Data & Marketing Alliance and published in March, found that trust in an organisation remains the most important factor driving consumers' willingness to share personal information with a company. 'Trust in an organisation' was ranked by 38% of consumers among the top three factors that make them happy to share their data.

The big question is, how does purpose play into that? Brands built on purpose should have an innate advantage when it comes to generating trust, and thus stand a better chance of winning over consumers whose personal values align with the brand's purpose. For the consumer, the value in exchanging their data

lies in supporting their kind of brand.

Of course, purpose can be tricky. Many brands have slipped up and faced accusations ranging from greenwashing to workforce exploitation that sit at odds with a carefully expressed purpose. Some have been slammed for doing little more than paying lip service; others have been ridiculed for overly worthy or absurd marketing.

Purpose must, therefore, be authentic. In an age when brands are rightly taking a more analytical approach to major decision-making, they will have to test purpose before they go to market, the same way they test everything else.

● **Didier Roekaerts, managing director and global analytics lead, customer insight & growth, Accenture**



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