



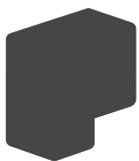
THE
**new
face**
OF MARKETING

Quarterly review
N°4 — 2022

Con
ver
sa
tions
FOR TOMORROW



LEADERS IN THOUGHT AND DEED: HOW CMOs CAN DRIVE US TOWARDS A MORE SUSTAINABLE WORLD



PURPOSE

Purpose is a social impact agency. It brings attention and mobilization to the world's most pressing issues, such as public health, climate change, education, racial equity, among others

Consumers nowadays are already motivated to search for brands that align with their beliefs. Proactive CMOs should see this as an opportunity to bond with their customers in a relationship of trust– and, at the same time, take the chance to make the world a better place.

Why create a "purposeful" brand?

The last couple of years have served as a wake-up call for marketers around the world. Today, every brand has a cultural significance that it didn't necessarily have in the past.

Consumers are looking for evidence of where companies stand on a wide range of global and local issues, including, but not limited to, gender, race, climate, and sustainability. It isn't just consumers who are demanding this new accountability, either; stakeholders, including leaders and employees, are very much on board.

This push is coming, in part, from young employees, who see their relationship with work and employers fundamentally differently than their older colleagues. For them, having a sense of purpose at work and a job that allows them to fulfill their personal values is a standard requirement, not a nice-to-have. We have already seen this in play across several technology companies, with a wave of internal activism pushing back strongly against the perceived failures of management. Brands need to send the right signals to consumers, employees, partners, and wider society, and to back them up with demonstrations of purpose.

“

Consumers are looking for evidence of where companies stand on a wide range of global and local issues.”

Finding your North Star

When we set our purpose, what we are really doing is deciding where to invest our time and energy. For this reason, it should be a carefully considered choice that isn't afraid of straying from the mainstream. If the purpose we set for ourselves is so general and all-encompassing that it could apply to anything, no-one will be inspired or motivated. A purpose isn't just a mission statement or a definition of our work; it should be linked to the core of what we do if it is to have a real, meaningful impact on the world. If a company's core business has resulted in harming the world – for instance, a fossil fuel producer – finding new and relevant purpose must be rooted in leading an end to that harm. It must also be rooted in the desire to make a genuine and measurable contribution to society. If this isn't the case, perceptive stakeholders will soon see through it as superficial "greenwashing."

Brands have to find their own North Star: an overriding ideal based on a deep collective conviction that they can always look to and follow in times of uncertainty or when a big decision is on the table. However, once you have chosen your North star – or, perhaps, once it has chosen you – you need to develop a marketing strategy that will appeal directly to your most important stakeholders and to the wider public. People must be mobilized beyond awareness to action.

“
"If the purpose we set for ourselves is so general and all-encompassing that it could apply to anything, no-one will be inspired or motivated."

Nike: Purpose in action

In 2016 American football player, Colin Kaepernick, gained worldwide fame for repeatedly kneeling during the US national anthem ahead of games, as a protest against racial injustice and police brutality towards African-Americans. In doing so, he sparked strong reactions of both support and criticism. He made the cover of Time Magazine, which attributed to Kaepernick's actions the explosion of a national debate on "privilege, pride, and patriotism."

Nike decided to make an ad featuring Kaepernick, as they felt his selfless protest (a record-breaking quarterback, Kaepernick remains unsigned after being released at the end of the 2016 season) was strongly aligned with their values. Associating the brand with an individual who, at that point, was considered by some to be a divisive figure in the US, may have seemed like a risky marketing gamble, and the action initially led to some shareholder panic.

However, Nike's decision to stand with Kaepernick and endorse his personal courage and commitment to racial justice was widely applauded in the days and weeks following the ad. In the quarter that Nike released the ad, the company reported a 10-percent increase in turnover. When the results were announced, Nike stock ended the day up 7.2 percent, when most other stocks were trading much lower. Signaling a sense of conviction and purpose helped Nike's standing with all its stakeholders – consumers, investors, and wider society.

Source: ABC News, "Nike sales booming after Colin Kaepernick ad, invalidating critics," December 2018.

How CMOs can change the game

CMOs now have the role of bridging the gap between reputation and action. As brands commit publicly to supporting a sustainable future, marketing needs to convert promises into reality by reshaping brands around those values. It's no longer just about sales numbers; brands must represent their customers' principles. CMOs also play a role in helping acquire and retain talent by showcasing sustainability efforts and impact. If values-driven employees of any age see that you are making a genuine effort to make the world a better place, they will want to join you – and to stay for the long haul.

Purpose starts at the top

The transition to a purposeful, sustainable brand can't be on the CMO alone; all the leaders in the business should be on board – and that's just the start. If it is treated as a cold marketing exercise, it risks losing substance, which stakeholders will sense, and real social impact won't follow. CMOs should be clear on how the business is going to measure whether it is succeeding in showing purpose. Is it behavior change? Is it growing awareness around an issue? Is it about trying to convert customers into ambassadors and champions of that purpose? From the outset, CMOs need to set the right measures and build the brand progressively around the results they see. This could be done one project at a time, or with a launch of multiple sustainable brands, to see which fail and which soar.

Unilever: Sustainable Purpose

Unilever is an example of a company that clearly redefined its purpose over a decade ago, with sustainability at the core of the message. It originally launched a Sustainable Living Plan in 2010, with a ten-year journey and targets that the public could see.

In the process, Unilever managed to meet several impressive goals (while also missing a few): for instance, it reduced the total waste footprint per consumer use of its products by 32% and achieved zero waste to landfill across all its factories. It also reduced greenhouse-gas emissions from its owned manufacturing sites by 65%.

These ESG efforts are starting to pay off commercially: in 2019, Unilever announced that its purpose-led Sustainable Living Brands are growing 69% faster than the rest of its portfolio – and delivering 75% of the company's growth.

Source: Unilever website

Taking deeper responsibility

Being purposeful and playing a wider role in society is increasingly important in business. This places special focus on the CMO's remit to ensure all stakeholders perceive honesty, integrity, and authenticity in their companies' responses. In turn, stakeholders will reward organizations in various ways. But, more than the rewards, in these times of global uncertainty and the huge challenges posed by climate change, CMOs must take responsibility of their contributions to a more sustainable, purpose-led, and responsible private sector. In doing so, they will also cement the role of the CMO as a torchbearer for global and local communities in the uncertain and, at times, harsh new reality. Moreover, their brands will stand out, endearing themselves to a new generation, not simply through a certain quality and familiarity, but through their commitment to action.



People must be mobilized beyond
awareness to action
