BLOG

# Why brands must put purpose at their heart

INSIGHT   OPINION

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From concerns about Amazon's dominance of retail, through to Google's tax issues and the BBC's gender pay gap, the beliefs and behaviours of major organisations have rarely been so clearly in the spotlight.

The news over the last few months has been a fascinating place for brands. While the headlines in the business or consumer affairs pages tended to focus on new product launches, boardroom scandals or stocks and shares, there have also been a rash of headlines focussed solely on brand purpose. From concerns about Amazon's dominance of retail, through to Google's tax issues and the BBC's gender pay gap, the beliefs and behaviours of major organisations have rarely been so clearly in the spotlight.

We all have our own opinions, of course, but what really interests me is that such stories are not just confined to the media industry. A wide section of society has been talking about these stories, making judgements and calling for action. The public isn't just caught up in the hype; more than ever before, they genuinely care. You only need to glance at Twitter to see how many people aren't very willing to forgive and forget.

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The idea of the public making judgements about organisations based on their beliefs or intentions isn't new; many politicians and political parties have experienced the same backlash. But 20 or 30 years ago, it's unlikely the public have been so outraged by the goings on at individual businesses.

Admittedly, we didn't have social media 20 or 30 years ago and the world was a very different place socially. But even with that technological and social advancement, the reality is that the public increasingly expects brands to have as 'good' a purpose as they do product.

What you stand for impacts your bottom line

When some boards think about their 'purpose', they're likely to think about their business plan; some may even think "that's in the CSR bucket". But very few will think "purpose is key to my revenue". In short, making a company's beliefs clear to its customer base is often dismissed as being unimportant or a nice to have. The reality is that it's much, much more.

What the public thinks of a brand and what it stands for is increasingly linked to revenue. In the UK, our recent research into the subject found that 63% of respondents believe brands

have a responsibility to give back to society. More specifically, 80% of consumers said that businesses must take steps to minimise environmental impact.

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Looking at the impact of a brand's beliefs or behaviours, 40% of consumers said they had either abandoned or rejected a brand because of poor corporate values. Almost half (49%) of the 2,000 respondents stated that they are willing to pay more for a brand that supports a cause that is important to them.

This is not just a  clear picture of a society that cares about a brand's beliefs but also one that is willing to back those opinions with its wallets. This isn't a trend brands can ignore in the hope it goes away. As a nation, it seems that the UK is becoming more and more socially conscious.

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60% of 18-24 year-olds are willing to pay more for a brand with good values

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In fact, the percentage of 18-24 year-olds willing to pay more for a brand with good values sits at 60% – 11% higher than the national average. Similarly, while 35% of all respondents have bought a brand product specifically because of its chosen values or beliefs, this figure rises to 49% in those aged 18 to 24.

Simply put, brand purpose is in the headlines not because it's something the public is mildly interested in, but because it's something that people are increasingly passionate about.

Smart brands will already be responding to this.

## What is 'good' and how do you achieve it?

A big challenge for any brand wanting to make a positive impact and stand for something good is to actually decide what it considers 'good'. This is where audience insights become invaluable. Some of the most powerful brand beliefs combine what a company's board and employees think, with what their target audience wants and demands.

We recommend that every business considers the following three steps to ensure that its brand purpose is fed through its entire company (and therefore made clear to the public in everything that the brand does).

### 1. Know your purpose

First and foremost, purpose cannot be an afterthought. This isn't a marketing exercise. A brand's purpose needs to genuinely sit at its core. It needs to be updated on and referred to in board meetings and across all internal communications. It should be on the first page of the company's business plan – and core to its future plans and successes. Even if a brand's purpose is as simple as "be honest and open at all times", it matters. It should take pride of place in the brand's strategy.

### 2. Stand for something real

As with any vision or communication, clarity is vital. When it comes to a brand's beliefs, vague promises to 'save the world' are unrealistic and therefore – in the eyes of the public – untrustworthy. Consumers aren't stupid, they don't expect a retailer to save the planet, but they do expect it to do its bit and prove it cares. As human beings, our beliefs are very specific and a brand's purpose must follow the same rules.

### 3. Make purpose your heartbeat

From here, organisations need to create a business which truly exudes that purpose.

Whether the business is new, or a brand that's been around for 100 years, everything needs to match the purpose, beliefs, and behaviours the brand has committed to.

This takes a lot of thought and requires the buy-in of everyone across the business to ensure that all the good work being done in one area isn't undermined by a team that doesn't agree with (or doesn't even know about) their brand's purpose. This means constantly communicating and reminding employees of what the brand stands for.

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These are just a few considerations – a lot of time and effort is needed to make sure a brand has a strong purpose that positively influences its reputation with the public. But it's worth it. In the current social climate, where there is much public unease with politics, businesses need to be leaders and they need to do it responsibly.

Brands need to decide what they stand for, instil this into all areas of their organisation, and ensure that the public can rely on them. Brands that do this now will only grow as more purpose-led generations become our country's earners.

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