

The background features a vibrant, colorful scene with silhouettes of people. A large, glowing orb with a textured, crystalline surface is the central focus, emitting a bright light. The scene is set against a backdrop of a sunset or sunrise, with a gradient of colors from orange to purple. The silhouettes of people are scattered across the foreground, some standing and some in motion, creating a sense of a social gathering or event. The overall atmosphere is one of energy and purpose.

**PURPOSE 2020**

# **IGNITING PURPOSE-LED GROWTH**

**KANTAR CONSULTING**

# THE POWER OF BUSINESS

## PURPOSE IS ONE OF THE MOST MISUNDERSTOOD AND MISUSED BUSINESS BUZZWORDS TODAY.

Purpose-led companies can make a tremendous difference in the world. Businesses have the size, reach and trust it takes, and people expect companies to use this power for a good purpose. Purpose can drive growth, yet all too often this doesn't happen. Purpose is one of the most misunderstood and misused business buzzwords today.

Where do companies go wrong with purpose? Why is purpose so criticized and so undervalued? In particular, what does it actually mean to be purpose-led? What is the process for putting purpose to work? Kantar Consulting has helped many companies find the answers to these questions. Purpose is a core practice area of Kantar Consulting and a focal point of thought-leadership. This white paper outlines the multi-step journey it takes for a company to become truly purpose-led—a proven framework to unlock the potential of purpose to generate growth and improve society.

**Purpose is what people are looking for in brands, and this preference will only intensify as the next generation comes of age. Purpose-led brands enjoy stronger growth and a deeper connection with consumers. Purpose is central to success in the future of consumption.**

Companies have always done more than just sell products and services. But with the network of customers, suppliers and employees that companies around the world command today, the power of business to shape culture and society has never been greater, or more critical.

The size of companies rivals that of entire countries. For example, the roughly \$300 billion (USD) in 2017 topline revenue earned by Royal Dutch Shell that it uses to run its company is more than the 2017 revenue of roughly \$270 billion (USD) collected by the Mexican federal government to run its country. Shell's 2017 revenue is an amount on par with the 2017 nominal GDPs of top 40 countries like Singapore, Colombia and Malaysia. Similarly, Walmart, the world's largest company by topline revenue, earned \$485 billion (USD) in 2017, which is about the same amount as the 2017 nominal GDP of Belgium, the 25th largest national economy in the world.

The relative reach of companies is even more impressive. President Trump has perhaps the most scrutinized Twitter account ever, with 50 million followers and growing, but Nike has 75 million followers on Instagram.

In the 2018 Edelman Trust Barometer, business and nonprofits were the institutions with the highest percentage of people saying they trusted them—at

52 and 53 percent, respectively. The percentage of people saying they trust government was just 43 percent, the same percentage as embattled media. The difference was even bigger among the informed public sub-sample, as it was called, of college-educated, heavy media consumers, with 64 percent trusting business versus 53 percent trusting government.

In short, companies have more than enough size, reach and trust to make a positive impact on the world. With this power come expectations. In the Kantar Consulting Global MONITOR tracking of values and attitudes worldwide, over 60 percent of consumers under 30 prefer brands that "have a point of view and stand for something," compared to less than half of consumers past middle-age.

Almost all consumers in Global MONITOR agree that improvements to their wider communities are important in their personal lives, so it is necessary for companies to have a tangible impact, not just to take a stand. This is confirmed by other Edelman research in which 80 percent of those surveyed expect businesses to take the lead in solving social problems.

The desire to make a difference is especially true of younger consumers. In Global MONITOR, about two-thirds of people under 30 believe they can make a difference through their own actions. Similarly, nine in ten of Millennials surveyed by Deloitte want to use their skills for good, yet only a little over one-quarter feel the companies they work for put their skills to full use and about the same percentage are skeptical that companies are focused on improving society. Despite having the power needed for making purpose matter, many companies come up short.

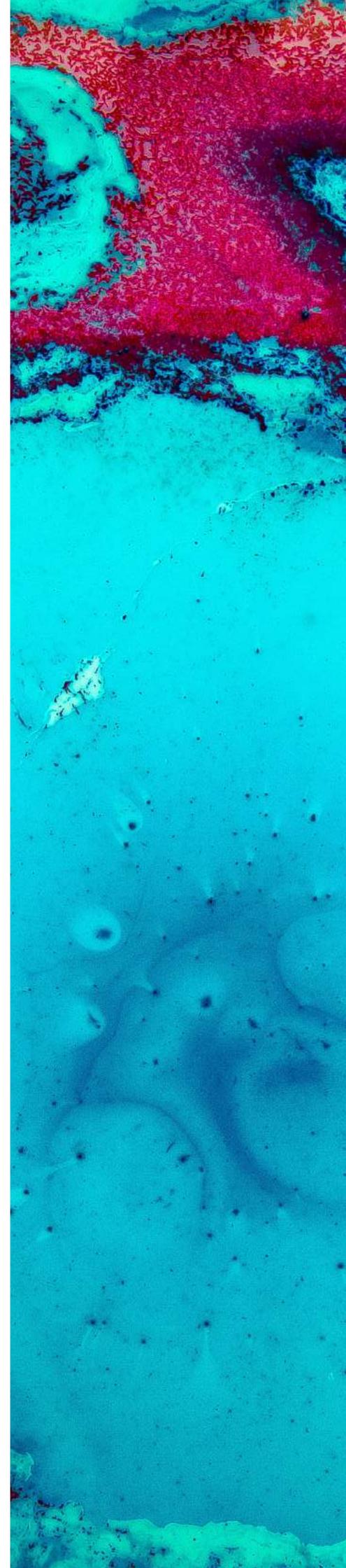
# GETTING PURPOSE RIGHT

Being a purpose-led business is no longer an option. **Research and experience show that purpose is required to sustain an enduring competitive edge in consumer preference, talent acquisition and business growth.** In the Marketing 2020 work completed by Kantar Consulting, and first published in the *Harvard Business Review* in 2014, interviews with 600 CMOs and 15,000 consumers worldwide identified a “purposeful positioning” as a key driver of marketing success, behind only “big insights” and “total experience.” **The WPP/ Kantar Millward Brown BrandZ™ tracking of brand value finds that brands perceived as having a high positive impact on people’s lives have grown brand value 2.5 times more than brands with low perceived impact.**

Notwithstanding such strong evidence, purpose is often criticized. Not because it is unimportant or irrelevant, but because it is misunderstood. Purpose is confused

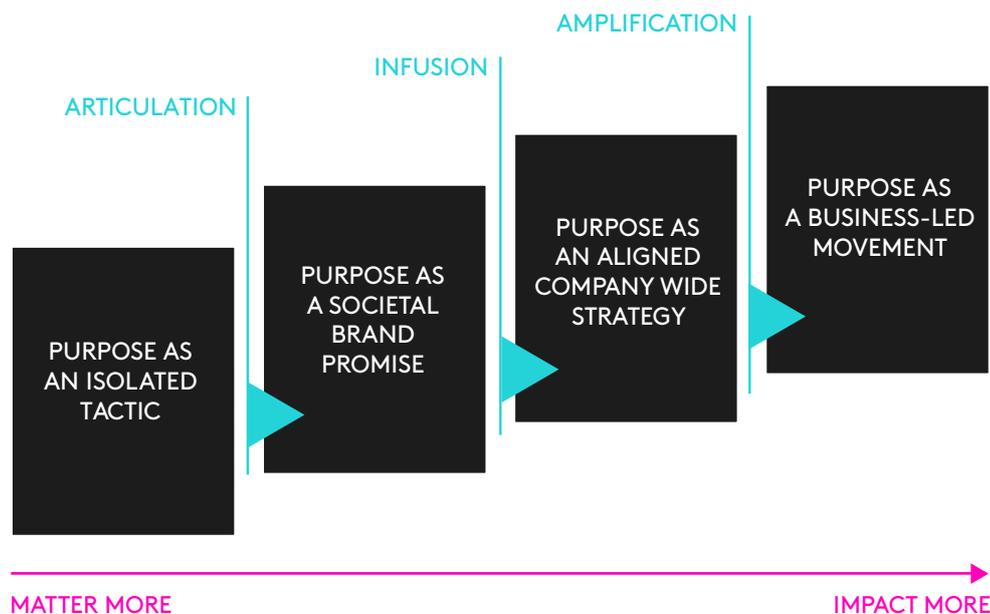
with corporate social responsibility (CSR) activities to protect the world rather than recognized to be initiatives that positively impact the world. Or it is thought to be some sort of doubletalk like greenwashing. It is easy for companies to fall into these confusions, though, so it is vital to follow a proven path in order to get purpose right.

The Kantar Consulting Purpose 2020 framework draws from the groundbreaking work completed for Marketing 2020 and is enriched with an array of additional work including over 100 company deep-dives on purpose, a survey of American Marketing Association corporate professionals and the successful learning from more than 200 projects on purpose worldwide for clients like Shell, Ferrero, ING and AkzoNobel. From this work, a clear journey to becoming purpose-led has been identified, specified and quantified.



# BECOMING PURPOSE-LED

Purpose moves from a starting point to “matter more” to an end-point to “impact more.” That is to say that purpose begins as an isolated tactic that, properly shepherded, grows into a promise, then a strategy, and only then becomes a business-led movement.



## 01. ISOLATED TACTIC

This initial sort of limited purpose is always a short-term initiative led by a marketing team or a department dedicated to CSR. It is executed as a one-off activity.

## 02. SOCIETAL BRAND PROMISE

The next phase of purpose is a longer-term commitment that cuts across marketing functions. The functional and emotional benefits of a brand are elevated to a societal promise that enhances a brand’s reputation, thereby building its equity.

## 03. COMPANY-WIDE STRATEGY

Once established as a valuable brand element, purpose must then move beyond the marketing team. It becomes a guiding growth principle for the entire organization.

## 04. PURPOSE AS A MOVEMENT

A business becomes purpose-led when purpose moves beyond the company to become a social movement. Piloted by business, purpose drives growth with positive social impact.

Brands and companies begin at different stages in this journey. Some, like Patagonia, are born out of purpose. Others, such as Lego, are halfway down the path, while others, such as Nestlé, are just starting out.

Becoming purpose-led is not easy. It’s hard to get comfortable with purpose-driven tactics in today’s contentious and transparent market environment. Very few brands have been able to get to purpose as a movement.

Once begun, there are three big steps in the journey. **Articulation carries a brand from tactics to promise. Infusion then moves a brand from promise to strategy. And finally, amplification gets a brand from strategy to movement.** These are very specific tasks that can be benchmarked and assessed against a set of identifiable, quantitative criteria. These steps and the criteria for each constitute the Kantar Consulting Purpose 2020 framework.

# STEP 1

## ARTICULATION— TAKE A STAND!

Purpose is not vision or mission.

**Purpose is the reason a brand exists—it is the positive impact a brand makes in people’s lives and the world they live in.**

Where a company is headed and what it does to get there are essential for guiding an organization in the right direction. Purpose articulates what that direction is all about. This is more than what a company sells, and thus purpose is a challenging task.

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**Five criteria define how to articulate purpose to move from tactics to promise**

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### MEANINGFUL

Purpose must have a strong, relevant meaning if it is to resonate. It does so by tapping into a societal tension that is bigger than functional and emotional benefits. Many brand leaders worry that their categories are too functional for purpose to resonate. But a company like Dulux proves otherwise. It went from selling cans of paint to selling cans of optimism through its purpose of adding color to people’s lives. Through its involvement in local communities, it proved it could leverage colors to influence the ways in which people feel about and engage with their communities.

### TRUE

Purpose must be true to a brand’s character by moving only into territories where a brand has the credibility to do so. This can be treacherous if a brand is not careful. Many brands have failed by trivializing serious issues or by over-commercializing social problems.

### UNIQUE

Purpose must be connected to something that is distinctive about a brand in its category. Different brands can leverage this in unique ways. For example, the preponderance of women as consumers of laundry detergents enables Ariel to take on gender equality as its purpose even as OMO focuses on child development as its purpose.

### COHERENT

Purpose must be aligned not only with the brand but with the company as a whole. Practically speaking, this means that purpose affords a company the ability to bring it to life through all elements including communications, product or even external suppliers.

### BUSINESS PROOF

Purpose must be integrated with business goals, not ancillary to the core commercial focus of a brand or a company. For Unilever, this sort of integration has been articulated as doubling the business while decreasing its environmental footprint. This has worked well, with over half of Unilever’s growth accounted for by purposeful brands.



# STEP 2

## INFUSION— INVOLVE EVERYONE!

Infusing purpose means inspiring everyone and everything, every time and everywhere. **It is not one function like marketing, but all functions, all propositions and all decisions.** In Marketing 2020, 80 percent of over-performing companies said they linked everything they did to purpose, compared to only 32 percent of under-performing companies. By infusing everything, purpose becomes more than just a clever marketing campaign. It becomes a driving force with consumers.

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**Organizations infused with purpose can be recognized by four characteristics that facilitate the transition from promise to strategy**

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### LEADERSHIP-DRIVEN

Senior leadership must embrace purpose and commit to it in a very explicit way. Again, Marketing 2020 finds this distinguishes success from failure, with 85 percent of over-performing companies reporting that purpose is driven by the C-suite versus 58 percent of under-performing companies. Senior leaders must make purpose personal.

### CULTURE- AND STRATEGY-LED

This is to say that purpose should engage both the heart and the

mind. Nearly all—91 percent—of over-performing companies in Marketing 2020 said purpose was shared throughout the organization, versus just 61 percent of under-performing companies. There is no one way to get everyone living the purpose. Nike started with culture to translate purpose into values while Shell started with a systematic strategy to build in purpose as a KPI.

### 360-EXECUTED

Purpose must be brought to life in everything that a company does. All of the elements of communication, product, service and retail should combine in an integrated way to create a total experience consistent with purpose. For example, Whiskas' promise of nurturing a cat's true nature meant delivering a product consistent with its catchy, award-winning ads, so the product was changed to take out vegetables because in nature cats don't eat them.

### IMPACT-MEASURED

The impact of purpose must be measured, both to show that a brand or company is serious about it and to have definitive feedback for continuous learning. This means going beyond traditional KPIs to include societal KPIs such as measures of impact on attitudes, values and behaviors. A brand must be able to assess whether it is positively shaping culture.



# STEP 3

## AMPLIFICATION— SPARK A MOVEMENT!

Once purpose is articulated and infused, it must be advanced beyond the company itself. **This means sparking a movement and stimulating others to join the cause.**

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**There are three key ways to move from strategy and create a movement**

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### ROLE-MODELING

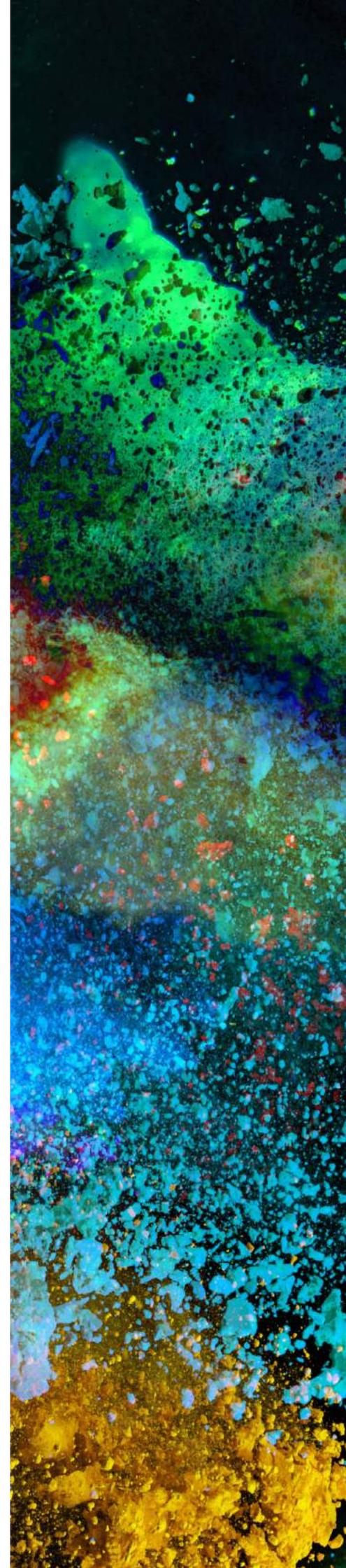
This means inspiring others through actions and decisions. A company must set the bar high and then live up to the standards it has set for others to follow. Decades ago, Volvo acted as a role model when it invented the three-point safety belt. It could have patented this and kept it for itself as a competitive advantage. Instead, Volvo allowed competitors to use it because its purpose was safety and it acted accordingly.

### COLLABORATION

This means working with others to accomplish a purpose. Tony's Chocolonely invites everyone to join in the fight for slave-free cocoa. Tony's is willing to work with anyone in the supply chain, even direct competitors, in a collaborative way to make this purpose happen.

### CULTURAL CONVERSATION

This means keeping the movement alive by constantly refueling and revitalizing the conversation about a company's purpose. One of the best-known ad campaigns of recent vintage is Dove's "Real Beauty" campaign. First launched in 2004, Dove has kept it fresh by finding new ways to talk about it and bring it into the broader cultural conversation.



# DRIVING PURPOSE-LED GROWTH

The path to purpose is one of aiming high to find a meaning beyond the category while navigating the terrain at ground-level without stumbling. It entails finding a long-term societal tension that is relevant but unique while staying true to the brand and company.

Infusion is where most companies find opportunities to drive purpose-led growth. Without the kind of framework provided by Purpose 2020, many companies exhaust their resources and efforts on the initial step of articulation, and thus never realize the potential of purpose. The experience and resources of Kantar Consulting can enable companies to find a purpose that can deliver both growth and a positive impact on society.

Companies must light the flame of purpose and keep it burning. But purpose is more than a company, so spaces must be created for others to join and fuel the flame. When purpose becomes a movement, companies will have unleashed the full power of their potential.

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