

### Brand Purpose:

Shaping a new purposeful reality for communications professionals

#### Contents

Brand purpose: origins

6.

Communications professionals: the vanguards of brand purpose

Case study: DONG rebrand to Ørsted

The view from comms professionals: personal

The view from comms professionals: audiences

The audience view: outside in

Measurement is playing catch up

Giving purpose to brand purpose

#### **Abstract**

#### Following a period of research, the following paper sets out to explore the current impact the concept of brand purpose is having on communications and communications professionals.

We will first explore the origins of brand purpose and its evolution from CSR communications and strategies that have existed in organisations over the past decade. By understanding its beginnings, we can track its path and continued importance to our organisations in the immediate future.

We will then explore the relationship between communications and brand purpose, before evaluating the connection through a case study, namely the rebranding and repurposing of an entire organisation in the form of Ørsted.

Our survey was viewed by 110 UK businesses, with responses coming from communications professionals across an extremely healthy split of industries and focuses. We explore their responses to our inquiries about brand purpose, its personal impact on them, the impact on their organisations and the views they have on how it will develop in the future.

Finally, we explore some of the current disconnects and failings surrounding brand purpose communications and why this is happening. We explore the concept of purpose measurement, demonstrating why it may not be delivered correctly now and how comms professionals can look to address this by refocusing their measurement so it's not on the real impact of activities and not a traditional communications metric.



#### Brand purpose: origins

Most organisations understand that brand purpose is important when it comes to presenting themselves as ethically-driven to audiences.

64% of Gen Z and millennials (aged 18-37) in the UK want companies to take a stand on the social, cultural, environmental and political issues close to their hearts. Brand purpose influences people's purchasing decisions and employment choices, and the impacts of its continued rise to prominence are resonating across industries and in some cases reshaping them.

The concept of purpose-driven brands has evolved quite rapidly from the now rather stuffy idea of corporate social responsibility. It was always likely that this business-centric

and actions they took were an attempt at mitigation of harm and not a meaningful attempt to become part of the fabric of ethical society.

In the wake of the Black Lives Matter movement, MeToo and the rising climate crisis, CSR began to feel like an inadequate structure to deal with the needs audiences were imposing upon brands. This has been felt nowhere more keenly than in internal and external communications teams. In reality, it has fast become their responsibility to be both the internal and external exponents of brand

#### **CSR** was no longer fit to describe the requirements now facing businesses to remain relevant to their audiences

terminology would get a rebrand but the differences between brand purpose and CSR are profound. With CSR, activities designed to provide benefit for the communities and environments in which they operate could be distilled into isolated activities: teams running marathons for charity, goods and services in kind, the occasional bake sale as well as the more impactful and far-reaching implications of sustainability, diversity and inclusion.

Ultimately, CSR was no longer fit to describe the requirements now facing businesses to remain relevant to their audiences. The terminology itself, corporate responsibility, immediately implied a sense of separation between business and community; that the commitments

purpose for their organisations. This has led to mixed successes, as the messages being communicated have sometimes found themselves at odds with an organisation's true drive; this includes ham-fisted and sometimes tone-deaf attempts to resonate with the audiences that require purposeful organisations have come thick and fast.

Alex Weller, European Marketing Director at Patagonia summarises what we believe to be the main pitfall in the brand purpose arena when he says;

"You can't reverse into brand purpose through Marketing"

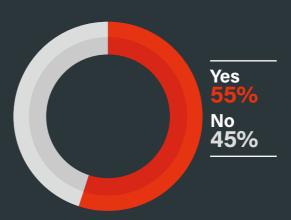
# Communications professionals: the vanguards of brand purpose

It stands to reason that whether your brand has had purpose at its core since its inception or it has had to adapt its ways of working to survive, the only way that your internal or external audiences are going to hear about it is through the comms team.

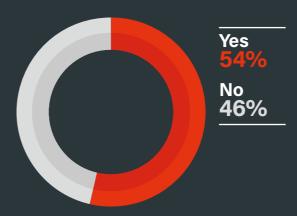
Brand purpose communications are no longer an opportunity to steal a march on the opposition, they are a necessity for survival as our audiences have evolved into purposeful consumers and employees. Over half (55%) of UK consumers say their purchasing consideration is driven by a company's ethical values and authenticity. We now operate in a world where brand purpose is the bare minimum expected of an organisation. A total of 67% of millennials say they expect brands to lead on and not react to social and political issues.

This has led to a significant upswing in the volume of purpose-led communications being produced by brands. Our research has shown that 54% of the businesses we surveyed are currently running purpose-driven marketing campaigns, with 55% having done so in the last two years. Forbes tells us that the number of purpose-driven campaigns is increasing by roughly 24% year-on-year with no signs of a slow down in 2020.

Over half (55%) of UK consumers say their purchasing consideration is driven by a company's ethical values and authenticity Has your organisation run an external marketing campaign focused on brand purpose in the last 2 years?



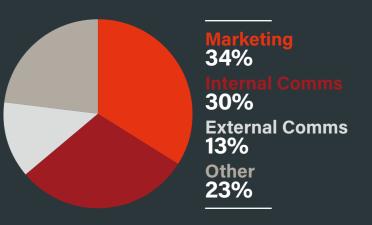
Is your organisation currently running external marketing campaigns focused on brand purpose?



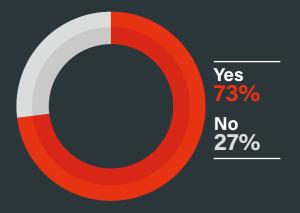
An even guicker rise is being experienced in the field of employer brand and internal communications, with our respondents indicating that 54% are currently running internal brand purpose campaigns with 73% having done so in the last two years.

The importance of purpose in all future communications cannot be understated as time and time again we see customers voting with their feet and employees indicating their preferences to work for purposeful brands.

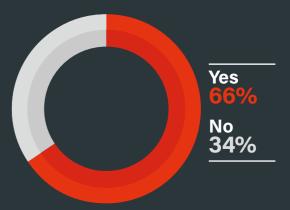
Which of these best describes your role?



Has your organisation run an internal communications campaign focused on brand purpose in the last 2 years?



Is your organisation currently running internal communications campaigns focused on brand purpose?



It is only through communications that impactful results in this area can be achieved. A hugely powerful example of recognising that an organisation's current purpose was harmful, recognising what needed to change and then acting on it effectively through communications is Danish energy company Ørsted.

#### Case study

#### DONG rebrand to Ørsted

Danish oil and natural gas (DONG) were faced with a harsh reality in 2017. As an energy company, the public mood had shifted against fossil fuels like never before and the impacts were far-reaching. Some of the effects were felt in the space of employer brand, with potential employees rejecting the choice to work for an organisation that, by its very nature, was at odds with the global climate crisis.

Spearheaded by communications professionals,

was undertaken to create Ørsted. The new organisation's purpose couldn't be clearer; committing to green energy, renewables and abandoning its fossil fuel business over a period of time.

By 2023, they will have phased out fossil fuels, selling the large part of their assets in this area to invest in renewables. Henrik Poulsen, CEO of Ørsted, said that: underpinned by internal and external communications, and employer This example clearly demonstrates that getting brand purpose right can be dramatic for your organisation. It also demonstrates that for its impact to be felt anywhere beyond the walls of your offices, communications teams are vital.

What we must be aware of is how communications professionals themselves view brand purpose.

**Getting brand** purpose right can be dramatic for your organisation

#### The view from comms professionals: personal

As part of our research, we wanted to understand how important brand purpose is to communications professionals. Comms pros are effectively the custodians of a brand's purpose and they act as interpreter between employee, consumer and brand. It is therefore vital that we know their view on brand purpose now and the impact they believe it will have in the future.

We asked our respondents a series of questions on the importance of brand purpose to them personally. Our responses came from a huge variety of industry sectors.







Construction



Consulting



Marketing/Comms



**Pharmaceuticals** 



**Public Sector** 





Hospitality/Tourism

**Legal Services** 



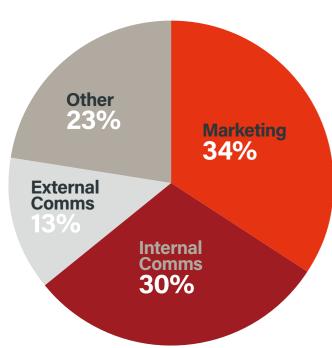


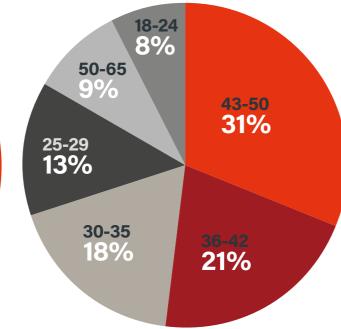




We also saw our results generated from a good mix of internal/ external and marketing communications professionals.

We also saw responses come from a variety of age groups; this was particularly important to our understanding of brand purpose in communications, as the external research picture is dominated by the views of the millennial generation and even more so focused on generation Z.





When asked if their organisation did indeed have

a brand purpose, 91% of respondents indicated yes,

respondents indicated they would be comfortable articulating their organisation's brand purpose. This

demonstrating its importance in 2019. An interesting

variance of 12% is of particular note as these comms

professionals were not able or willing to articulate the

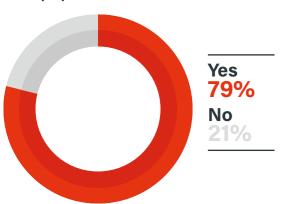
purpose they are required to expound both internally

and externally. Already we see there are some small

caveat to this was the fact that only 79% of these same

What was particularly interesting about our demographic split was the fact it had very little bearing on the pool of answers we received. Age it seems, at least within the communications profession, does not impact perception of brand purpose. It is viewed as important by all our demographics and for the same reasons. We would have expected to see a slightly more pronounced focus on brand purpose from those in the millennial generation, but this was not the case in our data pool. It is useful to understand this, especially when examining our responses to our respondents' attitudes to their organisation's purpose communications and the impact they will have in the future.

Could you confidently describe your organisation's brand purpose?



issues in the articulation of purpose in general. Does your company have a brand purpose?

Yes No

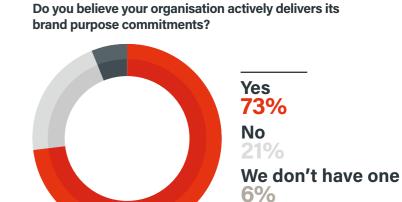
organisation if its brand purpose no longer aligned with their own moral compass and ethical standard. This is where our demographic split was particularly interesting, as this has been a widely held perception of the millennial generation and not so much Gen X or baby boomers. In fact, we saw little to no difference across ages when answering in the affirmative to this question.

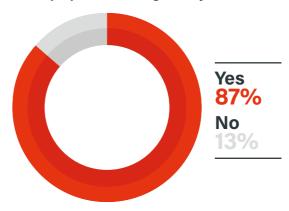
We also wanted to know if, as external research has Our respondents were also positive when it came indicated across a wide range of professions, ethical missteps by an organisation could lead to resignation. communications, as our research demonstrated that 49% of our respondents described their organisation's brand purpose as extremely important to them and 42% described it as somewhat important. 87% of our respondents indicated they would consider leaving their

to assessing their organisation's brand purpose achievements to date. When asked if they believe their organisation actively delivers its brand purpose commitments, 73% said yes. As demonstrated through our Ørsted example, sometimes an organisation's day-to-day activities can suddenly put it at odds with society's current picture of a purposeful organisation. Although 78% of our respondents believed their brand's activities were not at odds with delivering brand purpose commitments. The question of an organisation's age and historical business practices has also been a barrier to modern brand purpose, but only 34% of our respondents felt that the years a company has existed had any impact on its ability to deliver effective brand purpose commitments.

Would you consider leaving your organisation if its brand purpose didn't align with your own values?

This was proved to be pronounced in the field of





From our comms professionals, we have generated a relatively healthy perspective of the state of play in their organisations when it comes to brand purpose. From here, it was now important to understand how they felt purpose-led communication was perceived by their audiences, the employees, consumers and clients with which their purpose-led communications were supposed to resonate.

10 The view from comms professionals: personal The view from comms professionals: personal | 11

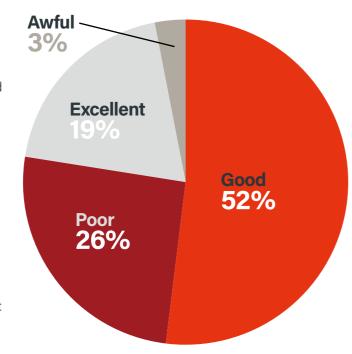
## The view from comms professionals: audiences

To understand how well brands are utilising communications to deliver and embed their brand purpose messages, we asked our respondents for their views on how well these messages were understood by both their internal and external audiences.

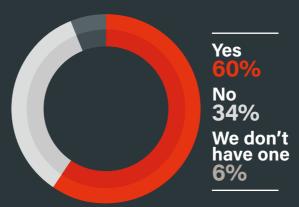
Firstly, we wanted to see the internal communications perspective and our respondents were asked how they thought brand purpose messaging was understood across their organisation. A total of 19% were happy to report it was excellent, 52% good and 26% poor. This began to reveal that despite the existence of purpose within our organisations, almost a quarter of the team have poor understanding of what it means. This trend developed when our respondents were asked if they felt their team members understood how brand purpose impacted in their role specifically, with 35% citing that they did not.

Returning to our initial survey question where 91% of respondents indicated there was a clear brand purpose in their organisation, it's interesting to note that 38% felt their organisation was struggling to create a coherent iteration of that purpose. This goes a long way to explaining why the wider team may be struggling to understand how it impacts on their role. If 91% of our 110 businesses have a clear brand purpose, then we should be seeing the same statistic in terms of wider business understanding. This 29% variance is a gap that desperately needs to be closed, and the responsibility lies with the internal communications team.

How would you describe business-wide awareness of your organisation's brand purpose?

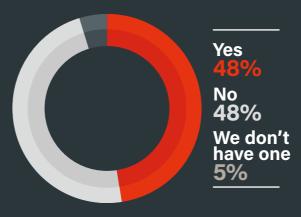


Do you believe your team members understand how your organisation's brand purpose impacts them and their role specifically?



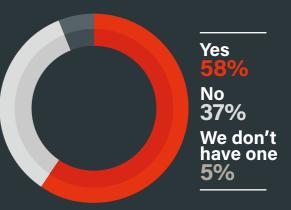
A more troubling disconnect between the initial positivity of our early survey questions and our internal analysis existed in the external picture as well. Looking at marketing and external comms responses, we saw that 48% of respondents were confident that their clients and customers were not aware of their organisation's brand purpose. A total of 28% also believed their external audience viewed their purpose communications as untrustworthy. A total of 66% indicated that they firmly believed these issues were currently impacting on customer and client willingness to interact with the brand, and 82% believed this was a trend that would worsen soon. The perceived lack of coherency about brand purpose and the potential for messages to be dismissed as spin are challenges that are reflected in the current external view of organisational brand purpose.

Do you believe your customers/clients are aware of your brand purpose?

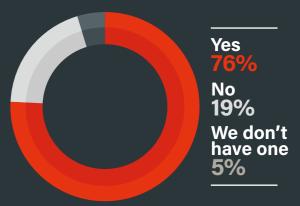


Finally, in this section, we looked at employer brand, specifically talent acquisition and retention. 58% of our respondents believed that brand purpose or the lack thereof was having a significant impact on their ability to attract new talent. 58% also believed that it was a significant contributing factor to talent retention. When coupled with our findings that 87% of our comms professionals would consider leaving their jobs if the organisation fell out of alignment with their own values, we can see that this is the case. 76% said that these issues would again worsen in the future should their organisation not be able to establish a clear and consistent brand purpose message.

Do you believe your brand purpose impacts on your ability to retain talent?



Do you believe brand purpose will impact your ability to retain talent in the future?



From the initially positive findings brand purpose is alive and well in 91% of our surveyed organisations, and we start to see despite its importance to comms professionals, there are clear and present issues that need to be addressed for brand purpose to be fully understood by both internal and external audiences. With our respondents clearly of the belief that to not do so would have significant implications for future business success, we must understand why these divides exist and if there are any meaningful ways to address them. We must first explore whether the slightly gloomy assessment of understanding brand purpose identified here by our comms pros is also prevalent, from the outside, looking in.



#### The audience view: outside in

Our comms professionals have attested that there are some issues in delivering coherent messages to our audiences on their organisation's brand purpose. In reality, the external view is much more precarious.

Since 2017, the UK public's trust in the government, media and business has been in sharp decline. A whopping 96% of consumers do not trust official messages coming from brands. A total of <u>64% indicate</u> that they would boycott a brand based on its ethical standpoint and 86% of consumers firmly believe that a brand should take a stand on social issues. An even more critical view comes from our millennial audiences with 68% stating they believe, despite any brand purpose messaging they receive, organisations have little interest in anything more than making money.

Internally our audience view is slightly more ambiguous but no less concerning. The battleground for employer brand again revolves around trust, with 54% saying that they do not trust the purpose-led messaging they receive from their organisations. A total of 60% are also adamant they don't receive the required information about purpose or what it means for their roles.

Our respondents have lightly alluded to these statistics in their own responses but have not painted as concerning a picture as our external research suggests. Only 28% indicated there was a problem with businesswide awareness of brand purpose. They also believed that only 34% were not aware of how brand purpose directly affected their role. Our external research and continued work in the area of brand purpose has determined why this may be the case.

Our communications professionals, as the custodians of brand purpose and the vanguard of its messaging, are heavily involved in the creation of both content and delivery medium for these concepts. As indicated, externally over half have delivered a campaign on purpose in the last two years and a similar volume are delivering a campaign right now. Internally the figures

are even more assertive; 73% have delivered campaigns in the last two years and 54% are doing so right now. Effectively, comms pros are steeped in brand purpose messaging and their organisation goals. This is having an impact on how they perceive it to be landing and both internal and external awareness.

To understand why this disconnect exists, our research has provided some concrete answers. We have been able to determine where the battleground lies now, and particularly over the next 10 years if we are going to successfully navigate the challenges of brand purpose, but also make sure that our highly sceptical external audience buys in to what we are promising, and our internal audience is geared up to deliver those promises, bolstering that battle for talent acquisition and retention in the future.

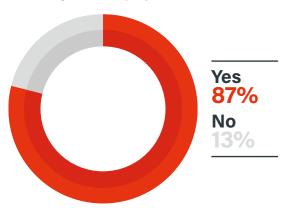
Since 2017, the UK public's trust in the government, media and business has been in sharp decline

# Measurement is playing catch up

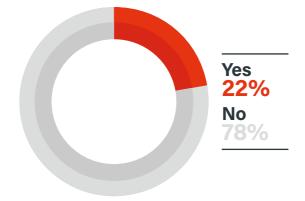
There is no doubt that our surveyed professionals understand the importance of purpose, but that they are also much more inclined to trust the messages being delivered by their own organisations. This is vital as the keepers of brand purpose in their retrospective organisation, but it also speaks to brand purpose as a process and helps us understand what we might do to improve successes with the wider intended audience.

We know that 91% of respondents indicate that brand purpose exists in their organisations and that 79% of that number would be comfortable describing this purpose to others. This is backed up by confidence in their own organisation's purpose-led goals. A total of 73% believe their organisation actively delivers on its brand purpose messages, 87% firmly believe it is committed to doing so in the future and 78% strongly deny that brand purpose is a PR exercise for their organisation.

Do you think your organisation is committed to delivering its brand purpose?



Do you think your organisation's brand purpose is more of a PR exercise than a meaningful commitment?

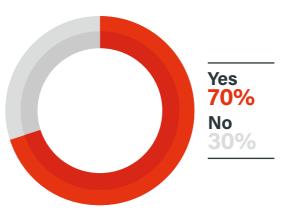


When projecting brand purpose impact on their teams and external audiences, our survey respondents are equally switched on. Internally, they recognise the employer brand challenges, with 76% indicating that talent acquisition and retention will be directly linked to brand purpose.

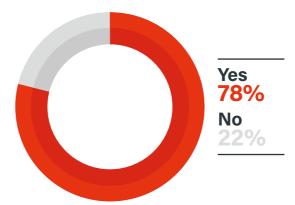
Our respondents are also willing to attribute brand purpose to a critical business measurement. 70% believe their company's brand purpose is already impacting on their bottom line, with 78% believing this factor is only going to increase in the future.

#### With the evolution of CSR to brand purpose, the requirements for measurement have also evolved

Do you think brand purpose currently impacts your organisation's bottom line?



Do you think brand purpose will impact your organisation's bottom line in the future?



So, if we know that our brands are committed, that purpose is the future for both employer brand and revenue, but also that simultaneously, our external audiences and wider teams are failing to engage with purpose in the ways our brands would like, what's missing?

The answer is the correct approach to measurement. Brand purpose is clearly linked to an organisation's ability to stay relevant and maintain its appeal to both future employees and consumers/clients. The creation of brand purpose for an organisation, whether an expansion of existing ideals and practice or a new way of doing business as described in our Ørsted example, is linked not only to the output (increased revenue, talent question and retention), but also to new ways and modes of business, innovation and the transformation of working practices. This means in order for brand purpose to be meaningful and sustainable, it has to be measurable and it is here that the concept is encountering problems.

Early CSR-driven strategies defined measurable outputs in traditional communications terms. After all, it is the communication surrounding our actions and activities that transmits information to our intended audiences. For a number of years, we have determined success in this area by the same metrics we have used to assess any campaigns we create. We want to know if people have received the messages, understood them, engaged

# Brand purpose is clearly linked to an organisation's ability to stay relevant and maintain its appeal to both future employees and consumers/clients

with them and ultimately, delivered on a call to action embedded within the message. This could be a purchase, event attendance, expansion of existing products or services, applying for a job and any other familiar metric that we use to determine communication impact.

With the evolution of CSR to brand purpose, the requirements for measurement have also evolved. But our practices haven't kept up. It's estimated that at least 60% of businesses are failing to measure the impact of brand purpose correctly. Industry heavyweight awards ceremony Cannes Lions reports that over half of all its awards are handed out to purposeful campaigns. Again, the judges of these awards are only asked to measure campaign success based on marketing and communication metrics: likes, shares, views and retweets etc.

Clearly, our goalposts have to shift. We have to align measurement with the drivers of purpose. We have to care less about perception and more about action. When we make purposeful commitments, we have to demonstrate in no uncertain terms that they have succeeded, rather than measuring based on how this information is shared.

For brand purpose to be meaningful and sustainable, it has to be measurable and it is here that the concept is encountering problems

16 | Measurement is playing catch up | 17

# Giving purpose to brand purpose

Our respondents are aware of the elements that are being infused into their organisational purpose.



## Comms pros often feel like they are engaged too late in the process

<u>Dentsu Aegis</u> research suggests that our top two factors, diversity and inclusion, combined with the environmental impact, are the least sturdy metrics available to us. What we need to be able to do is tie our purpose-led goals to the metrics and measurements of our campaigns.

If our goal is to tackle homelessness, use our products and services in meaningful ways for the betterment of society and to combat bigotry, we need to ensure our results mechanisms are tied into societal perception of these issues. There are numerous ways we can do this and each will be different for every organisation's brand purpose.

An interesting place to start is with our shared global <u>Sustainable Development Goals</u>. This set of aspirations, as agreed on by the majority of the nations on earth, provide a bedrock to anchor our own brand purpose initiatives. By working with these concepts, we can infuse our own purpose comms with real impact on a local and international scale. Ultimately, we are operating from a place of mistrust, so we need to be able to seek external legitimacy from trusted sources to validate our actions and efforts. At the moment, we are not doing enough to shorten the gap between our external perceptions and internal aspirations.

Our other and most critical approach is to ensure that communications, both internal and external, are involved in the creation and planning of our brand purpose goals. Research shows that comms pros often feel like

they are engaged too late in the process and are asked to communicate and measure purpose-led comms without having any input into their design or feasibility. We must be able to create a purpose that is intrinsically linked to our organisational activities and that also contributes in meaningful ways to the betterment of the environments we serve. As things stand, our activities are too compartmentalised, and purpose often gets shunted around from inception to measurement without a tangible plan of action to deliver meaningful metrics.

The most important lesson we can learn in this field is the early quoted maxim from Patagonia: "You can't reverse into purpose through marketing." Comms professionals need to use the available data here, the external picture that is becoming clearer and the increased organisational focus on purpose to change the narrative. We need to be able to demand a place at the top table when it comes to purpose design. To set the agenda when it comes to both internal and external audience. To have a vital part in creating the metrics which will determine success and finally, to have control over the path to measurement so that all audiences, and ultimately businesses can reap the rewards.

## We need to be able to demand a place at the top table

18 | Giving purpose to brand purpose Giving purpose to brand purpose to brand purpose | 19



