



The Public on Purpose

THE PUBLIC ON PURPOSE

EXECUTIVE SUMMARY

JUNE 2016

Insights from a Global Study
on Corporate Purpose

GLOBESCAN



Conducted by Globescan in Partnership with Sustainable Brands

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INSIGHTS FROM A GLOBAL STUDY ON CORPORATE PURPOSE



Introduction

We are in need of new tools, solutions and models to create a sustainable and equitable world. Given its resources, reach and impact, business has the opportunity to lead the way in driving positive change. Yet trust in companies tends to be low, complicating the context within which business leaders make decisions around innovation for sustainability.

How can we build more societal trust in business? One key answer lies within the concept of Purpose. The degree to which brands are embracing Purpose is growing and revolutionizing what a company can and should stand for.

Focusing on Sustainable Brands' 2016 theme of "Activating Purpose", this is a perfect time to understand what consumers think about Purpose.

GlobeScan and Sustainable Brands conducted a public opinion survey in early 2016 in over 20 countries¹ to assess consumer support for purposeful companies covering:

- Investor views on profitability and Purpose
- Perceived performance of business in the area of Purpose
- How Purpose drives trust in business
- Consumer views on the proportion of companies that are purposeful
- Most purposeful brands
- Drivers of brand Purpose

Our hope is that this research will make a contribution in the Purpose journey that many companies are embarking on, and that these insights will help brands build an authentic, mobilizing and value-generating Purpose into all they do.

¹This research was conducted via telephone or face-to-face interviews on GlobeScan's annual Radar Research Program, with representative samples of n=500 in each country surveyed

What is Purpose?

In its simplest form, Purpose is fundamentally about how a company marries business value with societal value. A common example would be a company striving to be financially successful by making a positive difference in society through its products, services and operations.

It is from this frame of reference that we asked consumers across the world to give us their perspective.

The Public on Purpose

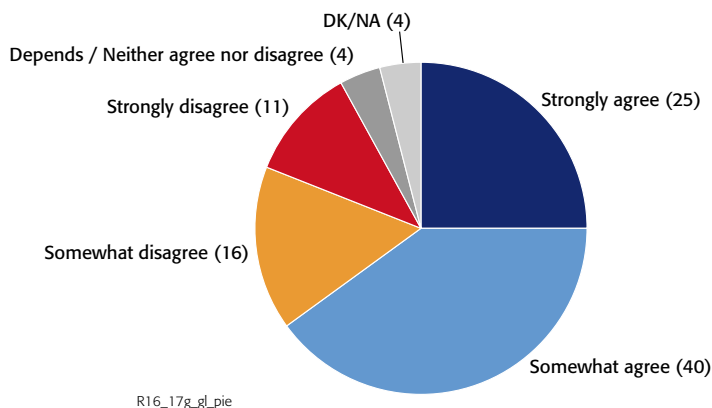
Our findings provide four fundamental insights into how consumers understand and value Purpose today.

Insight 1: There is a strong market for Purpose

There is a large consumer market for companies that have a Purpose that favors environmental and social contributions to the world. When asked, almost two-thirds of respondents said that they try to support companies that have a "Purpose of making a positive difference in society through their products, services and operations."

"I Try to Support Companies and Brands that Have a Purpose of Making a Positive Difference in Society through their Products, Services, and Operations"

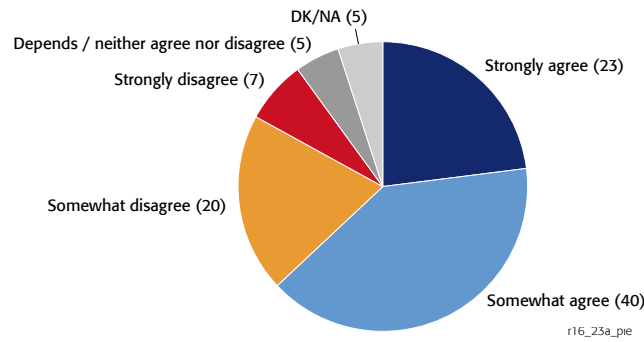
Average of 22 Countries,* 2016



*Includes Argentina, Australia, Brazil, Canada, Chile, China, France, Germany, Ghana, Greece, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, Peru, Russia, Spain, Turkey, UK, and USA

Moreover, not only is there a large consumer market for purposeful companies, but shareholders (retail investors and those people who own shares through a mutual fund, pension plan or other retirement fund) also believe that companies whose purpose helps to make a positive difference in society are more profitable.

Perception that Companies with a Strong Purpose Are More Profitable
People Who Own Shares,* Average of 16 Countries,** 2016



*Includes people who own shares directly or through a mutual fund, pension plan or other retirement fund
**Includes Brazil, Chile, Germany, Ghana, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, Peru, Russia, South Korea, Spain, UK, and USA

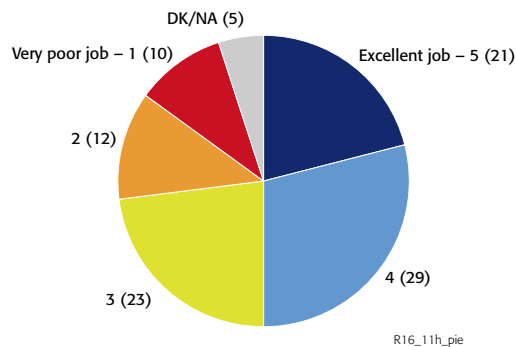
Together, these findings suggest the foundations of a business case for corporate Purpose.

Insight 2: Purpose drives trust

We asked consumers across the world to name a large company they had seen or heard about recently, and then asked them to rate this company on a number of attributes, including Purpose.

We found that views are mixed on how much large companies contribute to society through their Purpose: one in two consumers across the 23 countries surveyed believes that companies are performing well in this area.

Performance of Leading Companies in Making a Positive Difference in Society
Average of 23 Countries,* 2016



*Includes Argentina, Australia, Canada, Chile, China, France, Germany, Ghana, Greece, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, Peru, Russia, South Africa, South Korea, Spain, Turkey, UK, and USA

However, despite these mixed views, advanced analysis of the public's perceptions of large companies shows that Purpose is one of the most important attributes in driving trust.

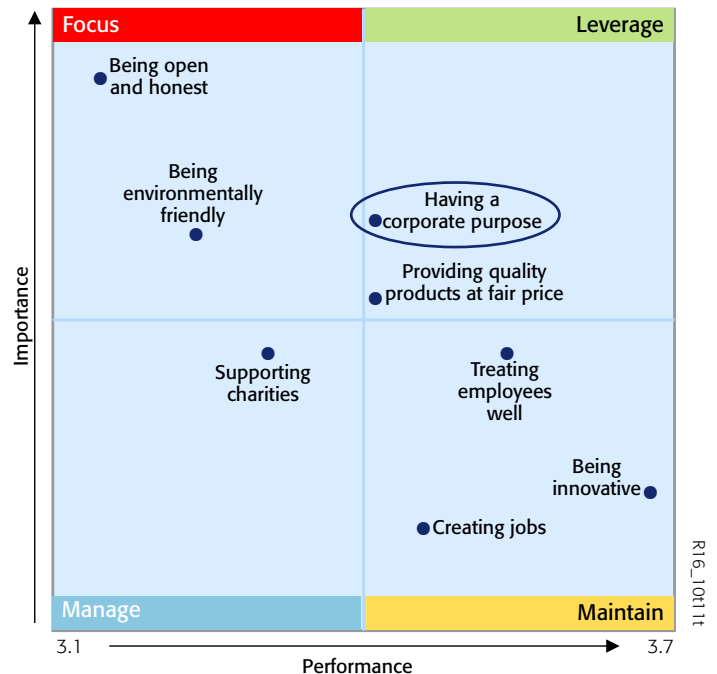
We asked respondents to mention a large company, rate how much they trust that company, and how well they believe that company is performing across a number of dimensions:

- Creating jobs
- Providing high quality products at a fair price
- Being environmentally friendly
- Treating employees well
- Supporting charities and good causes
- Being open and honest
- Being innovative
- Being purposeful

The regression analysis shows that being purposeful is a strong driver of trust in companies and it is an area where consumers rate companies relatively positively on. This suggests that Purpose can be a potent way for business to build trust.

Drivers of Trust

Performance vs Importance, All Companies, 2016



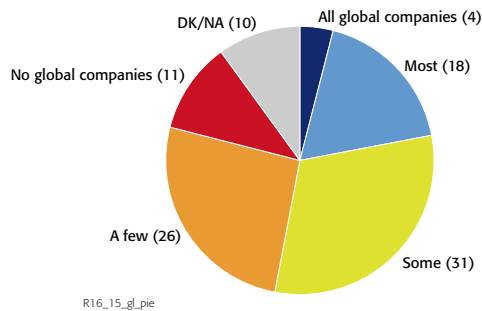
Insight 3: Purposeful companies are not easy to find

We asked consumers to give us a sense of how many global companies operating today are purposeful.

While most people recognize there are purposeful global companies in the market place, a majority believe that they are few and far between.

Proportion of Global Companies with Purpose of Making a Positive Difference in Society through their Products, Services, and Operations in a Way that Enables Them to be Financially Successful

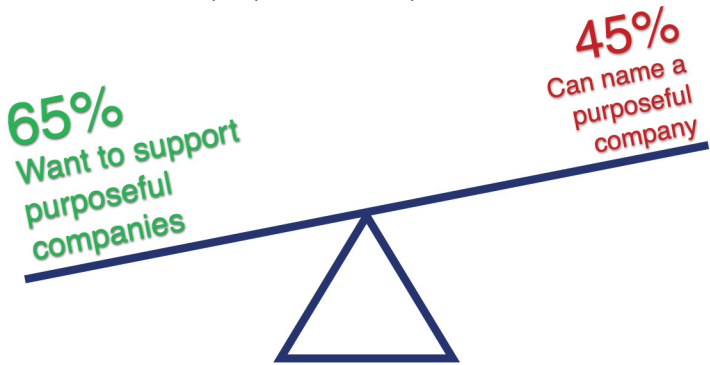
Average of 20 Countries,* 2016



*Includes Argentina, Brazil, Canada, Chile, China, Germany, Ghana, Greece, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, Peru, Russia, Spain, Turkey, UK, and USA

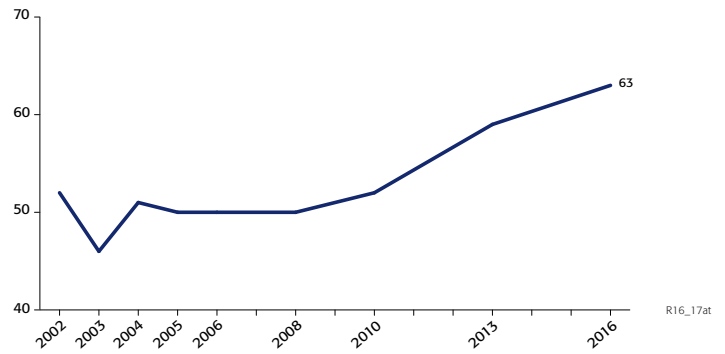
Furthermore, when asked to name a purposeful company (whether global or national), a majority of people in our global sample were unable or unwilling to name one.

This leaves us with a significant imbalance in the supply and demand of purposeful companies.



This imbalance may be a reason why people increasingly want governments to require more social and environmental purpose from large companies. It also serves as a reminder of the market opportunities waiting for companies willing to work toward closing this gap. Finally, this is an invitation for companies to do a better job of both demonstrating and communicating the authenticity of their Purpose to society.

Governments Should Require Large Companies to Work toward a Better Society
 "Agree,"* Average of 21 Countries,** 2002–2016



**"Strongly agree" and "Somewhat agree"
 **Includes Argentina, Brazil, Canada, Chile, China, Germany, Ghana, Greece, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, Peru, Russia, South Korea, Spain, Turkey, UK, and USA.
 Not all countries were asked in all years.

Insight 4: Purposeful leadership remains open

Among the 45 percent of people who could name a purposeful company, hundreds of different companies were mentioned across the world.

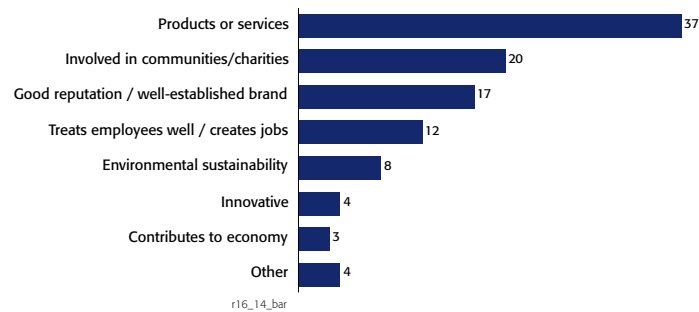
While the companies highlighted below are some of the more frequently mentioned across different regions, no company received more than six percent of the mentions in any continental region. We do not yet have clear purposeful leaders emerging.



The answers as to why these companies are viewed as purposeful are important, as it highlights the current understanding that consumers have of purposeful brands. Consumers believe that companies who have the strongest purpose in society are those who have products or services that connect with people around

the world and make a positive social or environmental difference. Companies that are actively involved in the communities in which they operate is another top reason that consumers consider companies to be purposeful, particularly where they are seen to be “doing good” by supporting charities and helping with disaster relief efforts. Companies with strong brand values were also considered to be purposeful, including those that treat their employees well and create job opportunities in local communities, especially for youth.

Reasons Why Company Is Perceived to Have a Strong Purpose
Average of 22 Countries,* 2016



*Includes Argentina, Brazil, Canada, China, Germany, Ghana, Greece, India, Indonesia, Israel, Kenya, Mexico, Nigeria, Pakistan, Peru, Russia, South Africa, South Korea, Spain, Turkey, UK, and USA

So, where does this leave us?

The insights from this research provide evidence to the importance and value of Purpose in business today:

1. There is an emerging business case for Purpose that can increase trust, improve reputation, strengthen stakeholder engagement, attract talent and deliver shareholder value.
2. Purpose may be a more effective way to engage consumers than corporate social responsibility, being a concept that is more aligned with how consumers currently engage with business and one that is easier to express.

3. However, it is early days in the Purpose journey and there is work to be done. Purpose is not a tagline, nor can it be superficial. Authenticity is critical for brands to effectively engage consumers and create value for them and for society.

About GlobeScan

GlobeScan is a strategy consultancy specializing in stakeholder intelligence and engagement in the areas of reputation, sustainability and purpose. We help global companies, multilateral organizations and international NGOs build stronger, more trusting relationships with their stakeholders to deliver long-term success.

www.globescan.com

About Sustainable Brands

Sustainable Brands® is the premier global community of brand innovators who are shaping the future of commerce worldwide. Since 2006, our mission has been to inspire, engage and equip today’s business and brand leaders to prosper for the near and long term by leading the way to a better future. Digitally published news articles and issues-focused conversation topics, internationally known conferences and regional events, a robust e-learning library and peer-to-peer membership groups all facilitate community learning and engagement.

www.sustainablebrands.com

Contact us

For more information please contact us:



GlobeScan

James Morris
James.Morris@globescan.com



Sustainable Brands

Dimitar Vlahov
dimitar@sustainablebrands.com