

Purpose Marketing: The Rise of the Purpose-Led Brand



INTRODUCTION

In a purpose-driven business, the role of marketing changes: From advertising your products or services to building a social purpose brand ecosystem. From communicating to your customers to engaging them on purpose-inspired actions. From paid media to earned media. From passive to active customers – to customers who co-create new purpose products and amplify your message.

More and more consumers identify as belief-driven buyers, nearly two thirds according to [Edelman's 2020 Trust Barometer](#). That means they choose/switch/avoid/boycott a brand based on its stand on societal issues. Buying on belief is the new normal. Yet – attracting and retaining these consumers has been a mystery. Until now.

The Social Purpose Institute held a dialogue with three social purpose marketing visionaries in November 2020 to explore these questions and more. [Here is a link to the webinar discussion](#).

Read on to learn how the role of marketing changes in a purpose-led company. By following these insights marketers can build the company brand, attract and engage customers, and accelerate progress toward the company's social purpose.

REPORT STRUCTURE

- ➔ The Changing Role of Marketing
- ➔ How Marketing is Different in a Social Purpose Company
- ➔ Purpose Marketing Stages
- ➔ Engaging Customers on Your Purpose
- ➔ Dealing with Risks and Pitfalls

THE DEFINITION OF A SOCIAL PURPOSE BUSINESS

A Social Purpose Business is a company whose enduring reason for being is to create a better world. It is an engine for good, creating societal benefits by the very act of conducting business. Its growth is a positive force in society. For more info, download the [Social Purpose Business Case.pdf](#).

REPORT HIGHLIGHTS

- ➔ Driven by technological and societal trends, marketing is undergoing a rapid transformation
- ➔ One of the trends affecting marketing is that companies are adopting a social purpose as the reason their company exists – this changes the way marketing is practiced in companies
- ➔ Marketers become storytellers, and focus on mobilizing customers, employees, and stakeholders on the purpose – and telling their stories
- ➔ Building your purpose into everything you do communicates your purpose to your customers by the very act of conducting your business
- ➔ Customers want to know the people and values behind the brand, and this is becoming part of the value proposition
- ➔ Stakeholders can help you achieve your purpose and build your brand – and they will hold you accountable for it
- ➔ Leaning into your purpose will attract customers – and those that hold back can be cultivated as purpose ambassadors in the future
- ➔ Once your purpose is in everything you do, it becomes an indelible part of the customer experience



ABOUT THE SOCIAL PURPOSE INSTITUTE

The Social Purpose Institute (SPI) at United Way exists to grow business for good, partnering with companies and collaborating with governments, allied organizations, and others to grow the Social Purpose Business movement. We achieve this in several ways. We help businesses define and implement their social purpose to drive both business growth and societal good. We champion a purpose-led economy, accelerating the new business ethic to create long-term well-being for all. We are thought leaders, creating and curating insights and knowledge to define the transition pathway to the purpose-led economy. We convene the social purpose ecosystem – the partners and actors needed to bring social purpose to life in communities across Canada. Together, we build a better world through business.

For more information, visit us at www.socialpurpose.ca.

PURPOSE MARKETING: THE RISE OF THE PURPOSE-LED BRAND

THE CHANGING ROLE OF MARKETING

Before we can understand the context in which Purpose Marketing is taking centre stage, we need to understand how marketing has changed over the past decade. These are the trends we are seeing:

- ➔ **IN-HOUSE MARKETING:** The advertising industry has been turned on its head. The traditional agency model is evolving with companies taking marketing in-house and seeking specialist firms for key skills and insights.
- ➔ **CONSUMER CONNECTIONS:** Consumers are seeking stronger connections to brands. Authentic brands that show they care about the human condition are being rewarded.
- ➔ **COLLECTIVE CITIZENS:** Citizens are more in tune with societal issues than ever before. Driven by COVID-19, their interests have changed from the personal to the collective.
- ➔ **PRODUCT ATTRIBUTES:** Customers used to care more about product and price. Then it became a focus on customer service, speed, and convenience. While these previous attributes are still important, now customers are focused on purpose and are voting for meaningful brands with their dollars.
- ➔ **PEOPLE-CENTRED:** Buyers are looking at the brand offering the product or service and are going deeper, they are looking at the people behind the brand, behind the product and service. Given the influence of social media, including Facebook, Instagram and LinkedIn, buyers know more about the person they are talking to at the other end of the line than ever before.
- ➔ **SHORT ATTENTION:** Consumers have shorter attention spans. Now they have so many sources of information, so many places they can go to find similar products and services. As Simon Sinek has said: “people are not necessarily buying what you do, but why you do it.” Purpose provides that why and purpose marketing provides the heart and the connection to the consumer – and enables companies to differentiate themselves within the clutter.

“Ultimately purpose provides the why and purpose marketing helps communicate that why from the heart.”

– Anne Donohoe, Marketing Advisor

HOW MARKETING IS DIFFERENT IN A SOCIAL PURPOSE COMPANY

As marketing trends evolve, as customers seek stronger connections to brands, and as companies begin to adopt or upgrade a social purpose as the reason their company exists, marketing pivots and taps into new levers within and beyond the company. These are just some of the changes marketers can expect:

- ➔ **STORYTELLING:** Marketers become storytellers rather than advertisers.
- ➔ **EMPLOYEE ROLE:** If everything your employees do tells your story, by executing on your purpose you tell your story; it's a new way of looking at your marketing resources because the employee base becomes engaged in the story and message.
- ➔ **CUSTOMER ROLE:** Marketers tell the stories of others amplifying their social purpose, including the stories of their customers and partners who want to demonstrate their own purpose credentials.
- ➔ **COMMUNITY AMPLIFICATION:** Less money is spent on advertising due to community amplification of your message; you gain earned media and word of mouth from your purpose activation.
- ➔ **RECIPROCITY:** Social purpose companies shift their communications from monologue to dialogue and from benevolence to reciprocity; they develop reciprocal relationships with stakeholders.
- ➔ **B2P:** Social purpose companies go beyond B2B and B2C distinctions, as "people buy and companies pay" at the end of the day. All businesses sell to people. Purpose-driven businesses assume people are buying with their whole selves and address the whole person in their communications.
- ➔ **AUTHENTICITY:** Marketing becomes easier because you are no longer trying to craft a veil of authenticity.

"We go by the saying: 'people buy and companies pay'. We're all B2P – we're all businesses selling to people. We need to assume people are buying with their hearts and lead with that."

– Chris Peacock, Chief Marketing Officer, Traction on Demand

PURPOSE MARKETING STAGES

Purpose marketers take a phased approach to the work. Before publicly communicating the purpose, they first engage their employees and collect proof-points on the purpose. After employee engagement, marketers mobilize their stakeholders and finally their customers.

1) Start with your employees

Ensure your employees understand the social purpose and how it applies to their work, the “what’s in it for me” kind of issue. Employees need to understand what your social purpose is and how it relates to their areas of responsibility. You will need to spend more time than you think necessary, to build the internal understanding and alignment. This is very important. You need to start with your core employee base and work your way out, much as you do with efforts to evolve your brand or rebrand your organization. Success comes through customer touchpoints with all staff – it creates a brand feel and drives brand equity.

“At the heart of it all is the staff: the passion for the purpose comes through in their communications and customers feel that and can’t help but get excited as well.”

– Anne Donohoe, Marketing Advisor

2) Cascade your purpose to your stakeholders

From this strong internal base, you can cascade your purpose out to your key stakeholders. Leading social purpose companies excel at stakeholder engagement. To fulfill your purpose, you need to collaborate with stakeholders who share your goals. Your approach to partnerships will likely change as you build an ecosystem around your company based on shared value and shared purpose. It can’t be a one-way street – you also need to support other organizations in your stakeholder ecosystem on their social purpose. This results in deeper stakeholder and customer relationships. As you build out your ecosystem your partners become part of telling your story. As you engage your stakeholders on your purpose, they become ambassadors for your purpose and amplifiers of your brand. Marketing now has ALL stakeholders to think about and brings this perspective into the company.

“Social purpose companies shift their communications from monologue to dialogue and from benevolence to reciprocity.”

– Peter ter Weeme, Chief Social Purpose Officer and VP Player Experience, BCLC

3) Invite your customers to join your movement

After you have engaged your employees and mobilized your stakeholders on your purpose, it is time to develop your external marketing activities. This is when you invite your customers to join the movement you are creating around your brand. Marketing takes on a more holistic stance, as now everything you do and say as a company is marketing your social purpose. However, don't forget it is not possible to "win the deal" on purpose alone. You also need quality, service, and product. You must weave your purpose into your offer and your offer into your purpose.

"Social purpose companies should have an opinion, share it, and be willing to take the risk of sharing that opinion."

– Chris Peacock, Chief Marketing Officer, Traction on Demand

HOW DO YOU ACTIVATE AND ENGAGE YOUR CUSTOMERS ON YOUR PURPOSE?

Purpose-led companies seek to engage their customers on their purpose. They envision an engaged customer base, who gain meaning from their involvement, and who also help the company advance its social purpose objectives. Here are some tactics for mobilizing your customers based on shared aspirations.

Look for opportunities to engage your customers. First, consider the topics and issues employees care about as revealed in their conversations circulating internally. Build on those, and then bring in your stakeholder partners. That creates the magic. As it builds you can start engaging your customers in the conversation.

The impact of this dialogue is about more than impressions – it is about having people feel they have been seen and heard and are participating in powerful conversations. This is an opportunity to bring more people into your community that would never have considered you before. Of course, you need to be strategic when deciding when to amplify and go deep on an issue.

One way of activating your customer base is to create a community around your brand, that your customers can join and participate in and where their voice can be heard.

Give people tools to help them tell your story. With social media, you can provide memes, badges, and other forms of recognition to share with their networks. Tell the stories of your customers using your social purpose products and engaging in your social purpose efforts – they will be inspired to share those stories with their networks. Recognize that word of mouth doesn't happen organically – an overnight success story takes years to create!

TAKING A STAND ON ISSUES

When you take a stand on issues you can have more meaningful conversations and amplify them.

Social purpose companies should have an opinion, share it, and be willing to take the risk of sharing that opinion. You may send a certain type of buyer away from your brand; however, you will bring a certain type of buyer even closer.

If your customer is not receptive to your purpose, you can fall back on your product and your service and your conventional differentiator.

DEALING WITH RISKS AND PITFALLS

Purpose marketers need to be aware of the risks and pitfalls of marketing a purpose-driven brand. Here are three to pay attention to.

How do you avoid purpose-washing?

Purpose-washing, like greenwashing, means presenting your company as something it is not. These days there are a number of watchdogs, whose voices are accelerated by social media. Social media has democratized the ability of citizens and watchdog groups to call out inauthenticity when they see it. It is important for your purpose to be aspirational because that is what social purpose is about: a north star you are pursuing. However, as you are on the path of this purpose, you need to be humble about the journey you are on. You need to ensure your employees understand and believe in your purpose and you should be deeply engaged with your stakeholders in collaborations on your purpose.

In the past, brands felt they owned the brand and were very protective of it. These days, you don't own your brand anymore. It is owned by your customers and stakeholders. Companies need to get comfortable about giving this ownership away. Those that do will avoid purpose-washing. They will recognize it is not possible to control every message, every action and every implication associated with their social purpose.

By conducting good stakeholder engagement, and by collaborating with stakeholders on your social purpose, they will both help you build your brand and also hold you accountable for it. Through these enmeshed partnerships, you will hear early and first-hand their reactions, so you can pivot quickly if need be. This can fortify you against purpose-washing if done properly.

"You don't own your brand anymore. Your customers and stakeholders own the brand."

– Peter ter Weeme, Chief Social Purpose Officer and VP Player Experience, BCLC

What do you do if customers are not receptive to your purpose?

It is important to lead with your purpose. If customers are not receptive to it, it is rarely a downfall and then you move on to your other differentiators. At the same time, you can't be friends with everyone.

You must pick a lane and go down it. You should be willing to say no and to alienate some groups that do not have aligned values. Your values should be aligned to your addressable market. Over time you could migrate the customer that comes in looking only for price and quality to become an ally on your purpose.

Customers know what the prices are elsewhere, this becomes almost standardized. You need to be able to put your purpose and your values out on the table and say "This is exactly who we are. This is a collection of people behind our products and our services. Does this resonate with you? And do we want to be partners in this?"

This is even the case for transactional items: your customers become your partner and ambassador. They wear your products, use your brands, or work with you from a service standpoint. Basically, you and your customers are qualifying each other. You need to qualify them as much as they need to qualify you.

Are there times when purpose can or should be left out of the conversation?

Once your social purpose is truly embedded, it flows through everything you do. In this way, it is never left out of the conversation. It becomes inherent and built into the authentic language of the product or service. You may want to have special programs that amplify your purpose occasionally, but once it is embedded it is communicated in all the customer touch points.

You still need to understand your customer's journey, how they make decisions and at what point they need certain types of information. This could be to inspire and motivate them and have them feel good about their purchase, or to provide technical and functional attributes of the product and price to help them make a decision. It comes back to understanding your customer and what they absolutely need at certain times of the decision-making process – and the amazing opportunities to bring in the social purpose message and to activate them and bring them along.

“ We need to qualify our customers just as they need to qualify us as vendors or suppliers.”

– Chris Peacock, Chief Marketing Officer, Traction on Demand

CONCLUSION

Increasingly companies are expected to adopt a social purpose as the reason they exist to contribute to a thriving future for all. For those that do, this changes the way marketing is practiced in the company. Marketers become a strategic player to help execute on the purpose, by mobilizing employees, stakeholders and customers to help accelerate the social purpose and foster meaningful relationships with those critical to its success.

Social purpose companies create a movement around their brand, engage their customers in helping achieve the social purpose, and build a purpose ecosystem to accelerate their messaging and impact. Welcome to the new age of marketing.

SOCIAL PURPOSE INSIGHT PAPER CONTRIBUTORS

Coro Strandberg, Social Purpose Advisor to, and co-founder of, the Social Purpose Institute moderated the panel and prepared this summary.

Panelists included:

- Anne Donohoe, Marketing Advisor and global marketing executive
- Chris Peacock, Chief Marketing Officer at Traction on Demand
- Peter ter Weeme, Chief Social Purpose Officer and VP, Player Experience at BCLC

Contact [Mary Ellen Schaafsma](#), Director, Social Purpose Institute, if you would like to learn more about defining, articulating and implementing a social purpose in your company.

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