



WHITE PAPER

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PURPOSE IS DEAD, LONG LIVE PURPOSE!



Fresh potential in times of dynamic brand management.

Does purpose still have potential? Or has it become no more than a marketing buzzword?

Jung von Matt partnered with the Brand University in Hamburg to breathe fresh life into the concept of purpose. Candid discussions with executives at global brands, a new representative survey of public opinion, and an analysis of real-world case studies reveal that purpose is more relevant than ever – but we need to rethink the way we approach it. It needs to be freed from the confines of the marketing department and placed right at a company's beating heart. It has to go beyond tacked-on CSR activities or isolated cause marketing campaigns, and become the main guiding force and performance indicator for dynamic brands.

Nowadays, clarity is the exception, unclarity the rule. Against that backdrop, this white paper shows how brands can build a purpose that endures beyond the initial hype.



THE AGE OF UPHEAVAL

Global societies are currently undergoing three major shifts:

1 Changing attitudes toward traditional values: we are living in a time of disorientation and a new Enlightenment.

2 Mounting crises, pandemics, and wars right on our doorstep – the plagues of the 21st century.

3 The breakneck pace of technological change.

All three shifts appear to be fueling a sense of instability. But let's delve a little deeper into each of them.

A NEW ENLIGHTENMENT

We live in a time of constant questioning. Clarity is the exception, unclarity the rule. Traditional beliefs are increasingly being challenged. Are there only two genders? Who do we trust when it comes to COVID? Or the question of energy: at a time of tensions between East and West, does the future lie in nuclear power or renewable energy? Is the social market economy the right economic model? Is there an alternative to current consumer habits? Should we follow traditional religions or new spiritual movements – or should we embrace atheism? From gender to science, energy to economics, things that once seemed certain are now up for debate.

It's no longer just an educated elite that are questioning the status quo. In Germany, there's growing interest in politics among the general public.¹ Social media is being used to launch new movements. People want to know more, to get involved, to be part of something bigger. More and more people are taking a skeptical attitude, questioning things, trying to get to the truth. This trend is fueled by literacy, digitalization, and improvements in school and university education. Never before in history have human beings had such unrestricted access to knowledge and information, or to platforms where they can share diverse facts and opinions. Anything and everything can be a topic of discussion. It's a development that many have warmly welcomed: after all, isn't it high time to shake up some of our beliefs?

And companies and brands have been affected too. They're facing critical questions: Why exactly do you exist? Does the world really need you?



"I think COVID has forced us all (...) to ask ourselves: What exactly am I doing here? Is this job really my calling? Does it give me meaning and purpose? What do I really want from my life?"

Tina Müller, CEO Douglas

THE PLAGUES OF THE 21ST CENTURY

It's not just our inner world – all the things we believe in – that's being shaken up; the world around us is also going through one crisis after another. Something seems to be fundamentally broken. Financial crisis, refugee crisis, climate crisis, pandemic, war – are these symptoms of a sickness eating away at civilization from the inside? Do we need to radically change the way we think, live, and organize our economy? Do we need to do a 180-degree turn, to perform an urgent operation now before it becomes an autopsy instead?

There have been serious crises throughout human history. The last century alone brought us the Spanish flu of 1918–19, the global economic crisis of 1929, two world wars, the Cold War, the Cuban Missile Crisis, and the oil crisis, to name just a few. But in the 21st century, it feels like crises are becoming worse and more frequent – a perception that is heightened by all the media, both traditional and digital, that suffuses our consciousness and shapes our way of seeing the world.

RAPID ADVANCES IN TECHNOLOGY

On top of all that, the current rate of technological change is unprecedented. The things we take for granted today would have been inconceivable a few decades ago. The Internet was only launched 40 years ago, originally for military purposes and then for communication between scientists. Today, almost 90 percent of Germans carry the Internet around with them on the smartphones in their pockets.² Few people would have believed 20 years ago that we would be able to have video calls on our mobile devices with people at the other end of the world. The possibilities of digital connectedness have given birth to whole industries that now dominate our day-to-day lives. People are constantly interacting and reconfiguring this digital world, and companies keep introducing new platforms and services (PayPal, TikTok, Meta, etc.). This constantly changing panorama of technology has led to a constant need to update standards and learn new things, which has contributed to a general feeling of instability in our world.



NOTHING IS AS CONSTANT AS INCONSTANCY

If anything and everything can be questioned and nothing remains constant, people will lose their sense of grounding and will look for something new to anchor them. A universal truth that will help them steer their course through this inconstant world. This impulse forces us to confront fundamental questions: What is good? Who matters most: me or us or the coming generation?

New quasi-religious beliefs are emerging to plug the gap. And brands face growing demands from consumers to take stances on social issues. Interestingly, in recent decades products have increasingly become branding tools for marketers. Nowadays, whether companies succeed or fail is mostly down to the story their brand tells, rather than the quality of their products. We talk about a brand's "voice" and create identities for brands as if they were people. But if we turn brands into people, they'll be judged like people too; consumers will expect them to have a backbone when it matters.



"People hope that if companies are held more strongly to account too, instead of just political parties and governments, it'll enable better solutions to problems. Current events are strengthening this desire in our society."

Ralph Zimmerer, former Global VP Marketing at NIVEA Brand & Design, co-founder and CEO of Generation Now Consulting

Crumbling traditions, crises, and technological change are breeding disorientation, instability, and uncertainty. It's a dynamic that companies can't ignore. And that's where purpose comes in, as a way to give brands an inner compass and backbone. But it can only do that if we look deeper than the buzzword and think about what a purpose-led approach is actually intended to achieve.

Dictionaries typically define "purpose" as a motive for action, a reason for being, or a drive to achieve a goal (a "sense of purpose").

In order to get a more in-depth picture of the German public's perceptions, we conducted a quantitative survey. Many of the respondents struggled to explain or define what a company purpose is; **71 percent hadn't even heard of the English term "purpose."** Another **23 percent are familiar with the term but aren't sure what it means.** Just 6 percent believed they could explain it – and when they were asked to do so, they variously defined it as "a higher calling," a "meaningful way of acting," a "company's reason for being," a "guiding principle," a "meaning that goes beyond material things," or "a company's goal".⁶

Interestingly, when we asked them what this goal might involve, 60 percent of respondents selected sustainability and 35 percent inclusion.⁶ In other words, most German consumers familiar with the concept of purpose see it as inextricably linked to sustainability.

We also talked about purpose with some leading figures from the marketing industry, who have founded, managed, or transformed successful brands such as Tomorrow Bank, About You, Douglas, Bosch, LichtBlick, and NIVEA.

"It's your why. What is it that you are aiming to achieve beyond just selling products? What is the impact and the legacy that you want to leave within societies in which you do business? [...] It's a higher calling of some sort that goes beyond the mundanity of selling some product."

Mo Sattar, Head of Global Campaigns and Brand & Needbuilding at BSH Home Appliances Group



"An expression that combines meaningfulness with attitude, taking a stance (...) Most importantly, it describes a company's core essence."

Tina Müller, CEO Douglas

PURPOSE – A NEW APPROACH WITH ANCIENT ROOTS?

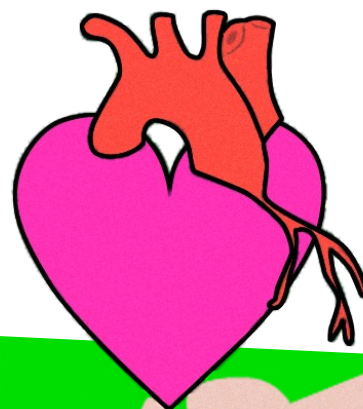
The idea that companies do certain things that are generally regarded as “good” or “exemplary” is linked to the notion of corporate social responsibility (CSR). The first forms of CSR date all the way back to the Roman Empire, which already had institutions like old people’s homes and homeless shelters.³ However, the concept was first clearly defined in the 1950s by American economist Howard R. Bowen in his book *Social Responsibilities of the Businessman* (1953). He defined social responsibility as “the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action that are desirable in terms of the objectives and values of our society.”⁴

It’s only in the past few decades that CSR has really grown in importance. Most big companies have integrated CSR into their business, with some publishing annual reports on the impact of their CSR activities. These activities are often undertaken alongside or in addition to their actual business model. As a result, they often smack of something done to offset the (environmental, social, and economic) damage caused by their core business.

It could be argued that the idea of defining a purpose is to take companies’ CSR agendas a step further and make “doing good” central to their commercial practices.

In his 2009 book *Start with Why: How Great Leaders Inspire Everyone to Take Action*, Simon Sinek urges managers to question the purpose of their company: “Why does your business exist?” According to his theory, which is very popular among marketers, companies can only be truly successful if they have an answer to this key question.

In his TED talk on his WHY–HOW–WHAT model, Sinek treats the question of WHY as synonymous with the question of a company’s purpose. He gives the example of Apple, whose purpose is to “challenge the status quo” and “think differently.” However, this definition makes no reference to good causes or “doing good” – so where does that aspect of purpose come from?



There could be several, interrelated causes. Many of the values that Germans consider most important are social in nature: close relationships, supporting your family, social justice, helping other people.⁵ If businesspeople ask themselves why their company exists, most will probably refer to their own value system – and if caring about the people we share our world with is important in that value system, then it will make sense for them to choose a purpose that contributes to the common good.

Another reason could be a narrative forged by marketing experts. Jim Stengel, former CMO of P&G, argues in his book *Grow: How Ideals Power Growth and Profit at the World's Greatest Companies* (2011) that companies that focus on improving people's lives are more profitable and grow faster than those that do not.

Moreover, some of the first and best-known examples of purpose-driven companies have a purpose based on furthering a good cause: consider Ben & Jerry's focus on social justice, for instance, or Patagonia's commitment to sustainability.

If we take purpose to be, at its core, a company's reason for being, we can draw a clear line between purpose and vision:

As a company's reason for being, purpose is automatically its primary goal. That might suggest purpose is simply a new word for a company's vision. But the difference lies in "doing good."

Take Amazon, for example. The US megacorporation says that it wants to be the world's most customer-centric company, best employer, and safest place to work. Is that enough to constitute a genuine purpose, though?

Patagonia, by contrast, says that "we're in business to save our home planet." A vision only becomes a purpose if its goal is clearly focused on the common good. Or to put it another way:

Every purpose is a vision, but not every vision is a purpose.



"The word 'purpose' has been overused, and often misused, in recent years, which has watered down its meaning."

Tarek Müller, co-founder and Managing Director of About You

BEYOND THEORY

Purpose has become a popular concept. Many companies have implemented their purpose or are in the process of doing so. Interestingly, perhaps the harshest critic of this development is the marketing sector itself. Expressions like “purpose washing” frequently appear in headlines in the marketing press.

Our survey of German consumers found that around **73%** of respondents (once they’d had it explained to them what purpose is) consider it at least (fairly) credible when companies claim to be acting in line with a purpose.⁶

We analyzed a number of case studies so that we could understand what companies are currently doing to fill their purpose with life. The table below lists several brands and their purposes.



Nike exists to bring inspiration and innovation to every athlete* in the world. Our purpose is to move the world forward through the power of sport – breaking barriers and building community to change the game for all. (*If you have a body, you’re an athlete)

BlackRock

As a global investment manager and fiduciary to our clients, our purpose at BlackRock is to help everyone experience financial well-being.



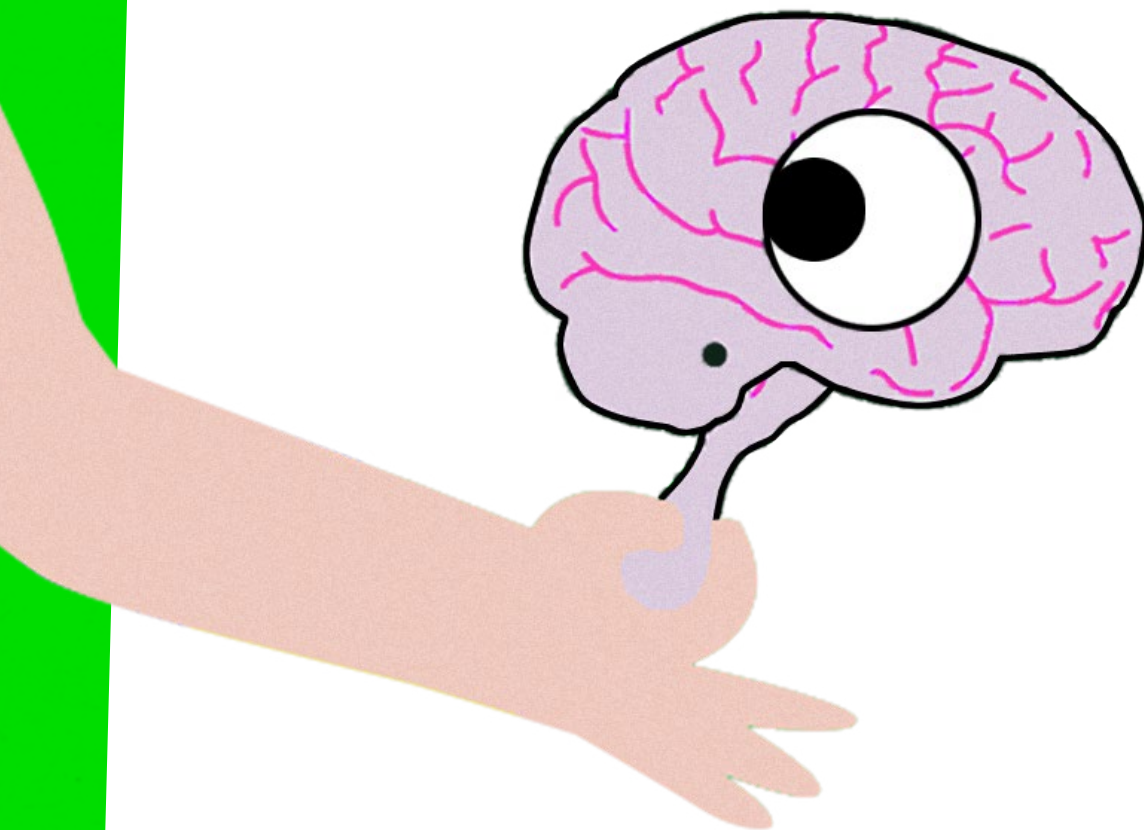
Crazy about chocolate, serious about people.
100 % slave-free – the norm in chocolate.



VIVA CON AGUA

Besides the air we breathe, water is the basis of all life and a fundamental human right. Viva con Agua pursues the vision of access to clean drinking water, hygiene facilities and basic sanitary provision for all people.

A quick glance reveals both differences and similarities. Apart from the necessity of a “why,” there are no (written) rules for what a statement of purpose should look like. Some of the statements mention the relevant stakeholders, while some (such as Viva con Agua’s) connect their purpose to a fundamental belief. What is common to all of them is that they formulate a specific goal linked to a good cause. Although, as we saw earlier, most consumers associate the concept of purpose with sustainability, these companies’ purpose statements span a wide spectrum of issues, such as inclusivity, well-being, and equality.



How do these companies bring their purpose to life? And what can we learn from it?

BORN FROM PURPOSE VS. PURPOSE-ADOPTERS

Though pretty much every brand decides right at the start what products or services it will sell, it won't necessarily formulate a purpose at the same time. So we can distinguish between brands that were created specifically to serve a certain purpose and ones that only adopt one later on.

Sometimes, people found brands to serve a specific purpose as a result of a life-changing experience that prompts them to create a groundbreaking product or service. In 2005, Benjamin Adrion, founder of Viva con Agua (VcA) and former player for the soccer club FC St. Pauli, was at a winter training camp in Cuba. Shocked by the poor access to drinking water,⁷ when he got back to Hamburg he organized a fundraising campaign with musicians (including Fettes Brot and Bela B. from the band Die Ärzte), artists, and soccer fans. Working with the nonprofit aid agency Welthungerhilfe, he had water dispensers installed at kindergartens and sport academies in Cuba. In 2016, Adrion officially founded VcA, which works to improve sanitation, hygiene, and access to clean drinking water in less developed countries.

"We believe in the power of entrepreneurship. It can set things in motion and serve the common good. We wouldn't have entered the finance industry if we didn't believe that it has great potential for change or that we were capable of fundamentally transforming it."

Jakob Berndt, co-founder of Tomorrow Bank



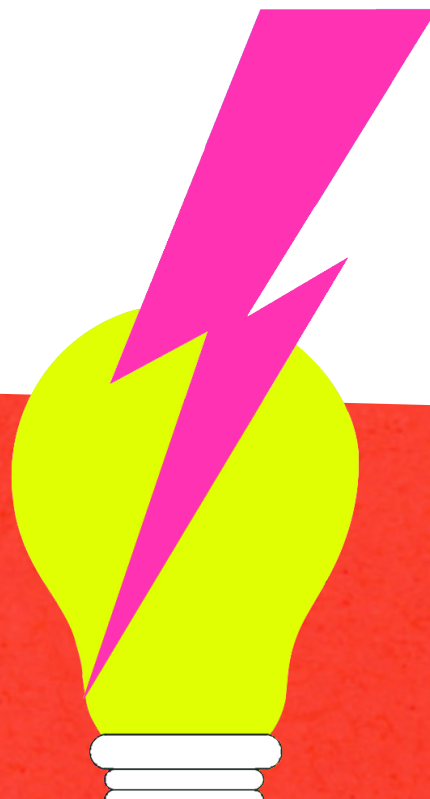
Teun van de Keuken, founder of the Dutch brand Tony's Chocolonely, had devoted his life to a higher purpose, namely to investigate fair trade and production conditions in the food industry, long before he learned of child labor in the cocoa industry (the catalyst for the brand's founding⁸). In 2003, he made a TV documentary that raised awareness in the Netherlands of the terrible working conditions. To raise further awareness, he reported himself to the police for his own complicity, since he had eaten chocolate made by child labor.

He also sought out and documented child victims in Côte d'Ivoire. With the support of Dutch consumers and retailers, Teun (nickname Tony) and his colleague Maurice Dekkers produced a batch of 5,000 chocolate bars, which sold out in a single day. Tony's Choclonely, the world's first "slavery-free" chocolate brand, was launched in 2006.

By contrast, BlackRock – the world's largest asset manager, with over US\$ 8.7 trillion in assets under management – did not adopt a purpose-led strategy until years after its founding.⁹ This paradigm shift in corporate strategy, in which "profits and purpose" are seen as "inextricably linked" (Larry Fink, CEO),¹⁰ emerged out of the 2008 financial crisis and the resulting change in the company's product mix.

The company survived the crisis almost unscathed, likely due among other factors to its exceptional risk management. But 2008 did nonetheless mark a turning point for BlackRock. The company and its CEO Larry Fink challenged the long-dominant belief in the finance world that companies exist only to serve their shareholders. Fink instead argued that purpose means working for all stakeholders – customers, employees, the environment, communities – which in turn helps to drive profitability: "Purpose is not the sole pursuit of profits but the animating force for achieving them."¹⁰

Since 2012, Fink has expanded on the process of shifting to a purpose-oriented mindset in a series of annual letters, which are addressed to the CEOs of companies that invest in BlackRock. He began by expressing concern about short-term thinking and the need for companies to engage with social issues, adopt long-term strategies, and integrate ESG issues. In 2018, he explicitly encouraged companies to adopt and work toward a purpose: "Without a sense of purpose, no company, either public or private, can achieve its full potential. It will ultimately lose the license to operate from key stakeholders."¹¹



PRINCIPLES FOR CHOOSING A SUITABLE PURPOSE FIELD

What criteria and principles should companies use to select their purpose? According to the experts we spoke with, a purpose needs to be both socially relevant – that is to say, it must address a problem that exists in society – and to align with the company's culture, since a purpose will only be practiced if it has the support of all employees. The purpose's "field" must also be a credible fit for the company's core competencies. In order for a purpose to be authentically established, a combination of feasibility and social relevance is required.

IDENTIFICATION OF PURPOSE FIELDS



So the first step in choosing a purpose is to identify problems within the field the company itself operates in. The second step is to assess how effectively the company could address these problems. The third and final step is to evaluate different areas of action according to their social impact and relevance to the company's culture.

In sum: a company's purpose field should be located at the point where its core competencies intersect with a positive, socially relevant vision of the future.

"'Finding a purpose' is a difficult issue, in my view. Really, the purpose should be something that is already present, that merely needs to be defined. What I mean is, perhaps you simply haven't written it down yet. Defining it presupposes that you can search for it, track it down, within your company."

Tina Müller, CEO Douglas



"The topic that you choose needs to be a topic that is not mundane, because that's not useful for you and not useful for anybody. It's just white noise [...] and the topic that you choose needs to be a topic that you can solve."

Mo Sattar, Head of Global Campaigns and Brand & Needbuilding at BSH Home Appliances Group



"The purpose field is a fundamental issue that is embedded deep in a brand's DNA. It must, firstly, have social relevance. That is to say, it must be important to people. And it needs to come out of the brand, the company's core essence. And finally it must be something that we as a company are passionate about."

Ralph Zimmerer, former Global VP Marketing at NIVEA, co-founder and CEO of Generation Now Consulting

FROM INTENTION TO ACTION

Formulating a purpose is just the tip of the iceberg. Once it's defined, it needs to be established within the company. If a purpose is understood as a fundamental principle, it can't just be confined to marketing but must influence every department. So it's essential for the company's managers to serve as role models.



"If you want a purpose to become practice, you need a 'believer' on the board, or two or three of them, to really champion it."

Ralph Zimmerer, former Global VP Marketing at NIVEA,
co-founder and CEO of Generation Now Consulting

This is reflected in all our case studies, where a clear commitment from the highest levels of management can be observed. At VcA and Tony's Chocolonely, the purpose is the founding idea behind the company, while BlackRock has a CEO who argues that purpose is essential to remaining relevant and considers it "the engine of long-term profitability."¹⁰ So managers need to first accept a purpose as their company's reason for being and then credibly advocate that purpose to their employees.

Furthermore, all employees need to understand and internalize the purpose so that they can put it into practice in their department. It's not enough to simply announce a purpose; implementing it also requires measures such as internal workshops and training.

So adopting a purpose is a long-term project. Every department, every individual employee, needs to reassess the way they work and ask whether it contributes to the company's purpose or whether changes are needed. A company's purpose can only truly be filled with life if it becomes the inner drive of every single employee.

"If you say that this is your purpose, you really have got to mean it. In most cases, I think probably organizations do. But also in most cases, I also think they don't think about what the consequences mean."

Mo Sattar, Head of Global Campaigns and Brand & Needbuilding at BSH Home Appliances Group



"We had lots of workshops where we interpreted the purpose and translated it into action. What does it concretely mean for individual departments, for each individual person in the company? (...) This process of internalization doesn't happen overnight. It takes years. And then it will result in action. At the end of the day, in my view, it's an ongoing process. It doesn't have a beginning or end, but is always running in parallel to other activities."

Tina Müller, CEO Douglas

Restructuring your own processes is not enough, however. Our analysis of the case studies shows that brands also take other measures to achieve a purpose-led mindset. Setting measurable targets and KPIs is necessary to give the purpose the required urgency. You may also need to involve suppliers and other external partners in your purpose strategy.

Take Nike. The US sportswear manufacturer shares highly specific goals on social and environmental issues in both its internal and external communications. It has set targets of a 50% female workforce and 45% women in management roles by 2025. Both targets apply globally. Nike also publishes regular interim updates on progress toward its targets on a dedicated purpose website.¹² It has also pledged to donate 2 percent of its pretax profits to good causes each year, with a focus on supporting minorities (PoC, women) so as to create a level playing field for all. Nike collaborates with nonprofit organizations, universities, and government agencies on the delivery of the projects it supports. Setting purpose-based targets and measuring/documenting compliance with them is the key to remaining consistent.

"Of course, remaining consistent and sticking to your purpose is a challenge. You can't throw in the towel when the first crisis comes along and abandon everything you've worked so hard to build. Purpose is a guiding principle for a company, whose core essence runs like a thread through all its thinking and action."

Tina Müller, CEO Douglas



"We don't just have quantitative and qualitative targets, but also regularly measure our performance against them. For instance, we transparently publish our CO₂ emissions and savings."

Tarek Müller, co-founder and Managing Director of About You

"You need to be consistent, obviously. You can't say one thing and do another. That applies both internally and externally. You mustn't give the impression, either to your own staff or to the outside world, that it's just a marketing campaign. It needs to be something you take seriously, something you really mean, and you need to act consistently. And you definitely mustn't pack it all in if the company's results take a dip."

Eduard Gerlof, Director B2C & Marketing at LichtBlick



FROM IMPLEMENTATION TO COMMUNICATION

In our representative survey⁶, we asked consumers whether they expect businesses to speak out on social and environmental issues. Eighty-five “generally agreed” that they should. So how can a company that has found its purpose communicate it to the outside world? Some companies are cautious about expressing clear positions on certain issues because they want to avoid any negative consequences. Or else they apparently understand purpose as something inward-facing – for instance, as a way to make their employees feel they are contributing to something meaningful.

Young brands like Viva con Agua and Tony’s Chocolonely are very open about their purpose and use it in their communications. This could be due to having a different understanding of communication, which they see not just as a way to persuade consumers to buy products but as a tool of information and education. Viva con Agua has also shown, with its steadily growing pool of volunteers (some 12,000 and counting), how brands that openly display their purpose can create collective movements.¹³



“We have a mission to educate and inform. For instance, we want to empower people to be aware of their own carbon footprint or environmental balance sheet. So the main question we ask ourselves is how we can create or influence this mindset and awareness. We build this idea into our communications and try to present it in a way that is easy to understand.”

Jakob Berndt, co-founder of Tomorrow Bank

If you look at Nike's brand, you can see that purpose-driven content is sometimes communicated in a very attention-grabbing way and sometimes more subtly. With big campaigns, like the one with Colin Kaepernick, Nike has boldly demonstrated its support for equality and opposition to racism. And it's not just virtue-signaling: Nike's products contribute to these goals too. For instance, the company supports women's ability to make decisions about their own bodies with products like the first sports hijab and the Nike Victory Swim Collection, which includes a swim hijab and swim leggings for women who prefer to fully cover their bodies.

Nike has sometimes faced backlash for these activities. After the Kaepernick campaign, Nike's share price temporarily dropped. Twitter users from all over the world called for a boycott. Not many big brands have the courage to take these kinds of positions and tend to be wary of speaking out vocally. Nike's willingness to take a clear stance is probably why it has so many loyal fans and is the world's most highly valued clothing brand¹² It is in any case the favorite brand among German consumers, according to our survey.⁶

Purpose-driven communication won't always get a positive response. But the success of brands like Nike, Tony's Chocolonely, and Viva con Agua shows that as well as informing and educating consumers, it can also strengthen brand loyalty. And it can inspire people to do more for good causes themselves.

"There are organizations that will just use this as an opportunity to promote themselves. [...] That is always going to happen."

Mo Sattar, Head of Global Campaigns and Brand & Needbuilding at BSH Home Appliances Group



"We do our sustainability work because we believe in it – not because we want to look good in our communications."

Tarek Müller, co-founder & Managing Director of About You

"It's about creating benefits for employees and ultimately for the brand, for the clarity of our value proposition."

Eduard Gerlof, Director B2C & Marketing at LichtBlick





PURPOSE AS AN ANCHOR IN DYNAMIC TIMES

How do you measure the stability and “health” of companies and brands? Recognition? Monetary value? Company size? The answer is none of these things. What really matters, now more than ever, is how dynamic a company or brand is. Why? Because the market is in a state of constant flux, consumers are changing faster than brands, and the pace of digital transformation keeps on accelerating.

Executives at big companies aren’t happy about the situation. They’re constantly being outmaneuvered by start-ups and brands that are hungrier, more dynamic, more innovative than them.

CEOs are rightly worried about their business models and innovations:

- **80%** believe their current business model is under threat.
- **79%** are mainly focusing on bottom-up improvements to grow the value of their company.
- Less than **30%** are systematically seeking out and evaluating new (growth) opportunities.
- Just **6%** of CEOs are happy with their company’s approach to innovation.¹⁵

So doesn't it all boil down to the question of how they can lead their companies through the age of upheaval we're living through? As one summary of Nassim Nicholas Taleb's antifragility theory puts it: "Fragile businesses are disproportionately harmed by unexpected shocks or massive trends because they're not agile, innovative or adaptable even though they're good at what they do. (...) Antifragile businesses (...) look for waves of change, anticipate and build for impactful trends. In fact, they use them to accelerate their business to the next level – all of which requires a very different mindset from leadership and throughout an organisation culturally."

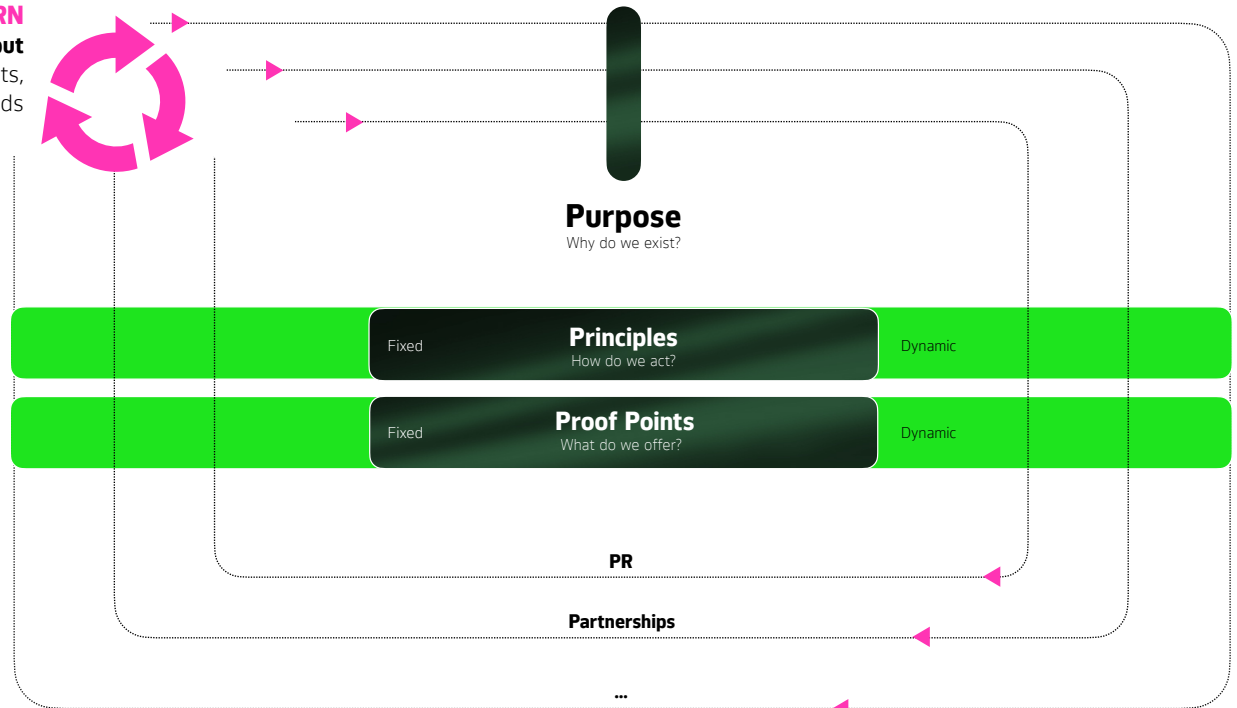
Purpose is a great tool to help brands and companies navigate situations of rapid change. Used correctly, by companies and comms teams who are able and willing to adapt, it can open up new spaces and perspectives. A company's purpose should be closely intertwined with its core competencies and run through all departments. Most crucially, it should provide a clear guide to the way the company communicates, to its corporate identity and design, to the development of products and services, and to the values underpinning the delivery of those services.

Purpose helps turn a static brand model into a flexible, living system that influences all areas of a company. A system that integrates purpose as a mechanism of control and a filter on external input, allowing the company to operate dynamically without losing its core essence.



FUEL & LEARN

External Input
Data, Insights,
Trends




A system that can collect and analyze quantitative data (trends, market research, social listening, campaign tracking, etc.) in real time and incorporate qualitative expert opinions. In tandem with a strong purpose, this system can allow a company to keep pace with the dynamic modern world, while also opening up opportunities for creativity and activities that make a difference in society.

On top of that, iterative development cycles, continuous learning experiments, and the integration of interdisciplinary perspectives can help companies to structure and organize input, to identify specific areas where action is needed, and to learn from their experiences.

We believe in the power of purpose. Now and always. Purpose can be a key way to stand out from the crowd, allowing companies to meet the expectations of an increasingly competitive and complex employment and consumer market. Used correctly, purpose sets a brand in good stead for any unexpected times that may lie ahead – and can be an enduring source of vitality and agility.

PURPOSE AS A NAVIGATION SYSTEM

The goal of our analysis has been to set out the key questions and factors that brands should consider if they want to formulate a successful purpose. We created our purpose canvas with that goal in mind. It sets out an approach based on identifying relevant issues and formulating a statement of purpose. As already mentioned, there's no script for how to select a purpose field or write a perfect purpose statement. But we have established that a purpose is a company's vision regarding a common good, which should feel like an unwritten truth about the company and be based on its core competencies.


PURPOSE CANVAS

DEFINITION	IMPLEMENTATION	LONG-TERM SUCCESS
<p>PURPOSE FIELD DEFINITION:</p> <p>Issue identification: What challenges does society face within our field of business?</p> <p>Evaluation of core competency fit: Could we have a big impact by harnessing our core competencies?</p> <p>Evaluation of societal impact and corporate culture fit: Is this field relevant to the majority of society and our target group? Are we passionate about it?</p>	<p>STAKEHOLDER ANALYSIS: Who are our key stakeholders? What are their needs? What are their barriers? How can they benefit from this? How can we ensure leadership support?</p> <p>ACTIONS:</p> <p>INTERNAL</p> <ul style="list-style-type: none"> - set agenda by CEO and board and kick off action plan - develop long-term purpose strategy including (sub-)targets - involve and educate employees on all levels - challenge processes in all departments - develop and incentivize KPIs - establish internal monitoring process for trends and target group data <p>EXTERNAL</p> <ul style="list-style-type: none"> - inform and educate external stakeholders - communicate purpose and interact with target groups - collaborate with relevant partners - contribute to communities and society as a whole in line with the purpose 	<p>MONITORING:</p> <p>INTERNAL</p> <p>Establish monitoring of purpose lifecycle and impact:</p> <ul style="list-style-type: none"> - track quantitative impact measures (contribution, savings, etc.) - track qualitative impact measures (awareness of the issue, brand associations, etc.) <p>EXTERNAL</p> <ul style="list-style-type: none"> - publish purpose impact and levels of achievement
<p>Phrasing: Does it answer the question of why we exist? Is the way the purpose is written inspiring? Is it understandable to everyone?</p>		

Knowing your key stakeholders (both internal and external) and their needs is crucial to successfully implementing a purpose. Our analysis has also shown that brands' purpose-led activities need to go beyond external communications if they want to successfully put that purpose into practice. It's at least as important to anchor the purpose in the company itself. Internal activities could include setting up a system to monitor adherence with the purpose, providing employees with relevant training, and increasing staffing for purpose-based activities. Externally, the brand can partner with other brands to generate synergy effects. It can educate and motivate consumers, and give something back to the community. In marketing communications, purpose should form the basis for promoting products and services.

To harness this potential, companies need to change their processes and stop leaving it to their marketing department alone to artificially come up with a purpose. Instead, they need to finally start putting purpose at the heart of everything they do, and allow it to act as a guiding principle and anchor.



"If you want your business to succeed, you don't necessarily need to formulate a purpose. It varies a lot from industry to industry. But taking a clear stance on social issues definitely allows companies to deliver benefit to society. And it helps them to recruit staff, tap into new customer segments, and position themselves for the future."

Tarek Müller, co-founder and Managing Director of About You

"Of course it's important to have a purpose, and I think that's always been true, not just today. (...) One thing that's often only discussed in passing (...) is that purpose is like a pole star by which organizations can steer their course. (...) And I think that's incredibly important. Especially in our current times, when changes are happening ever more quickly and you could opportunistically veer off left or right. (...) And one thing that's perhaps different from 20 to 30 years ago is that a company's purpose can be a source of guidance, pointing the way, helping us keep our bearings, making clear where we don't want to or mustn't veer left, which is incredibly important for internal organization."

Eduard Gerlof, Director BC2 & Marketing LichtBlick



Franziska Duerl

Head of Strategy, Jung von Matt AG



Charlotte Flentje

Strategist, Jung von Matt AG



Prof. Dr. Yonca Limon-Calisan

Vice President Research and Program Director Master Studies, Brand University of Hamburg



Dr. Regine Heimers

Senior Research Consultant, Brand University of Hamburg



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