The Truth, Myths and Nuances Behind Purpose
Definition of **Purpose Brand**: A brand that can have a positive impact on individuals or society.
Why **purpose** is one of our focal points to thought leadership

Clients are interested

82% affirmed the importance of purpose

72% purpose should be prioritized over profit

Source: McKinsey Shifting from why to how

Competition have put out thought leadership

Our past gives us credibility

It's part of our future

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**McKinsey & Company**

Leading with purpose: How marketing and sales leaders can shape the next normal

**accenture**

From me to we: The rise of the purpose-led brand

**PwC**

Why everyone in the C-suite should take responsibility for corporate purpose

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Products & Platforms

Campaigns & Content

Physical & Digital

People & purpose are at the heart of everything we do
Intent of the study:
Explore the truths, myths and nuances of purpose.

Some brands have made authenticity their marketing strategy, rather than a business one.
Questions we wanted to explore.

• Does purpose matter to people as much as they say it does?

• Is purpose an attribute important to only coastal Gen Z’s?

• Are people cynical about purpose initiatives?

• Are there dimensions that impact the perceived importance of purpose? (Proximity, Personal benefit, Source of purpose)

• Can purpose influence willingness to pay?

• Does purpose impact loyalty?

• How are customers engaging and processing an organization’s purpose
## Our approach

### Phase 1
12 x 60 minute in-depth interviews in the US

<table>
<thead>
<tr>
<th>Gender</th>
<th>Generation</th>
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<tbody>
<tr>
<td>50% female</td>
<td>33% gen z</td>
</tr>
<tr>
<td>50% male</td>
<td>42% millennial</td>
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<tr>
<td>25% gen x+</td>
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### Phase 2
Online survey of 900 consumers in the US

<table>
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<th>Gender</th>
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<tbody>
<tr>
<td>50% female</td>
<td>25% gen z</td>
</tr>
<tr>
<td>47% male</td>
<td>57% millennial</td>
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<tr>
<td>3% nonbinary</td>
<td>18% gen x+</td>
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### Phase 3
Series of Experiments to further test and validate numerous hypothesis

| 150 participants across demographics |

### Lifestyle

<table>
<thead>
<tr>
<th>Purchase habits</th>
<th>HHI</th>
<th>Lifestyle</th>
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</thead>
<tbody>
<tr>
<td>Must have purchased in the fashion, tech, beauty &amp; grooming, household products, or home goods sectors in the past 4 weeks.</td>
<td>24% low (&lt;$50k)</td>
<td>50% urban</td>
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<tr>
<td>35% urban</td>
<td>50% mid ($50-150k)</td>
<td>43% suburban</td>
</tr>
<tr>
<td>50% suburban</td>
<td>18% high ($150k+)</td>
<td>8% rural</td>
</tr>
<tr>
<td>15% rural</td>
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Sample: Vice Voices & Mad Chatter
Does purpose matter to people as much as they say it does?
Insight: Reports on attitudes toward purpose aren’t conflated by signaling.

Rejected Hypothesis
Consumers reporting on purpose is more about signaling than truth.

One is more likely to signal on behalf of themselves than they are on behalf of their friends.

If purpose doesn’t matter as much as people say it does then we would see a large chasm between what people say they do and what they say their friends do.

In general, the brands I buy stand for a greater mission/purpose.

From what I can tell, the brands my friends buy stand for a greater mission/purpose.
Insight: Customers expect more from brands than they do institutions.

Who is more likely to make the world a better place?

#1 People

#2 Brands

#3 Government

#4 Media companies

#5 Religious institutions

“Purpose should be more clear to the public. Corporations are the most powerful entities because they have the most money. They can lobby wherever they want.”

- Male, Millennial

“Brands and companies have the power to make the world a better place. They’re actually the only ones who can truly make the world a better place.”

- Female, Gen Z
Insight: In choosing a brand, purpose has the power to outweigh other benefits including discounts and innovation.

Which language class do you choose?

- **Discount**: 26%
- **Innovation**: 32%
- **Society**: 41%

*Based on low sample size, use directionally*

For every hour of class, one free hour of class is given to teach students in underprivileged communities.

- Has reviews from others saying they learned their language in half the time as any other brand.
Insight: In choosing a brand, purpose has the power to outweigh other benefits including innovation and discounts.

I would definitely go for [the sparkling water that practices green initiatives] because of my personal ethics. If I can easily support a brand that I know is trying to do something good, I will pick that over other options when it’s an easy, direct comparison and they’re all the same price point.

- Female, Gen Z
Is purpose an attribute important to only coastal Gen Z’s?
Insight: the importance of purpose permeates most strata of society—income and age

<table>
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<tr>
<th>Income</th>
<th>Slight dip for lower income</th>
<th>Slight dip for Gen X</th>
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<tbody>
<tr>
<td>low (&lt;$50k)</td>
<td>57%</td>
<td>64% Gen Z (14-24)</td>
</tr>
<tr>
<td>mid ($50-150k)</td>
<td>65%</td>
<td>64% Millennial (25-40)</td>
</tr>
<tr>
<td>high ($150k+)</td>
<td>62%</td>
<td>53% Gen X (40+)</td>
</tr>
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</table>

62% When thinking about how I make purchase decisions, a brand’s values are important/very important to me.
Insight: the importance of purpose permeates most strata of society—religion and political lean

62%
When thinking about how I make purchase decisions, a brand’s values are important/very important to me.

Gaps between rural and urban
- 67% urban
- 59% suburban
- 49% rural

Parity amongst political leanings
- 66% liberal
- 60% moderate
- 66% conservative
Question

Are people cynical about purpose initiatives?
Insight: Though consumers value brands with purpose, they are also more attuned to purpose washing.

Same strategy, same-ish product, different cultural backdrop triggering wildly different consumer responses.

“Too many companies have these grandiose mission statements, but at the end of the day, they’re just trying to make money. That is fine, that’s what a company is supposed to do. So don’t pretend that you’re solving this.”

– Male, Millennial

“A few years ago, people were more into purpose. There was a purpose peak and now we’re at purpose skepticism. There’s a lot of appropriation in the purpose space. Companies have consistently shown that they’re ill-equipped to live up to customers’ expectations of having a purpose.”

– Male, Millennial

Campaign magazine:
One of the greatest ads of all time

Campaign magazine:
One of the worst marketing blunders of all time
Question

Are there dimensions that impact the perceived importance?
Insight: **Proximity of purpose impacts the power of purpose.**

Would you be willing to buy a $20 book from the following bookstore that donates 20% of proceeds to a school _____ miles away?

**Group 1**
- Home
- Bookstore
- School 1 mile

7.5x likelihood to buy

**Group 2**
- Home
- Bookstore
- School 100 miles

6.7x likelihood to buy

**Group 3**
- Home
- Bookstore
- School 1000 miles

6.5x likelihood to buy
Insight: Proximity of purpose impacts the power of purpose.

You are in the process of booking a flight and come across three airline companies offering flights at the same time and for the same price. Which do you choose?

- **Societal benefit**
  - Supports the local communities in the cities it flies to through a variety of developmental programs: 34%
  - Offers double air miles for the membership you belong to: 24%

- **Personal benefit**
  - Offers in-flight entertainment and is known for great service: 42%

Insight: Proximity of purpose impacts the power of purpose.
Insight: The bigger an organization feels, the bigger the expectations are.

Experiment designed with three groups exposing each group to a separate organization’s size (less than 50 people, 50–500, and 500+) before probing them on importance of purpose.

The experiment proves that when an organization feels large it inflates expectations.
Insight: Purpose allure can be about delivering value to the individual.

Personal benefit

“...The brands I buy make me a better person.”

67%

Societal benefit

“...The brands I buy make the world a better place.”

76%
Insight: Marketers are even skeptical about their own purposes.

I wouldn’t mind or I am for religion being leveraged as part of a brand’s purpose or mission.

\[ \text{That should absolutely be acceptable and that won’t impact my decision to buy from them if they abide by their religion. Where I draw the line is they’re actively campaigning against an interest or value of mine.} \]

- Male, Millennial

Liberal: 56%  
Conservative: 57%

Photo source: Time Magazine
Can purpose influence willingness to pay?
Insight: **Purpose has the power to drive willingness to pay.**

Outline how much you’d be willing to pay for the following tequila?

**Control Group**
- **Ultra Tequila**
- $26

**Reviewed Group**
- **Ultra Tequila**
- $29.5
- Bar tenders guild Tequila brand of the year for 3 years running.

**Self Purpose Group**
- **Ultra Tequila**
- $35
- With every bottle you buy, you get access to a class with top bar tenders who teach you how to make the very best cocktails so you can host tequila nights with friends.

**Social Purpose Group**
- **Ultra Tequila**
- $39
- Covid has been a tough time for many bars, because of this for every bottle you buy, we donate 15% of the profits to a local bar of your choosing.
Does purpose impact loyalty?
Insight: Purpose reduces post purchase dissonance.

Does purpose help you justify purchases?

“I bought something [from Burt’s Bees]. I didn’t like it, but I said to myself, they’re a great company, so I might as well just keep using it. Since they do have a good purpose, I’m going to keep it.”

- Female, Gen Z

“Is it bad if I say yes...? I bought from Dar Collective for my cousin’s birthday. I spent sixty dollars on a sweater. But you know, they support Palestine charities. Or Farm Boy [for example]. It’s like, yeah, I’m spending ten extra dollars on groceries, but I’m supporting local farmers.”

- Female, Gen Z

“I’ve been to Aldi and they’re not as sustainable, but they treat their employees really, really well. You would just go there anyway, but then all of a sudden, you’re like, oh, they do some cool stuff. That definitely helps make you feel better about going back, particularly if you had a positive experience.”

- Male, Millennial

“I like learning about my money going to good places, even if it’s after I’ve spent it. And it will sometimes help me rationalize purchases a bit. Occasionally I’ll spend an extra few bucks on a brand that I know is doing something good rather than going for cheaper options.”

- Female, Gen Z
Insight: **Signaling improves likelihood to recommend purpose brands.**

“I ordered a whole bunch of products [from Tru Earth], their tear off sheets. I put them in little paper envelopes and I’m like, here, give this a try. **Please use it. This is the URL.** They’ve got a lemon product to clean all surfaces, I bought way too much of that. And I’m like, do you want some? I would literally mail you some if you wanted some.”

- Female, Gen X

“I buy shirts from The Empire Files, which is a show by Abby Martin. I was helping her brand, but more importantly, **it’s spreading the awareness to those problems.** Silence can be compared to betrayal after a certain point. We should all be more vocal about it. There’s this taboo where you shouldn’t talk politics. I like to be the complete opposite because **we’re only going to find solutions when we talk about it more.**”

- Male, Millennial

“Thinking back to when there was a lot of controversy around RobinHood, that was something that **a lot of my friends were bit hesitant towards.** We got that there were two kinds of rules, one for the little guy and one for bigger corporations and how they trade. That led us to looking into things like Coinbase and alternatives, so there is definitely that sense that **we’re willing to talk about it** and sometimes we do **take that into direct action** in terms of where we choose to spend our money.”

- Female, Gen Z
How are customers engaging and processing an organization's purpose?
They rely on brands to **show their work.**

Where do you usually discover a brand’s purpose?

63% The brand’s website
56% Social media
51% The brand’s advertising
46% The product packaging/labels
39% An article or video
37% Conversations with friends & family
35% Search
30% The store/site it’s sold through
23% Influencers/celebrities

“Social media isn’t something that I actively look for brands or their purpose on, but it is something that is almost an inevitability that if it shows up on my feed, it’s going to catch my attention. If it catches my attention, I’m going to look at it and make decisions, at least in part, based on that.”

- Male, Gen Z

“[I learn about brand purpose] mostly through Twitter, YouTube, and directly through their websites. You always get the best content directly from their websites because everything on Google or YouTube is going to be monetized and handpicked.”

- Male, Millennial
Customers notice not only what you say, but **what you do.**

60% Pay attention to a brand’s values/practices.

40% of customers **actively seek** and study information about brands

25% of customers **passively** notice things like advertising, WOM, packaging, etc.

“I really like when brands promote their greater purpose, they show it. Take Indigo, for example. They have their Love of Reading Foundation and there’s some information available on that. I’d love to see even more posts on what that’s doing and the actual effects that it’s having in society.”

— Female, Gen Z
Insight: The larger the brand, the larger the expectation.

How important do you feel it is for the following organizations to serve a greater purpose for society?

- **53%** Small Businesses (Less than 50 employees)
- **64%** Mid-Sized Businesses (51-500 employees)
- **74%** Big Businesses (More than 500 employees)
Regardless of desire, accessibility is a barrier to purchasing on purpose.

As much as I hate fast fashion, I have no choice. Am I doing it because I want to give money to [fast fashion brands]? No, it’s because they’re the only brands that carry plus size clothing that actually fits me.

- Female, Gen Z

It’s something that a lot of people just don’t have the ability to do. Sometimes that’s physical availability, whether it’s an area where certain products are not available, like small towns and there’s a lack of options, or it’s financial reasons. Some people just can’t choose to support certain brands or to not support other brands.

- Female, Gen Z

2x Those who live in Urban areas are 2x more likely to say they often/always buy brands with a greater mission or purpose than those in Rural areas.
How can we help?

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