

November 2021

# 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

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

Our past gives us credibility

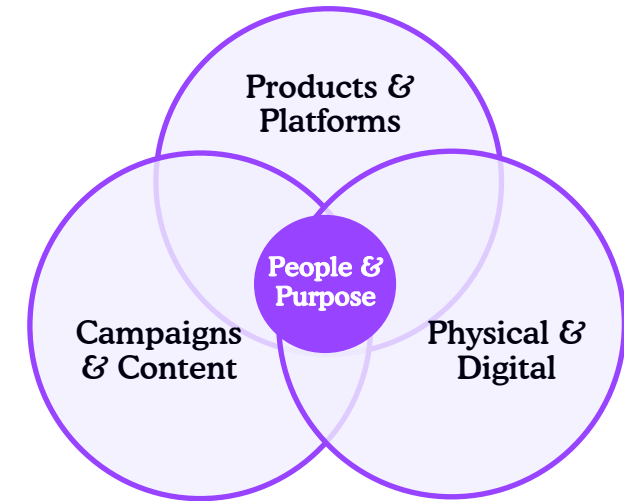
#ShowUs: strength in our scars

#ShowUs: more all lives who look like me

Welcome to OBESITY, USA

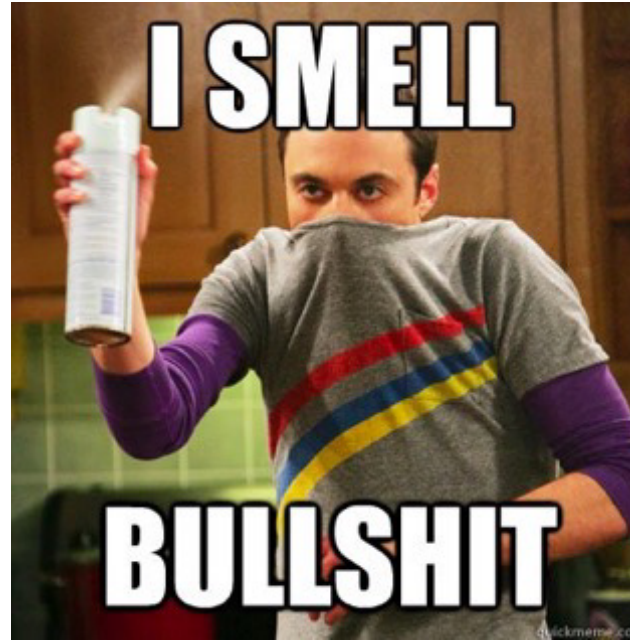
WASTED: HOW AMERICA IS GREEN-LEAF TO 48 PERCENT OF ITS FOOD FROM THE FARM TO LANDFILL

Its part of our future



People & purpose are at the  
heart of everything we do

Intent of the study:  
Explore the truths,  
myths and nuances  
of purpose.



A view from Rachel Barnes

## Is purpose-washing damaging the industry?

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

### Gender

**50%** female

**50%** male

### Generation

**33%** gen z

**42%** millennial

**25%** gen x+

## Phase 2

Online survey of 900 consumers in the US

### Gender

**50%** female

**47%** male

**3%** nonbinary

### Generation

**25%** gen z

**57%** millennial

**18%** gen x+

## Phase 3

Series of Experiments to further test and validate numerous hypothesis

**150** participants across demographics

### Lifestyle

**35%** urban

**50%** suburban

**15%** rural

### Purchase habits

Must have purchased in the fashion, tech, beauty & grooming, household products, or home goods sectors in the past 4 weeks.

### HHI

**24%** low (<\$50k)

**50%** mid (\$50-150k)

**18%** high (\$150k+)

### Lifestyle

**50%** urban

**43%** suburban

**8%** rural

Question

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

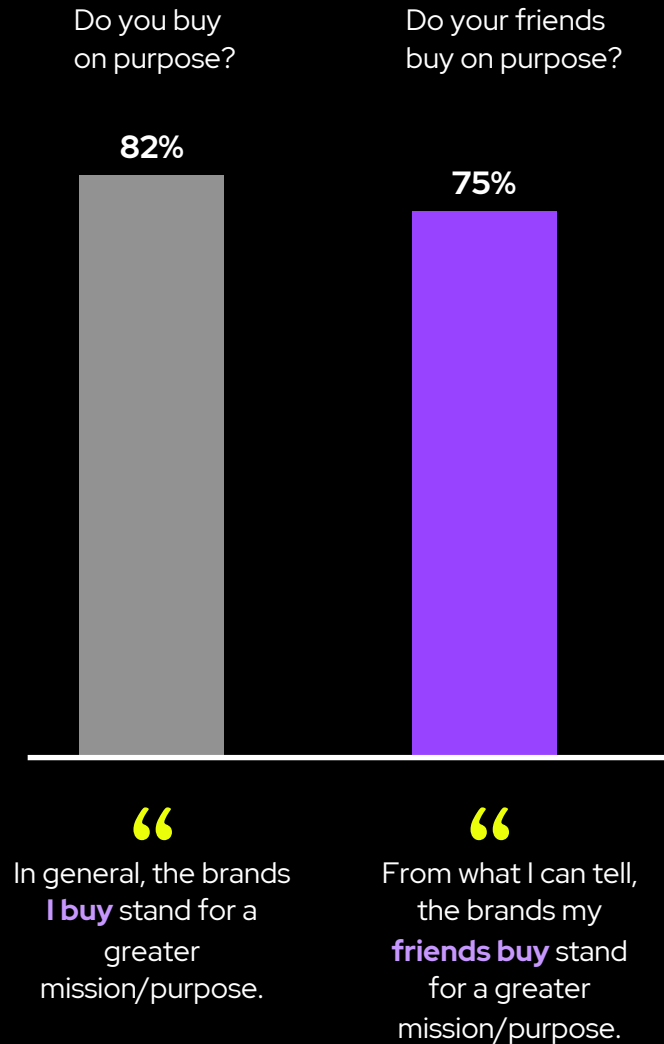
# Insight: Reports on attitudes toward purpose aren't conflated by signaling.

## 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.

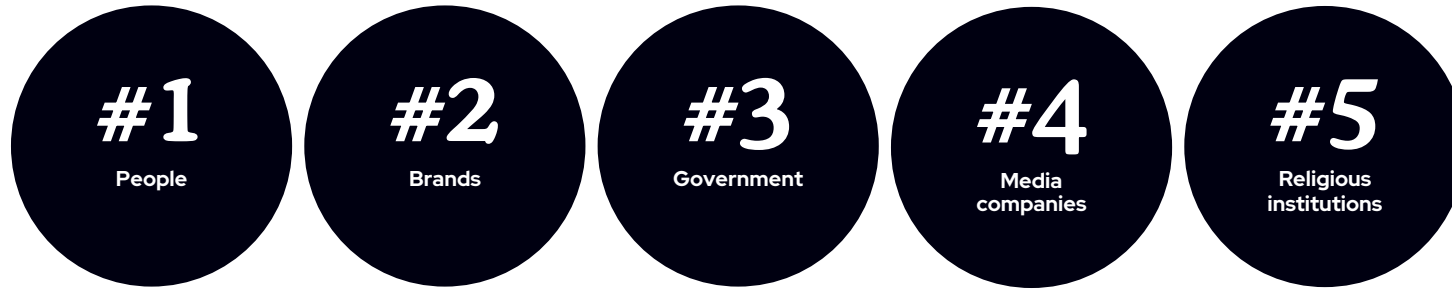
If purpose doesn't mater as much as people say it does then we would see a large chasm between what people say they do and what they say their friends do.





# Insight: Customers expect more from brands than they do institutions.

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



“ 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.

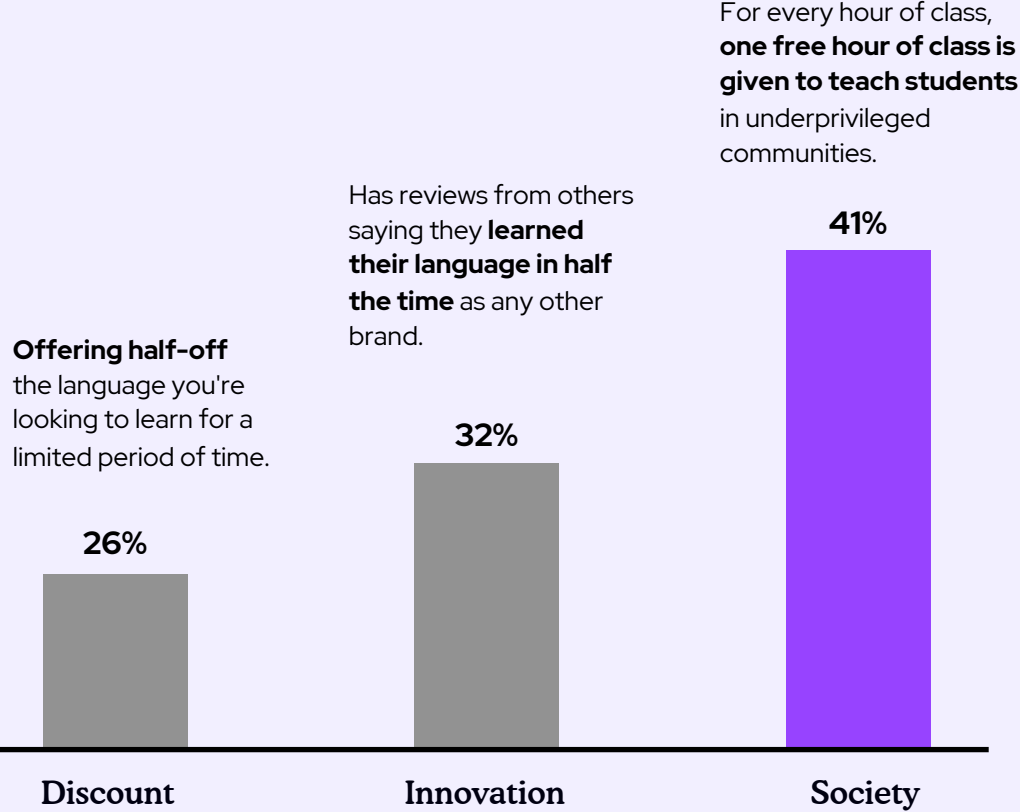
- Male, Millennial

“ 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?



\*Based on low sample size, use directionally

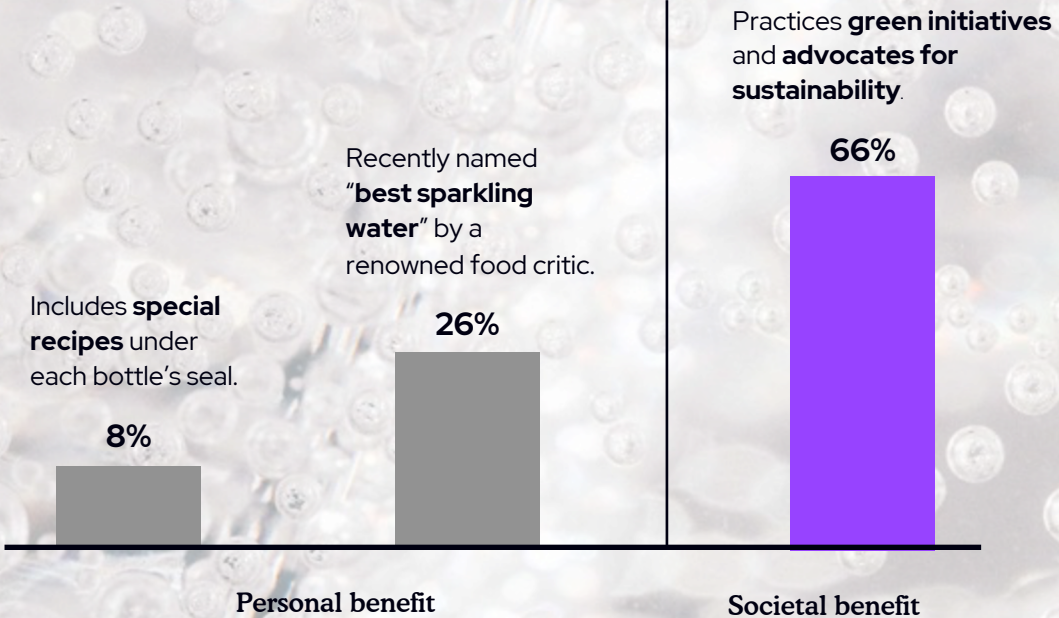
# Insight: In choosing a brand, purpose has the power to outweigh other benefits including innovation and discounts.

“ 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

You are about to purchase a package of **sparkling water**. There are three brands in front of you, each essentially the same product at the same price.

**Which do you choose?**



\*Based on low sample size, use directionally

Question

**Is purpose an attribute important  
to only coastal Gen Z's?**

# Insight: the importance of purpose permeates most strata of society—**income and age**

62%

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

### Slight dip for lower income

- Income
- 57% low (<50k)
- 65% mid (\$50-150k)
- 62% high (\$150k+)

### Slight dip for Gen X

- Age
- 64% Gen Z (14-24)
- 64% Millennial (25-40)
- 53% Gen X (40+)

# 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

- Region
- 67% urban
- 59% suburban
- 49% rural

## Parity amongst political leanings

- Political lean
- 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, sameish product, different cultural backdrop triggering wildly different consumer responses.



Campaign magazine:  
One of the greatest ads of all time



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

“ 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



Question

**Are there dimensions that impact  
the perceived importance?**

# Insight: Proximity of purpose impacts the **power of purpose.**

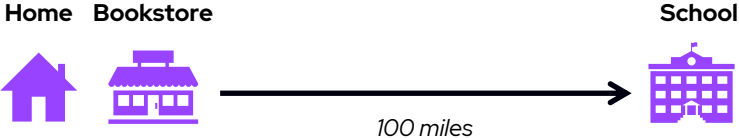
Would you be willing to buy a \$20 book from the following bookstore that donates 20% of proceeds to a school \_\_\_\_\_ miles away?

Group 1



7.5x likelihood to buy

Group 2



6.7x likelihood to buy

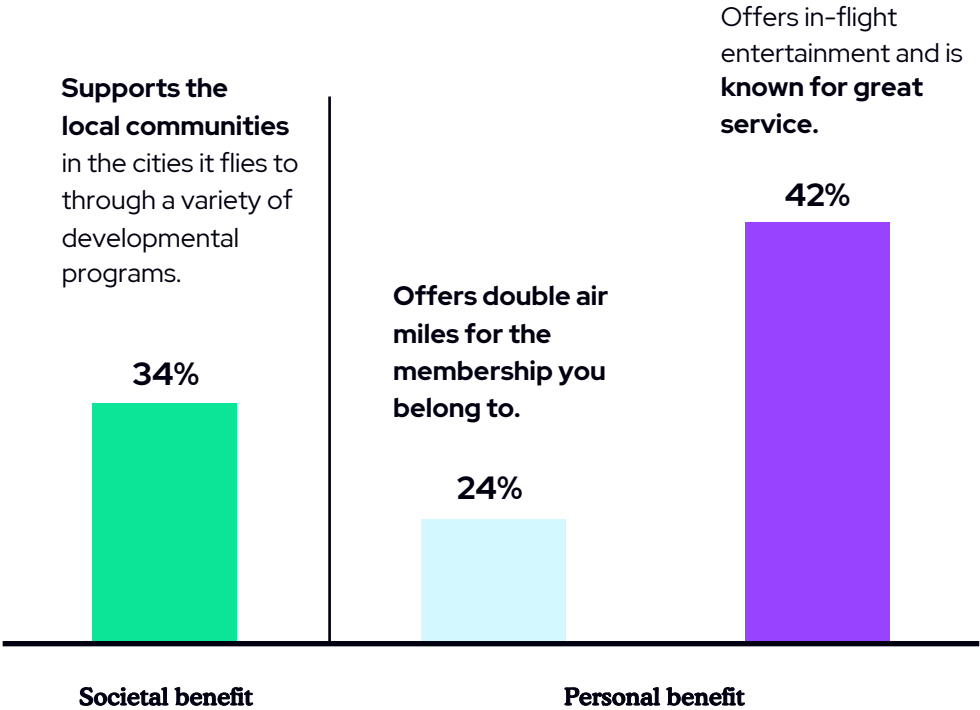
Group 3



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?

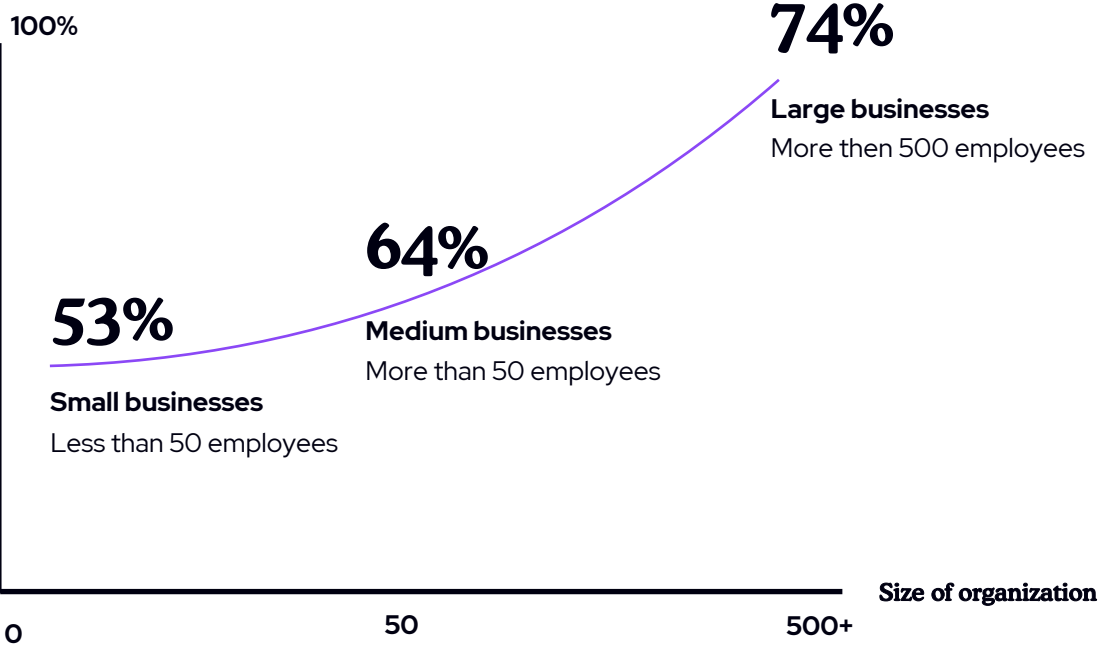


# Insight: The bigger an organization feels, the bigger the expectations are.

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.

**Societal benefit**  
Very important for the company to serve a great role in society



# 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

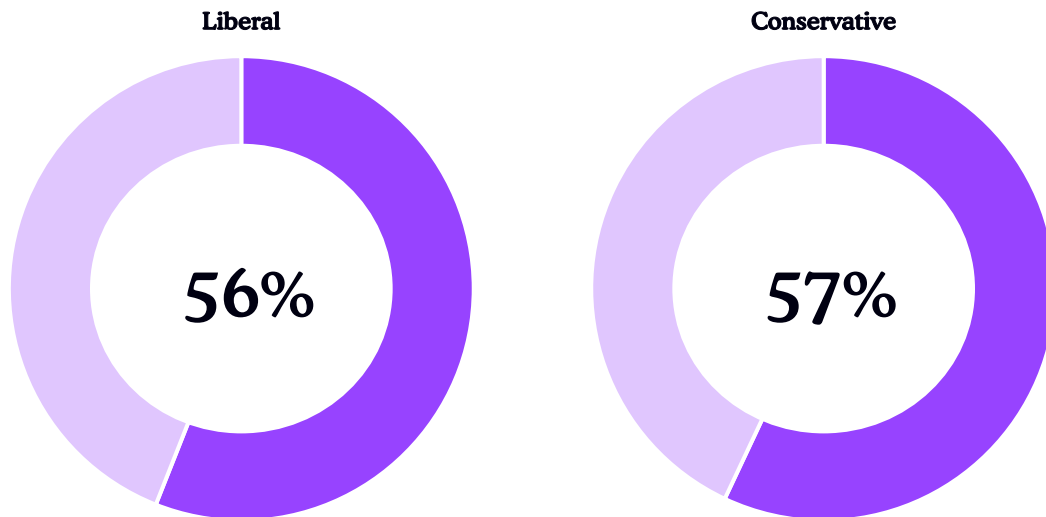
“ The brands I buy make **the world a better place.**”

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.



“ 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



Photo source: Time Magazine

Question

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



\$26

Reviewed Group



\$29.5

Bar tenders guild  
Tequila brand of the  
year for 3 years  
running.

'Pure bliss!'  
Food Grid

Self Purpose Group



\$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



\$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.



Question

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.



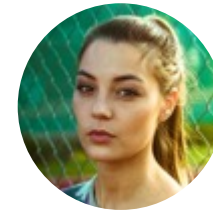
“ I ordered a whole bunch of products [from Tru Earth], their tear off sheets. I put them in little paper envelopes and I'm like, here, give this a try. **Please use it. This is the URL.** They've got a lemon product to clean all surfaces, I bought way too much of that. And I'm like, do you want some?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

Question

**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%**

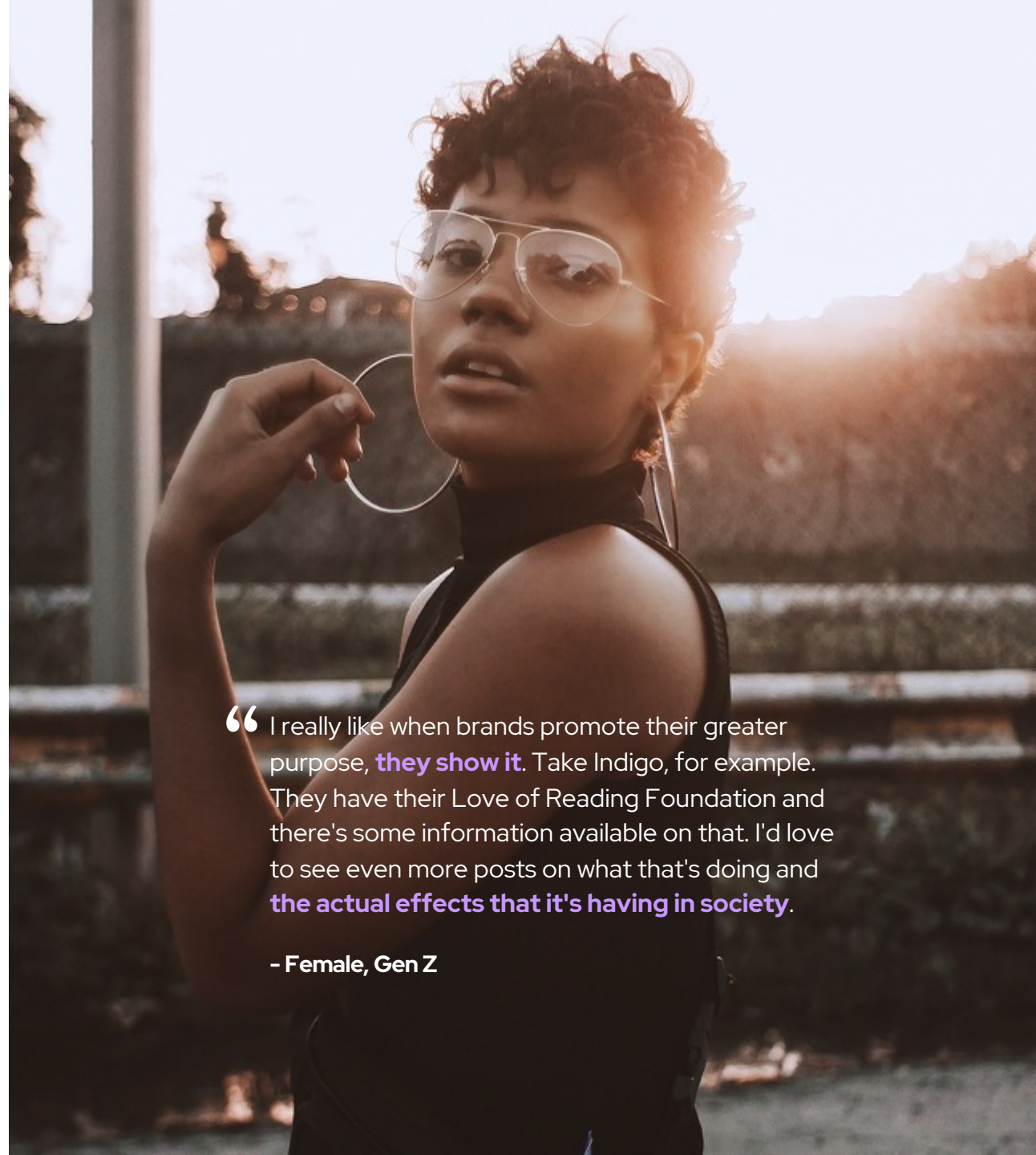
Pay attention to a brand's values/practices.

**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?



# Regardless of desire, accessibility is a barrier to purchasing on purpose.

## 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.

“ 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



# How can we help?



**Nicolas Chidiac**

Nicolas.chidiac@razorfish.com

Global Nomad 🇮🇳🇺🇸 | Brand and  
CX Strategy Lead at Razorfish |  
Behavioral Scientist | NYU Faculty

**razorfish**

