

GOOD

**Purpose
2021**



**Business
Rebalance**

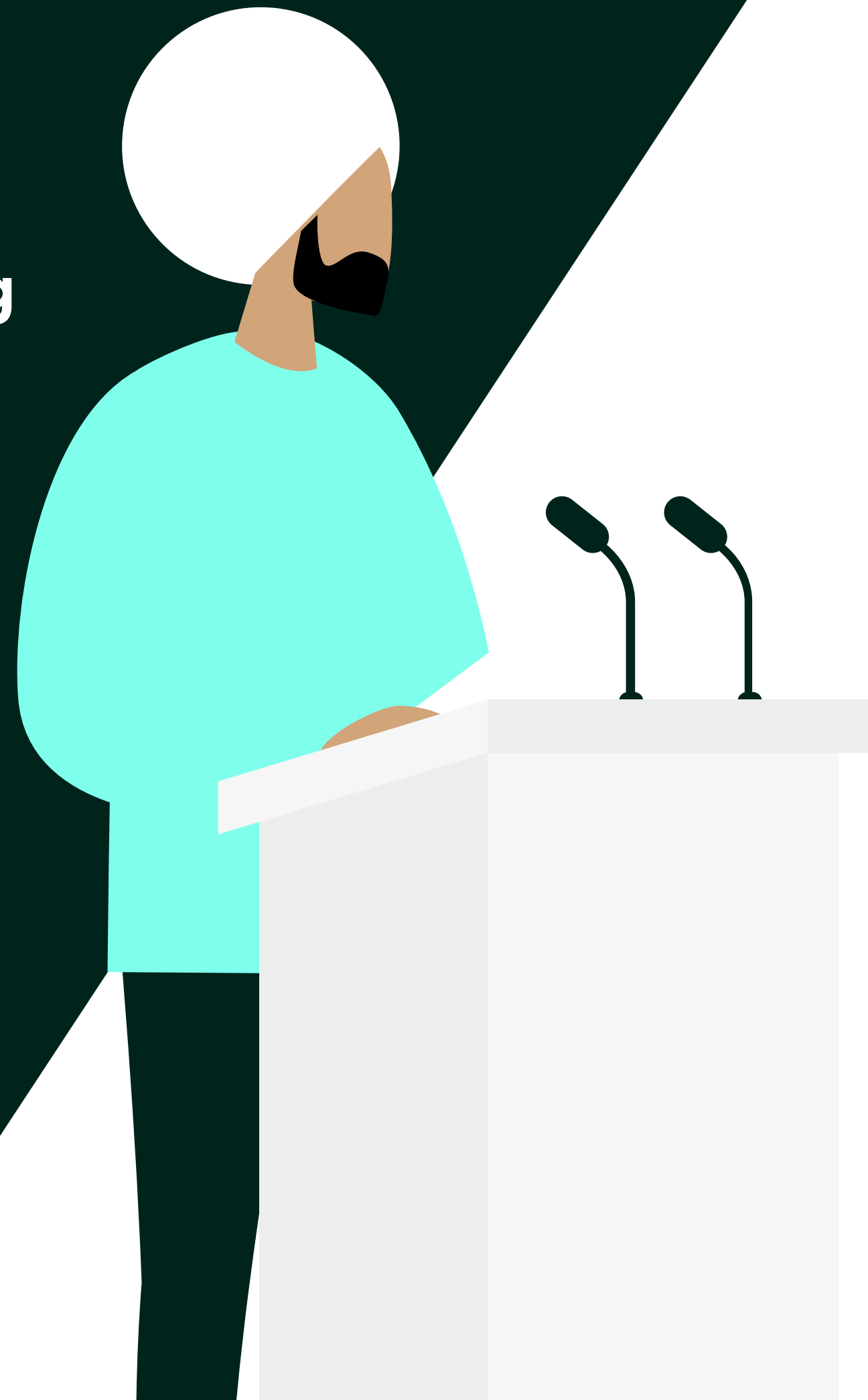
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Purpose in 2021

This report focuses not on temporal 'trends', but on the longer-term commitments businesses are starting to make to create value for their brands in a new world.

In 2021, we will see businesses place an even greater emphasis on the need to balance their drive for profit with the need to do good.

The aim of this report is to help inspire businesses to make an even greater commitment to Purpose, with clear strategic recommendations on how business leaders can make Purpose a priority.



The evolution of Purpose

Anita Roddick, founder of the Body Shop, offered advice to anyone who wanted to change the world for the better to

**“get informed,
get outraged,
get inspired
and get active.”**

With this in mind, we can view key moments in the evolution of 'Purpose' - since the term was first introduced in the mid 2000's as;

2000s

|
Informed

2010s

|
Outraged

2020s

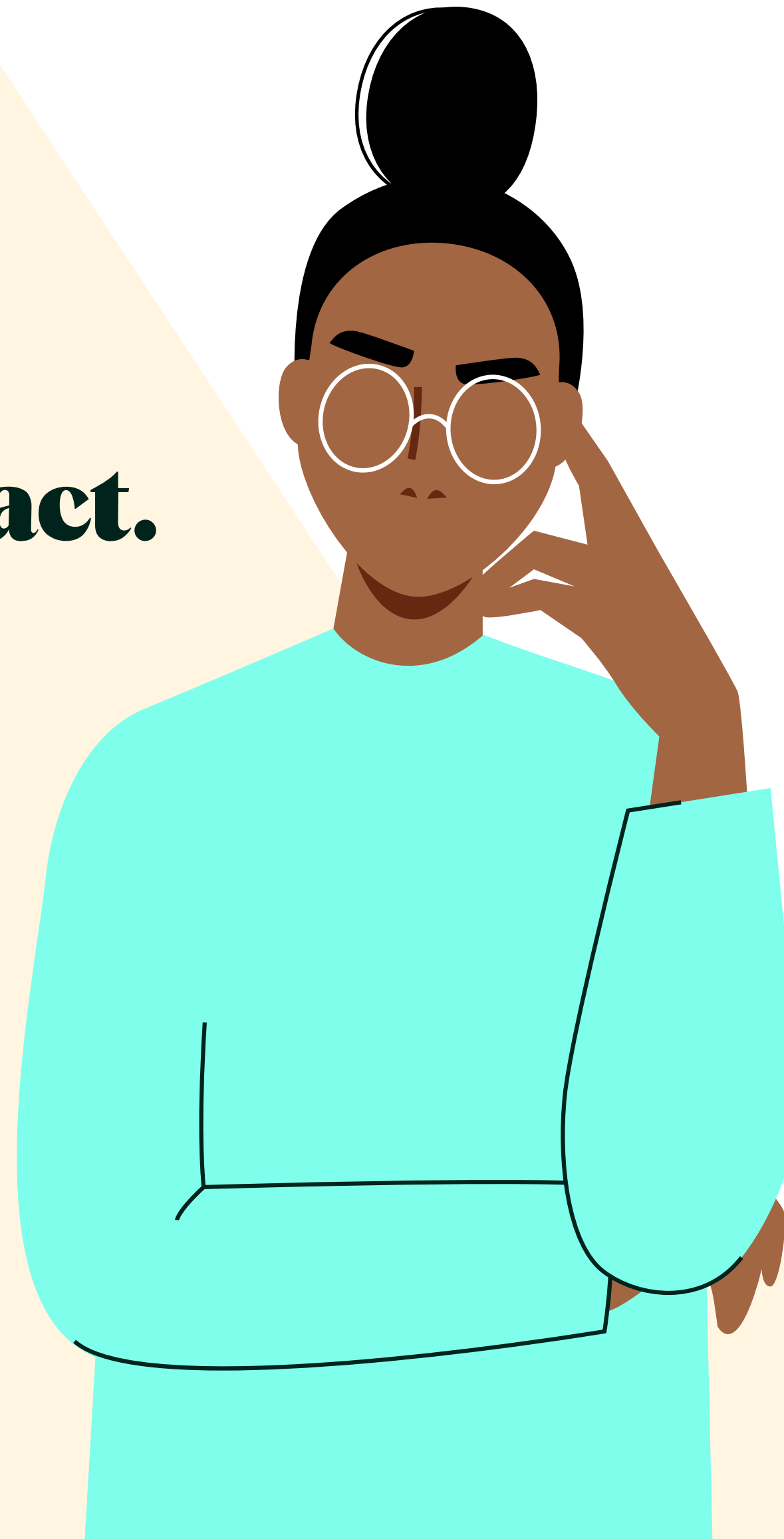
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Inspired & Active

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It is clear that we've now entered the decade where business leaders and brand owners feel inspired and ready to act.

Purpose is a phenomenon that has always been driven by people - not businesses, brands or government. And its influence will significantly deepen and extend throughout the '20s to the point that no business will be able to succeed without demonstrating the positive impact it is having on society and the environment.

It will be a key consideration in the life choices people make; where they work, how hard they work and whether they will stay. It will determine where people place their pensions and where fund managers invest. It will be an even greater influence on who we vote for, the house we buy, the cars we drive, the clothes we wear and the food we eat.



Brands and businesses will need Purpose-driven answers to two fundamental questions:

- 1. Who are you creating value for?**
- 2. How are you creating value?**

Brands and businesses must provide clear answers if they are to remain relevant and commercially successful.

Globally, **94%** of consumers said it is important that the companies they engage with have a strong Purpose, and **83%** said companies should only earn a profit if they also deliver a positive impact (Kantar, 2020).

Consumers are **4x** more likely to purchase from a brand with a strong Purpose (Zeno, 2020).

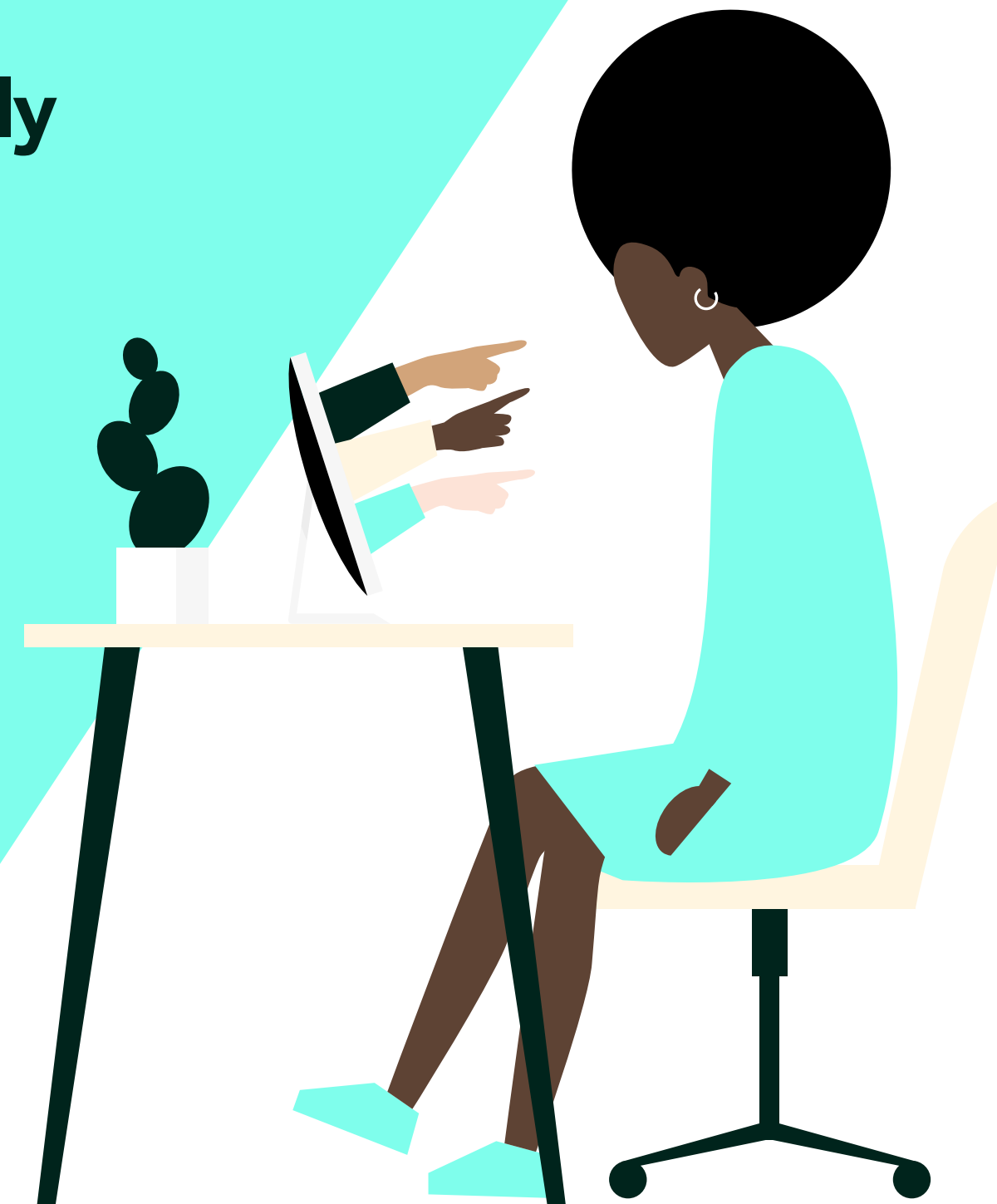
Global brands such as Ben & Jerry's are committing to 'linked prosperity' for anyone connected to the business – "suppliers, employees, farmers, franchisees, customers and neighbours alike".

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1. Attribution

The time for complacency is well and truly over. Damage caused to society and the environment will be attributed to specific brands, and businesses will be held to account globally as well as locally.

It will no longer be enough to just 'tick the box' of regulation or legislation. Businesses will be expected to go much further. Greater emphasis will be placed on ensuring brands take responsibility for the direct impact their products and services have on people and the planet. Wherever they are having an impact.



Break Free From Plastic

has named and shamed Coca-Cola as the world's number 1 plastic polluter in 2020 and have demanded they sort out the mess their products are making.

3 in 4

consumers have taken an action in response to a brand doing something they disagreed with, including no longer buying from the brand, switching to a competitor, or discouraging others from buying from or supporting that brand (Zeno, 2020).

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2. Authentic Value

In 2021, walking the talk will be business critical.

Brands and businesses that make purposeful claims but provide little evidence of tangible demonstration will be “hailed” out by their employees and customers. It is no longer good enough to simply reposition CSR as Purpose. Short term tactics will also be seen as paying lip service to Purpose.

Brands and businesses that demonstrate their commitment authentically will create the greatest value for their individual stakeholders, for wider society, for the business bottom line and their shareholders. They will attract and retain the best talent; they will receive more investment and they will be more resilient in unsettled times.



37%

Globally, only 37% of consumers believe companies today have a clear and strong Purpose (Zeno, 2020).

27%

Only 27% of US consumers can name a Purposeful brand (Purpose Power Index, 2020).

26%

A Deutsche Bank report revealed that companies that experienced positive press regarding climate change saw share outperformance of 26%.

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3. Mission led

The '20s will see a massive growth in brands and businesses not just reducing the harm they cause, but also developing solutions to reverse the damage caused to the planet and society - whether by their own business activities or not.

They will tackle challenges that governments and NGOs simply do not have the muscle or reach to address. They will not do this alone, however. They will form partnerships with experts, beneficiaries, and communities. Brands and businesses will be key drivers of this much-needed change as their future growth depends on it.



BrewDog

“Our carbon, our problem. So, we are going to fix it ourselves.”

James Watt, BrewDog founder

Despite losing 70% of its revenue during lockdown, BrewDog is investing £30million in sustainability efforts. It will become the first carbon negative beer brand, with plans to remove twice as much carbon from the atmosphere as it produces.

Droppps

“Prevention is the cure to the world’s single use plastic-pollution crisis.”

Jonathan Propper, Droppps founder & CEO

Droppps are cleaning products helping turn the tide against toxic pollution, plastic waste, and animal cruelty.

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4. Longer term and integrated

We are not going to solve the social and environmental challenges within a business cycle of 1-3 years.

Consequently, we will see businesses making longer-term commitments. For example, 10-year plus Purpose targets. In this way, they will move away from short-term, less effective tactical initiatives. We will also see more and more businesses integrate their Purpose into their commercial strategy, influencing all decisions, not just their social and environmental initiatives.



Unilever

Unilever are committed to reducing environmental impact by half by 2030. (Unilever Sustainable Living Plan).

IKEA

"We are committed to designing all of our products to be 100% circular from the beginning, using only renewable or recycled materials, and to developing circular capabilities in our supply chain. Our ambition is to be 100% circular by 2030."

Consumer research

Brands recognised for high commitment to Purpose have grown at a rate of over double their competitors. (Kantar, 2020).

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5. Acceleration

Whilst the great rebalance of power, wealth, influence, representation, and the environment has already begun, it is widely accepted that it is not happening fast enough.

In 2021, we will see the pace of change accelerate significantly with brands and businesses being the driving force in realising the vision of a more equitable and sustainable world that all stakeholders share.



patagonia®

“There should be no excuse. The reality is that all businesses must work out how to prioritise the health of the planet within their business model.”

Alex Weller

Patagonia's European Marketing Director

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6. Specificity

In 2021, we will witness more brands focussing on very specific and relevant social or environmental issues and committing to a longer-term, sustainable impact.

This is in stark contrast to the current approach many businesses have taken i.e. making broad sweeping social and environmental commitments with tactical initiatives that have little measurable long-term impact.



Nike

Nike is committed to “inspiring the next generation of female athletes.”

Quorn

Quorn is committed to tackling food poverty in the most deprived communities in the countries they operate in.

Tony’s Chocolonely

Tony’s Chocolonely’s mission is to make “100% slave free the norm in chocolate.”

The LEGO Foundation

The LEGO Foundation aims to build a future in which learning through play empowers children to become creative, engaged, lifelong learners.

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Time to act

The '20s will be the decade when we see not just the commitment but the evidence of brands and businesses taking a leading role in rebalancing the world to be more equitable, inclusive and sustainable.

Rebalancing the world is full of opportunity and challenge, but it will have a profound impact on the quality of life for us all, not just the most deprived, marginalised and disenfranchised in society.

The 20's are set to become the decade where brand leaders have to act or risk their brands becoming irrelevant.



Distil

The social and environmental challenges we face are vast and complex. Brands should focus on those issues that are most relevant to their business and those in which they are in the best position to have an impact. The first step should be to conduct an impact audit to identify where they can authentically have a measurable impact on a specific issue that is relevant to their brand.

Learn

Collaborate with the beneficiaries and communities as well as experts and organisations to gain a deeper understanding of your brand's role in solving the specific social or environmental issue you wish to tackle. These stakeholders will not only help you to co-create the best solution and approach but will also be your partners in delivering your Purpose strategy.

Act

Do not be afraid to start somewhere. Parallel-track actions and plans if necessary. Clearly define your Purpose. Focus and learn incrementally. The most important thing is that you demonstrate that you are committed to living your authentic Purpose and not just claiming it.

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Find out more.

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