

Purpose Power Summit 2021

How the Pandemic Changed
Brand Purpose as We Know It

REVEALING THE **PURPOSE** POWER INDEX

Inc.
JUNE 2021



strawberryfrog



RepTrak

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What We'll Cover



**Background
& Method**



**How to Be Seen
as a Purpose
Leader**



**A Transformed
Purpose
Brandscape**



Implications



Paths to Purpose

Why Study Brand Purpose?

- **#1 topic on the mind of leaders**
- **Aligns all stakeholders**
- **Important to employees**
- **Important to customers**
- **Can drive big financial return**



But from a consumer standpoint, not well understood

First Empirically Proven Method to Measure Purpose

The first wave of the study was published in 2019 by RepTrak and StrawberryFrog.

PPI 2021 is the second wave of the research and **will reveal changes in how Americans see brands during tumultuous times.**

Unique Respondents	6,500+
Individual Ratings	20,500+
Brand Entities	200+
Stakeholder	Us Gen Pop
Timing	January 2021

Study Objectives

Purpose Power Index

- Learn which companies/brands the public sees as purpose driven
- Understand why these brands are seen as purpose driven
- Learn what leading purpose brands do differently
- Uncover practical insights for business leaders on connecting with stakeholders via purpose.



≡ In times of crisis:

The link between
reputation and purpose
grows stronger

Purpose : Reputation R^2 2019= 0.75
2021 = 0.88

Elements of Purpose Power®

Purpose Power Index®

Beyond Profits

Has a higher purpose that's bigger than just making money

Improving Lives

Improves the lives of people and their communities

Better Society

Does things to not just benefit shareholders, employees, or customers, but society as a whole

Better World

Is committed to changing the world for the better

What a Difference a Year Makes

PPI
Wave I : Q4
2019

PPI
Wave II : Q1
2021

— — — PPI 2021: What's Changed

Of the Top 100 Purpose Brands

Nearly 1/3

are new

Of the Top 20 Purpose Brands

Over 50%

are new

2021 Purpose Power 100

1	Seventh Generation	2	TOMS	3	SpaceX	4	Glaxo Smith Klinex	5	AbbVie	6	Kimberly-Clark	7	Allbirds	8	3M	9	Tesla	10	Genentech
11	The Clorox Company	12	USAA	13	Stonyfield Organic	14	Intel	15	LG Group	16	REI	17	Zoom	18	Kellogg's	19	Vermont Creamery	20	Etsy
21	Whole Foods	22	SAP	23	Ericsson	24	Adidas	25	Burt's Bees	26	General Mills	27	Ben & Jerry's	28	Danone	29	Novo Nordisk	30	The Hershey Company
31	Lego	32	Campbell Soup Company	33	Caterpillar	34	Microsoft	35	McCormick & Company	36	Oracle	37	Patagonia	38	Method	39	Bayer	40	Walgreen Boots Alliance
41	Roche	42	UPS	43	Georgia -Pacific	44	SC Johnson	45	Whirlpool	46	Wegmans	47	IKEA	48	Honeywell	49	Pfizer	50	Eli Lilly & Co
51	P&G	52	Toyota	53	The North Face Company	54	Adobe Systems	55	Panera Bread	56	Spotify	57	The Body Shop	58	Google	59	Chick-fil-A	60	Dell
61	FedEx	62	Ferrero	63	LinkedIn	64	Hobby Lobby	65	CVS	66	IBM	67	Truist	68	Sharp	69	Warby Parker	70	Target
71	Total	72	Colgate- Palmolive	73	Bosch	74	Zappos	75	Salesforce	76	SunTrust	77	Pirelli	78	Goodyear	79	Samsung	80	Bridgestone
81	Lands' End	82	Cisco	83	GE	84	Glossier	85	PayPal	86	Starbucks	87	UnitedHealth Group	88	Frito-Lay	89	Chevrolet Limited	90	Nationwide
91	Ralph Lauren	92	Unilever	93	Eileen Fisher	94	Bristol-Myers Squibb	95	HP	96	Marriott	97	Fujitsu	98	Kraft Heinz	99	Lyft	100	The Container Store

Source: 2021 PPI



PPI 2019: “Social Good” Brands Dominated

PPI 2019: Top 20 Purpose Brands

1. Seventh Generation
2. TOMS
3. Method
4. REI
5. Wegmans
6. Stonyfield Organic
7. USAA
8. Allbirds
9. Chick-fil-A
10. Ben & Jerry's
11. The North Face
12. Kellogg's
13. UPS
14. Etsy
15. Burt's Bees
16. Microsoft
17. Hobby Lobby
18. Warby Parker
19. Canon
20. Kimberly-Clark





PPI 2021: A New, More Diverse Crop of Leaders Emerged

PPI 2021: Top 20 Purpose Brands

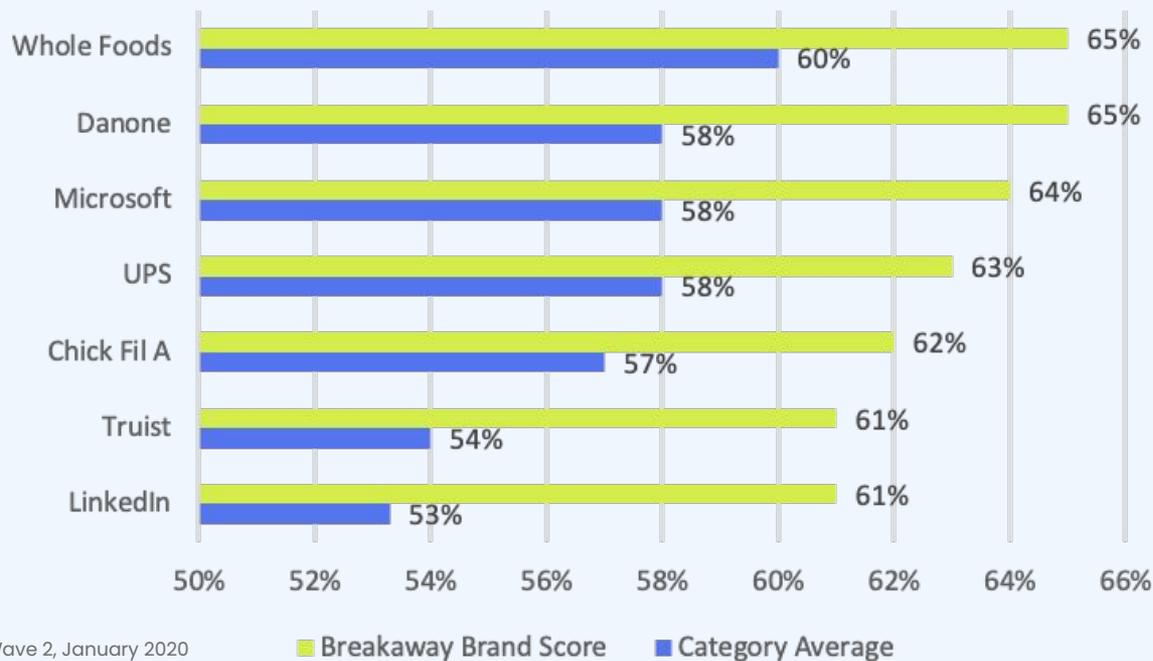
1. Seventh Generation
2. TOMS
3. **SpaceX**
4. **GSK**
5. **Abbvie**
6. **Kimberly Clark**
7. Allbirds
8. **3M**
9. **Tesla**
10. **Genentech**
11. **Clorox**
12. USAA
13. Stonyfield Organic
14. **Intel**
15. **LG Corp**
16. REI
17. **Zoom**
18. Kellogg's
19. Vermont Creamery
20. Etsy



 = New to top 20

Honorable Mentions: “Breakaway Brands”

- It’s simply harder to be seen as a purpose driven brand in some categories, e.g., banking, energy.
- While these brands didn’t break into the top twenty, they significantly outperformed their categories.



2021 New Purpose Leaders: Bold Innovators

SpaceX 2019: NA
2021: #3

How Elon Musk's SpaceX made NASA cool again



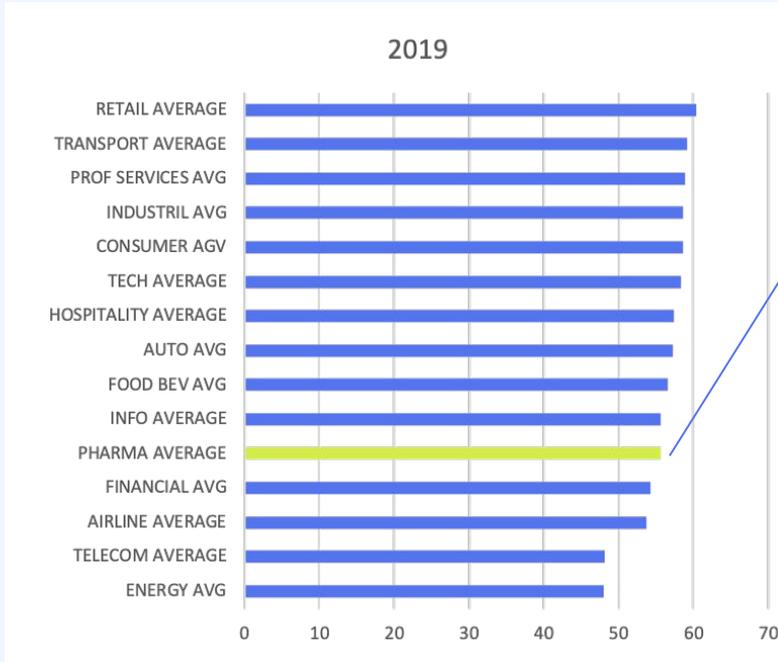
TESLA 2019: #22
2021: #9



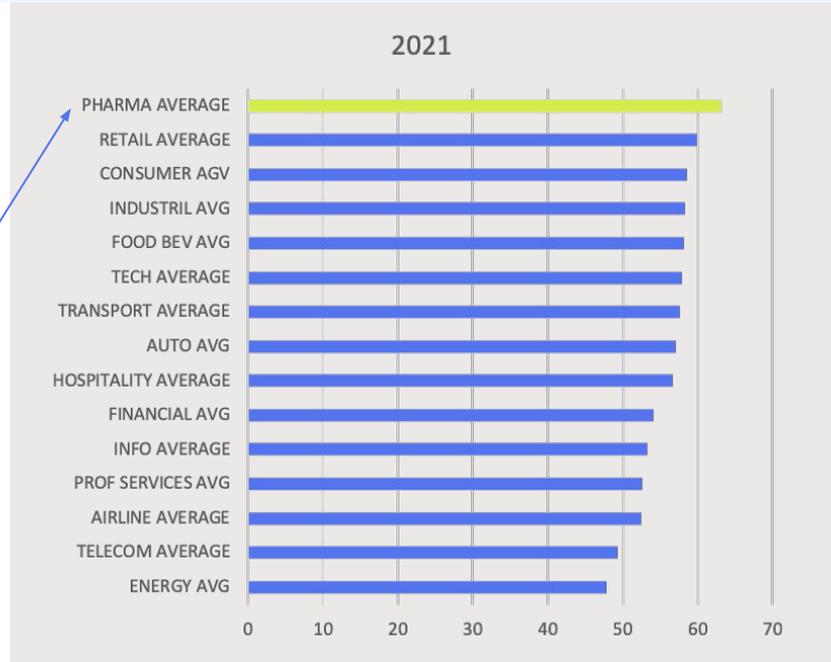


2021 New Purpose Leaders: Big Pharma

Industry Average PPI Score



Industry Average PPI Score



2021 New Purpose Leaders: Big Pharma



2019: #160
2021: #4

Bloomberg

Glaxo to Make 1 Billion Doses of Pandemic Vaccine Booster



A production facility of the French pharmaceutical company Sanofi in Val-de-Reuil, France. Joel Saget/Agence France-Presse — Getty Images

Pfizer 2019: #188
2021: #49



'Great day for humanity': Pfizer says COVID-19 vaccine over 90% effective



2021 New Purpose Leaders: Essential Brands

CLOROX

2019: #38
2021: #11

Clorox posted its highest sales growth in 'modern history' last fiscal year, CEO says

PUBLISHED MON, AUG 3 2020 6:41 PM EDT



3M

2019: #52
2021: #8



Kimberly Clark

2019: #20
2021: #6

WPR - CORONAVIRUS IN WISCONSIN



Jesus Padron wears a protective mask as he stocks shelves with toilet paper at the Presidente Supermarket during the new coronavirus pandemic, Tuesday, April 21, 2020, in Hialeah, Fla. All employees are required to wear masks which are provided by the company. Lynne Slatky/AP Photo

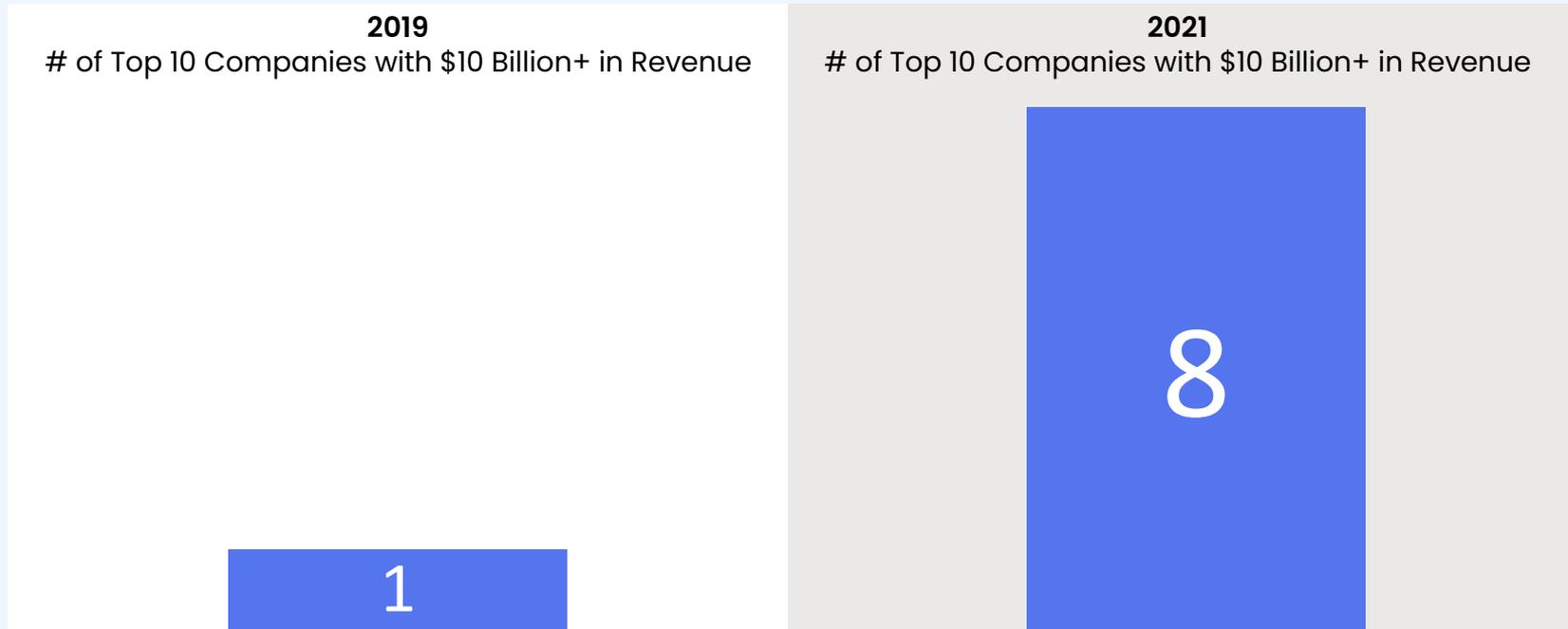
Kimberly-Clark Boosts Production To Meet Demand During Coronavirus Pandemic

CEO: Sales of Household Products Up 13 Percent From Same Time Last Year

By Brady Carlson

Published: Wednesday, April 22, 2020, 4:00pm

Industry Giants Got More Credit for Purpose in 2021

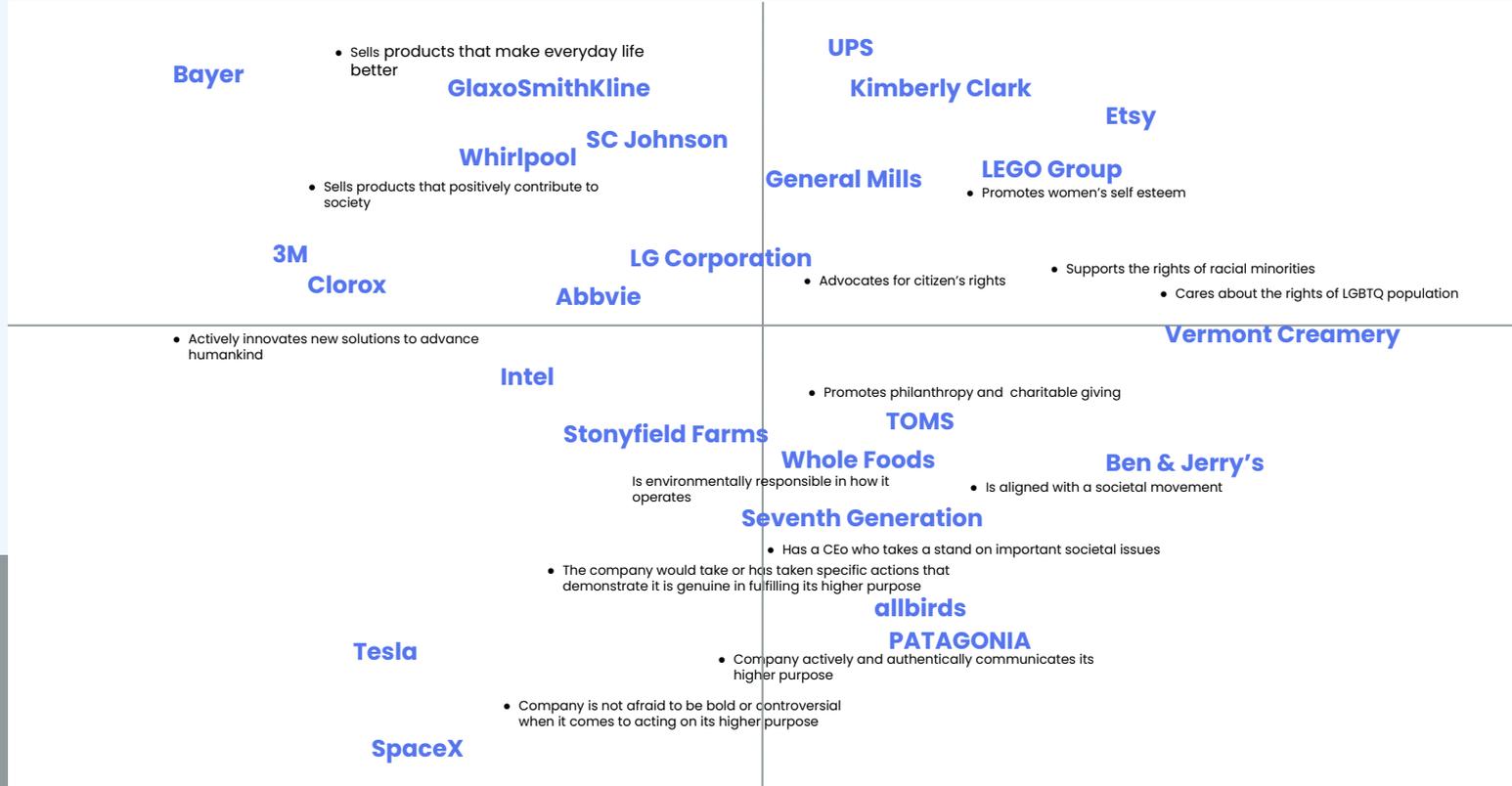




Broadened Beyond Just “Social Good”

The events of 2020 amplified the inextricable link between social good and the role of product in society

PRACTICAL



SOCIAL
CONSCIOUS

BOLD



Paths to Purpose

What Drives Purpose Perception?

What we did: The public rated all the brands on a wide range of activation related attributes

We then did statistical analysis to understand how these work together to drive perceptions of purpose

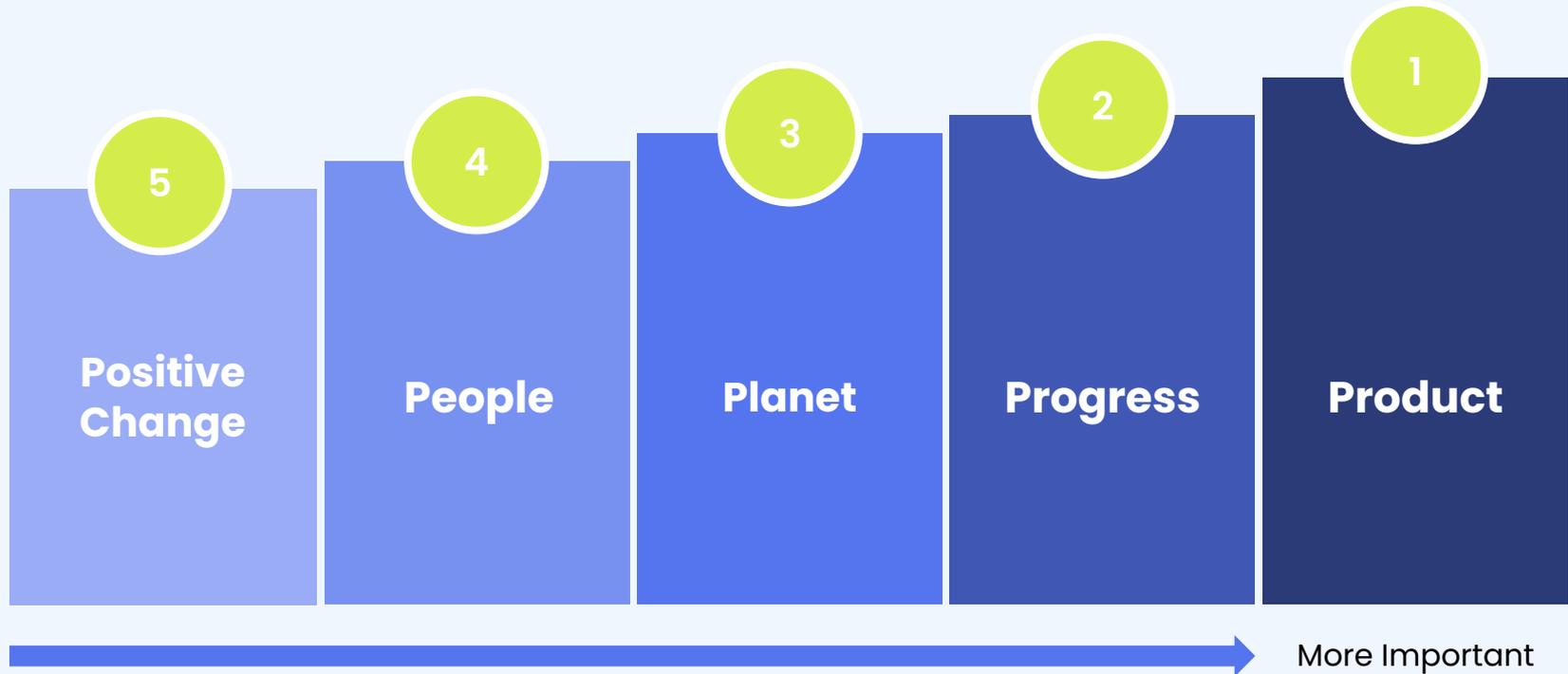
Purpose Attributes

20+

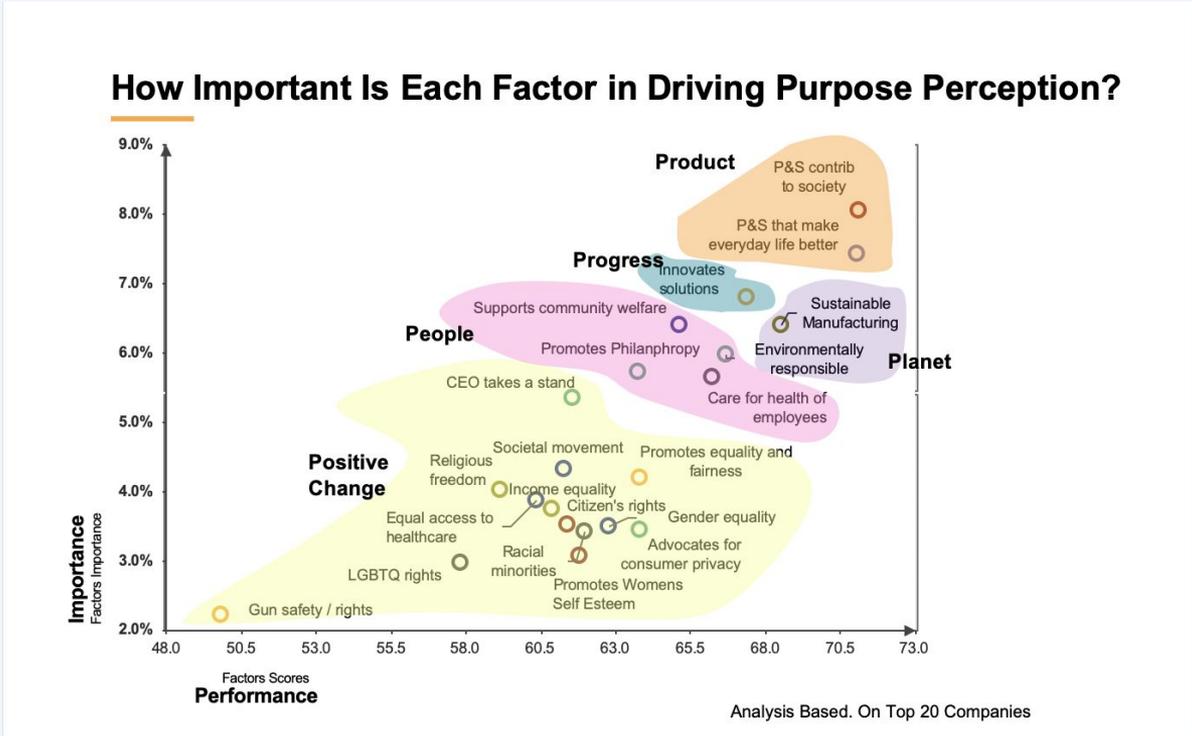
Drivers of Purpose

5

5 P's of Purpose Activation



Factor Importance



Source: StrawberryFrog and RepTrak: Purpose Power Index, Wave 2, January 2020

#5 Driver: Positive Change

Social Justice

- Care about LGBT rights
- Promotes gender equality
- Supports the rights of racial minorities
- Promotes women's self-esteem

Social Activism

- Is aligned with a societal movement
- Has a CEO who takes a stand on important social issues



— #5 Driver: Positive Change

— Spotlight: **Patagonia**

Wearing Purpose on Their...Tag

Patagonia's Purpose:

We're in business to save our home planet.

50 days prior to the 2020 election, Patagonia added a new tag in their men's Regenerative Organic Stand Up Shorts. The garment was first made in 1973, about the same time they began standing for climate deniers.



#4 Driver: People

- Care for the health and wellbeing of employees
- Supports the communities it serves
- Promotes philanthropy & charitable giving



#4 Driver: People

Spotlight: Chick-fil-A

A Warm Meal With a Side of Humanity

Purpose:

To glorify God by being a faithful steward of all that is entrusted to us and to have a positive influence on all who come into contact with Chick-fil-A.

The brand took swift action during covid to protect their employees and community: from immediately shutting down business to even using their drive-thru excellence to help distribute vaccinations to the community.

May 28, 2021, 09:46am EDT | 38,666 views

Chick-fil-A Vice President Rodney Bullard: “If You Want To Change The World, Start With The Person Three Feet Away”



Don Yaeger Senior Contributor

Leadership Strategy

I study high performers in sports for lessons in business leadership.

Follow



Rodney Bullard, Chick-fil-A Vice President of Corporate Social Responsibility, speaks at Brand ... [+]

GETTY IMAGES FOR BRAND INNOVATOR

#3 Driver: Planet

Makes products & services sustainably & environmentally responsible in how it operates



method.

#2 Driver: Planet

Spotlight: **Lego**

From Plastic to Anything But

Purpose: Inspire and develop the builders of tomorrow.

\$400 million investment to accelerate environmental and social responsibility initiatives:

By 2025 all packaging will be made efficiently from renewable or recycled materials and easier to recycle

2030 to make all core LEGO products from sustainable materials by 2030.



HOME NEWS REVIEWS BUILDS FEATURES BUY LEGO SETS TOP 20 SETS LEGO STOCK ALERTS



News

The LEGO Group to invest \$400 million in sustainability drive

15/09/2020 Graham

#2 Driver: Progress

Actively innovates solutions to
advance mankind



#3 Driver: Progress

Spotlight: **SpaceX**

Changing the World

SpaceX Purpose:

Making Humanity Multiplanetary

During a year of stagnation, SpaceX reminded us that at our core, America is about progress, even naming a spacecraft "Resilience."

Source: StrawberryFrog and RepTrak: Purpose Power Index, Wave 2, January 2020

The New York Times

SpaceX Makes First Nighttime Splashdown With Astronauts Since 1968

Crew-1, which launched to the space station in November, left the space station in the capsule called Resilience.



SpaceX
@SpaceX



Splashdown of Dragon confirmed – welcome back to Earth, [@AstroVicGlover](#), [@Astro_illini](#), Shannon Walker, and [@Astro_Soichi](#)!



3:00 AM · May 2, 2021



♡ 70.8K 💬 4.5K 🔗 Copy link to Tweet

#1 Driver: Product

Products & services that make
everyday life better
Products & services that
positively contribute to society

WARBY PARKER



Etsy



seventh^o
generation™

— #1 Driver: Product

Spotlight: Unilever

Changing the World One Product at a Time

Purpose: To make sustainable living commonplace.

“Before the Covid-19 crisis, it was already clear that the current capitalist model is in need of repair. **Globalization and capitalism are good for a business like ours, but globalization and capitalism at the expense of people and the planet are not.** – CEO, Alan Jope

FASTCOMPANY

04-21-21 | WORLD CHANGING IDEAS

Now you can wash your clothes with recycled carbon emissions

Unilever's latest laundry capsule is made from CO2 taken from a Chinese steel mill.



[Image: courtesy Unilever]



How to Be Seen as a Purpose Leader (And Not a Purpose-Washer)



4 Principles

Claiming to be a purpose driven company but ignoring these four principles can lead to being seen as disingenuous and a “purpose washer.”

1

Clarity

People understand your company's purpose

2

Action

Brand purpose is activated in meaningful ways, creating true impact.

3

Societal Stand

Your company's purpose helps the world, not just you or your customers or shareholders

4

Story

The totality of what people know about your company fits with its purpose—there are no 'holes' in your purpose story.

Clarity

Simply having an understanding of the brand's purpose is the initial barrier for most companies.

"I have a clear understanding of this brand's purpose."

All Brands

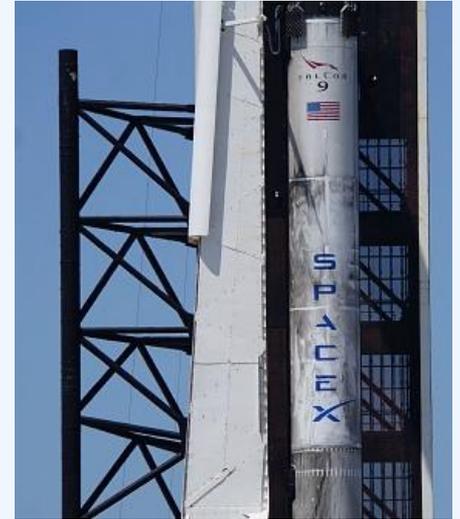
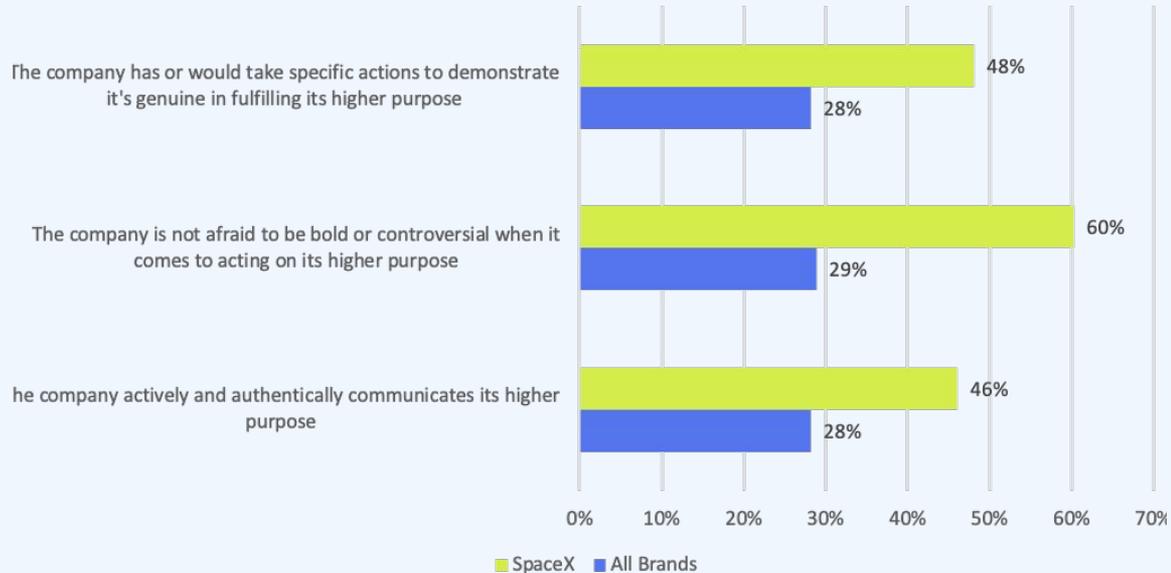
29%

Top 10 Brands

42%

Activation

Our top-scoring brands like SpaceX are seen as acting and communicating courageously around their purpose.



— — — — Societal Stand

Top purpose brands are recognized for helping make not just shareholders or customers happy, but for contributing to important issues facing the world at large, several are associated with a movement

2021 Top Purpose Brands

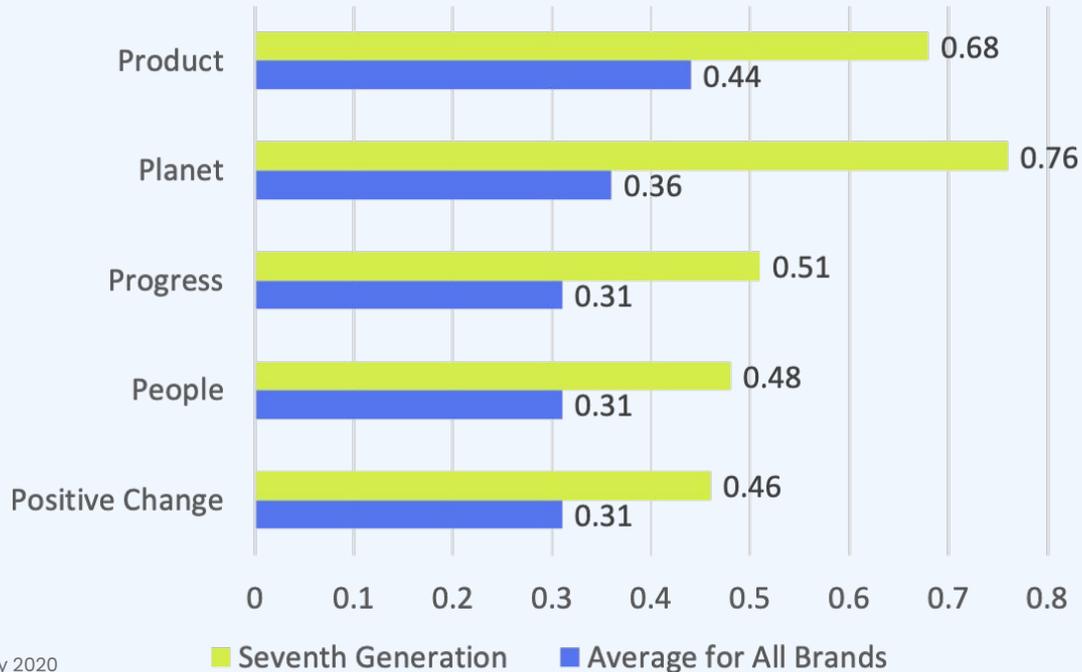
Seventh Generation — Sustainability movement
TOMS — Anti poverty movement
SpaceX — The space movement
GSK — Pandemic aide
Abbvie — Pandemic aide
Kimberly-Clark — Pandemic aide
Allbirds — Environmental movement
Tesla — Sustainability movement
Clorox — A cleaner world

To consumers, purpose is not simply
a “why” statement.

It is a narrative in their minds about
your entire company and how it operates
and lives in the world.

Story

Top Purpose Leaders like Seventh Generation perform well on all 5 Ps – not just one or two



Source: StrawberryFrog and RepTrak:
Purpose Power Index, Wave 2, January 2020

A Complete Story: Seventh Generation's 5 "Ps"

1. Product



Every product enables consumers to live sustainably

2. Planet



Smaller, 100% biodegradable packing

3. Progress



Innovative detergent using recycled carbon emissions

4. People



Unite people to "make the world a healthier place"

5. Positive Change



Taking a stand on societal issues

So what did we learn about Brand Purpose in 2021?



Products Saved the Day

Unprecedented times called for purpose beyond social activism.

People valued practical help in a time of crisis.

They wanted products and services that make the world better.



There is an inextricable link between purpose and product



Innovation Gave Hope

Pharma and PPE innovations literally saved lives in the face of an unprecedented Pandemic.

People valued other innovative progress, such as reigniting our space program, as a way of finding something to look forward to.



Innovation can be a significant driver of purpose



A Broader Landscape

Don't have to be "purpose born."

Huge, traditional corporations can be seen as purposeful.

Former brand "villains" (e.g., big Pharma) can do a 360.



More brands of different kinds seen as purposeful



Purpose Shifts Quickly

Most brand equity measures change slowly – apparently not purpose.

Can pandemic gains be easily erased as culture shifts again?



Purpose is highly culturally sensitive

Thank You