

December 2022

Purpose Trends

A look ahead to 2023

Why Purpose Matters

Purpose: an organization and brand's aspirational reason-for-being. At its most powerful expression it becomes a unifying and inspiring force among business leaders, employees, customers and communities.

THE PURPOSE
COLLABORATIVE

Companies and brands with a clear and compelling purpose perform better.



Purpose has proven an essential value creator across KPIs:

- ✓ Revenues
- ✓ Productivity
- ✓ Innovation
- ✓ Employee retention
- ✓ Customer loyalty
- ✓ Community support
- ✓ Reputation

Purpose at Reputation Leaders

At Reputation Leaders research, we help brands to find the optimal intersection of their brand and social purpose for greater business and social impact.

We are passionate about business as a force for good, believing that profit and purpose can co-exist by aligning brand purpose with responsibility towards the environment, society and corporate citizenship.

Purpose: a look ahead to 2023

This Purpose 2023 trends report is based on:

- **Our collective experience over the last 12 months offering counsel to clients on Purpose, ESG, brand positioning and messaging**
- **Our secondary research and media analysis**
- **Our proprietary US research poll, conducted in November 2022**



Reputation Leaders
Purpose Poll*

Looking ahead to 2023

Our recent consumer pulse survey amongst 500 US citizens revealed some fascinating insights about how consumers view brand Purpose, their expectations when it comes to ESG, and where they would like to see brands focus their Purpose in 2023

*Based on an online survey of 500 US Citizens from November 7-9, 2022. Data weighted to US Nat Rep by age, gender and region

*See Demographics for full breakdown of audience

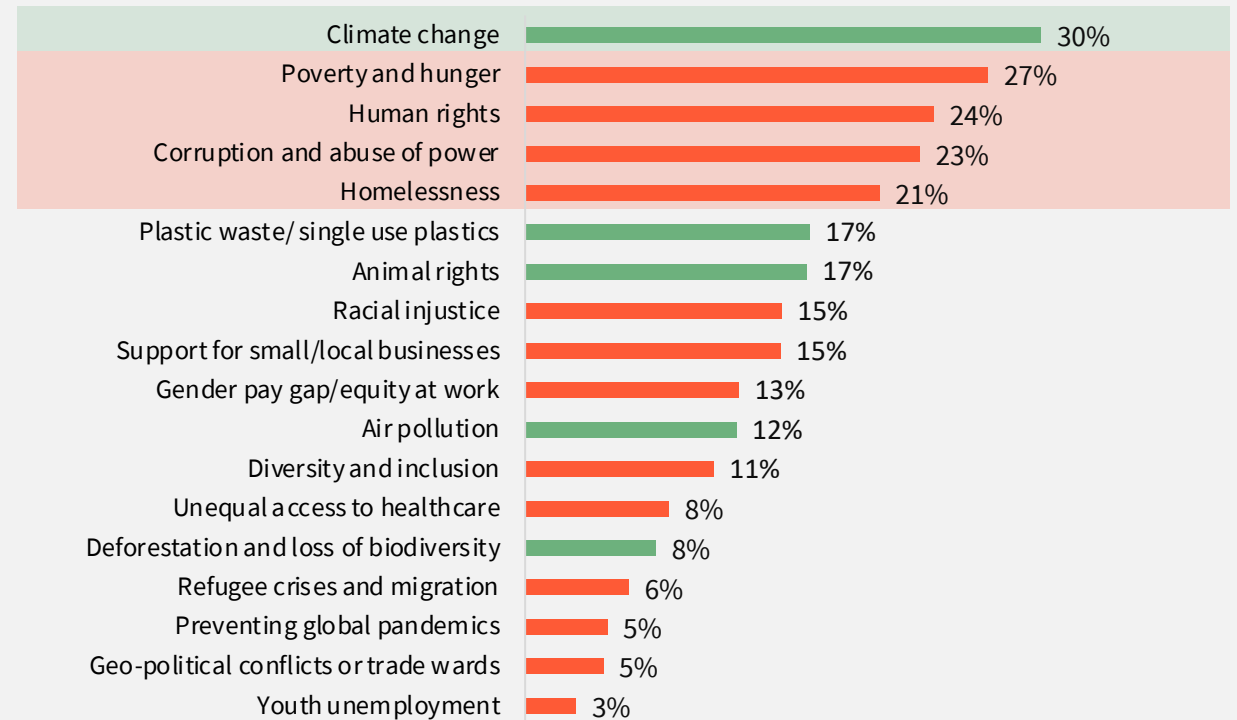
Purpose Trend Predictions for 2023:

The Rise of Social Purpose

Citizens' Purpose Priorities for 2023: Top of the list is climate change (unsurprising)

But climate change only marginally ahead of a group of social & people focused issues such as Poverty and hunger, Human rights, Corruption and abuse of power, Homelessness

As we move towards 2023, what are the most important issues you would like to see organizations "get behind" and support next year?



*Based on an online survey of 500 US Citizens; data weighted to US Nat Rep by age, gender and region | Q: As we move towards 2023, what are the most important issues you would like to see organizations "get behind" and support next year?

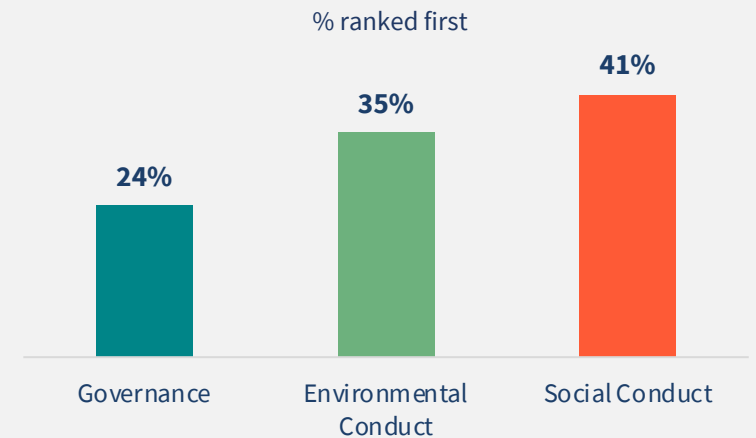
Purpose Trend Predictions for 2023: The Rise of Social Purpose

Social in ESG is rising and we predict will eclipse **Environment** for 2023

In an increasingly uncertain world, citizens express their concerns not only for their own cost-of-living struggles but for humanity, as conflicts and natural disasters push social concerns into sharper focus

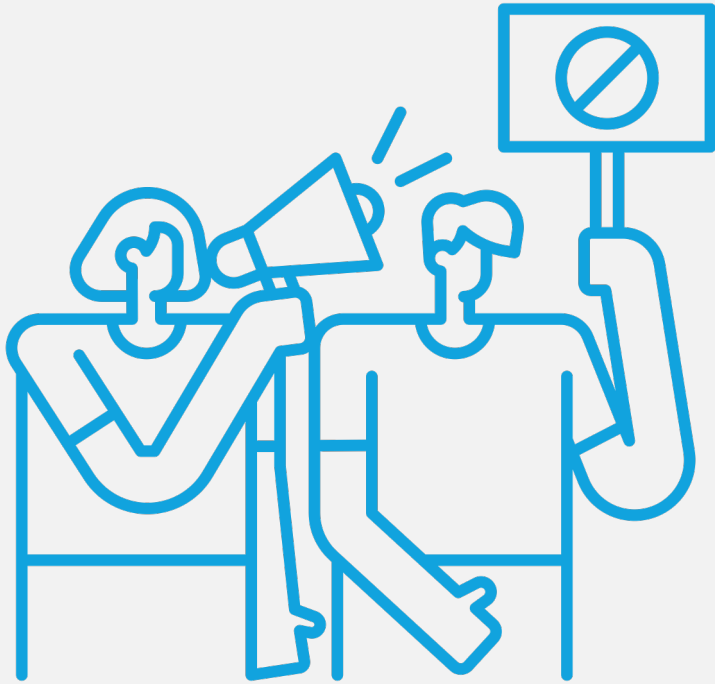
Importance of ESG Factors:

Social Conduct ranked first in ESG by more citizens than Environmental Conduct or Governance



*Based on an online survey of 500 US Citizens; data weighted to US Nat Rep by age, gender and region.

Q: Thinking about the way a business or organization conducts itself, please rank the following ESG factors in order of how important they are to you as a citizen



Ruth Harper

Chief Sustainability Officer
ManpowerGroup



Positive climate action and stronger social impact are becoming non-negotiables for individuals and organizations

We need a ‘science-based target approach’ to Social reporting, too



Our Purpose Trend Predictions for 2023



Climate change is an existential threat (and a long-term opportunity):

Gen Z and Millennials are as interested in a company's environmental credentials as the salaries they offer; a unifying force across generations



Consumers will continue to value companies who help them to be green

Planned obsolescence is rejected by a new generation of consumers looking for electronics which last, and new ways to reuse, recycle and refurbish



The rise of the Chief Sustainability Officer

The no. of companies with a CSO is doubling every 5 years and CSOs holding executive level positions tripled in the last 5 years



Procurement is up next on the frontline in sustainability credentials

Purchasing is the next dept required to prove carbon footprint, labour practices and diversity as the Purpose challenge pushes down the supply chain onto suppliers

2023 Trend Predictions Continued



Purpose as a consumer trade-off; cost of living vs consumer values

For many consumers, concerns around ESG are a luxury and squeezed income makes ESG credentials less important



Rise of small family businesses as a natural expression of Purpose values?

Family businesses are more committed to Purpose than corporates because it is embedded in the business's values and generational legacy



Linking Purpose to big events

Olympics and Paralympics in Paris 2024 are an opportunity for European brands to showcase everything they are doing



Brands stepping in to deal with economic consequences of natural disasters & crises

Indebted Governments are struggling to raise capacity and resources to handle the growing impact of natural disasters – we will see more brands stepping in

Purpose: A North Star

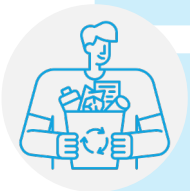
Purpose: A North Star in Uncertain Times



In a world of heightened uncertainty, **customers and employees are looking for reassurance**



The biggest challenge for any organisation is the say/ do gap; **it's not about your 2030 goals, people want to know what you are doing today**



Despite the economic downturn, **there is evidence that sustainability and purpose remain of high importance to both customers and employees**

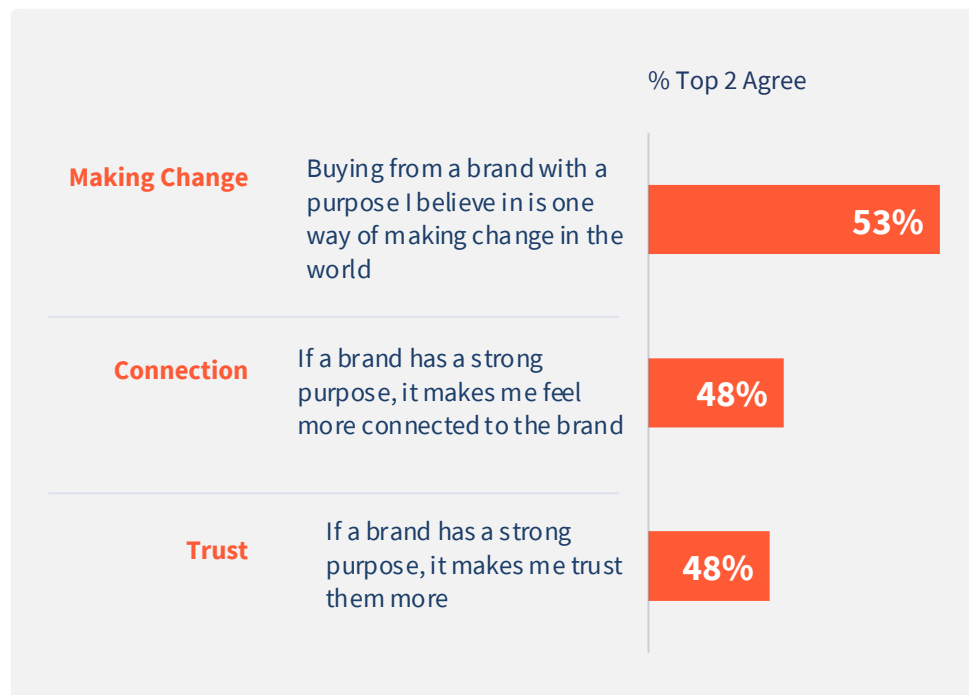


Purpose and Sustainability set to remain of high importance as living costs rise and reassurance is needed



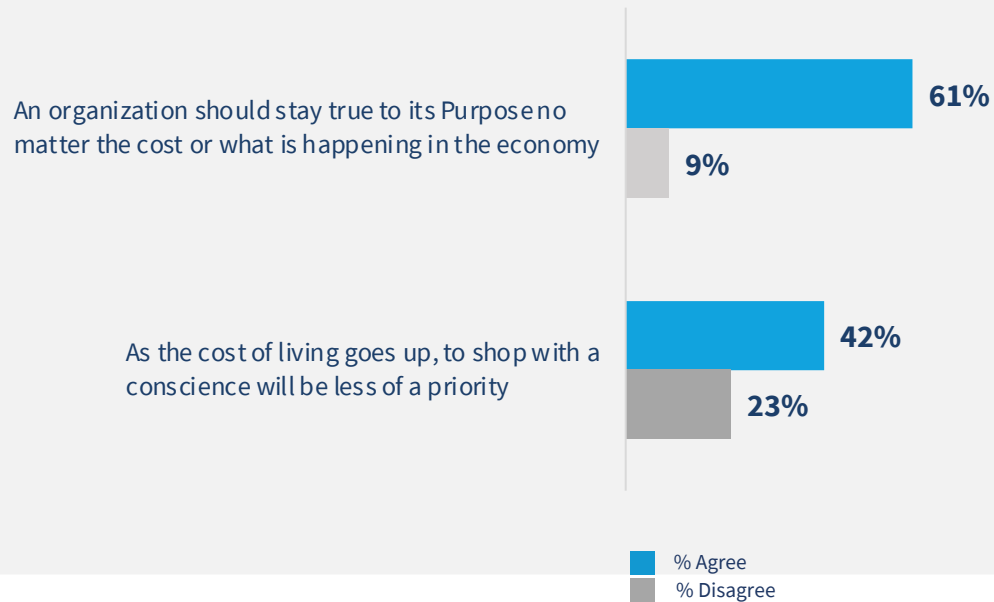
Emotional Benefits of Purpose

- In a world of heightened uncertainty, customers and employees are looking for a clear understanding of what companies stand for and will stand behind
- Seeing purpose as their way to do some good through their spending power; purpose brings emotional benefits of trust and connection to the brand-customer relationship



Purpose and Sustainability Continued

Despite the economic downturn, many consumers aim to hold true to their values



- While some (42%) predict a de-prioritization of 'shopping with a conscience' as the cost of living rises, **a fifth (23%) expect citizens to hold true to their values**
- **Well over half (61%) expect organisations to do the same**
- Purpose and sustainability remain of **high importance to both customers and employees**

Beware the say/do gap

A Purpose agenda is a great-to-have, but not yet a universal need-to-have:

These days, an organization has to have a commitment to Purpose to be taken seriously

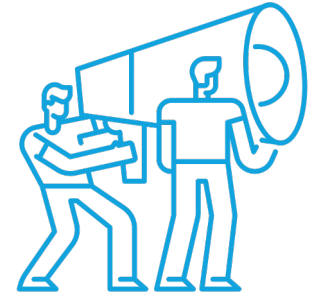
48%
Agree

19%
Disagree

and many, but not all would switch to a purpose-led product

60% of consumers would switch to a product offered by a company they regard as more purpose-led, but **33%** say it makes no difference

Citizens expect organizations to stick to their stated Purpose agenda



61%

Believe an organization should stay true to its Purpose no matter the cost or what is happening in the economy

60%

Believe it is better for an organization to focus on a few environmental or social areas where it can make real change

56%

Believe that when it comes to Purpose, brands 'do more talking than doing'

Consumers can be skeptical of purpose-washing; share your Purpose story and be clear on your motives and values

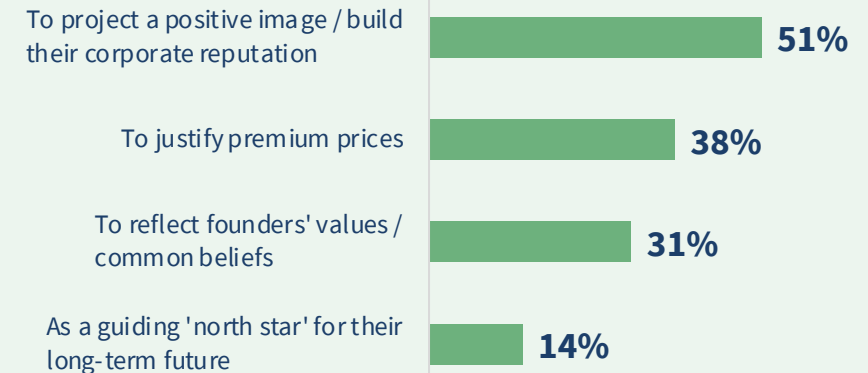
65%

Want to see proof before they believe an organization's ESG claims

43%

Think brands say they are **'Purpose as well as profit driven'** to be trendy/to attract investment/for purpose washing

Positive Perceptions of Agenda



Consumer skepticism

*Based on an online survey of 500 US Citizens; data weighted to US Nat Rep by age, gender and region

Purpose should be a long-term North Star



Laurence Evans
CEO, Reputation Leaders

“The question is not, 'can we afford our Purpose at the moment?' but 'is it right in the long term?’

And that is going to be **a real challenge in a world where so much emphasis is on short-term economics, uncertainty, and fear**

”

The Challenge: Purpose is not easy to do consistently

**Stay true to your Purpose
in a Cancel Culture**

**The path to Purpose
is often not clear**



The challenge is, many companies have put out 2030 goals, like 'net zero by 2030', but there is no path to it, and nothing to say 'this is how we are going to get there.' There is an industry which needs to be built up which explains to people how net zero goals will happen.

There is an increasing name and shame culture and many people are quick to call you out on social media. Some of it is justified, and some of it is just malicious. How do you navigate through vitriolic debates and keep your North Star intact? A CEO's job is not to be popular; your job is to ensure your organization fulfils its Purpose. Not everyone is going to agree with you.

Laurence Evans
CEO, Reputation Leaders



Our advice to clients:

Stick to your stated Purpose agenda



Stick to your commitments

Companies are producing sustainability reports which commit to many good things, but don't point to anything they are doing.

61%

Believe an organization should stay true to its Purpose no matter the cost or what is happening in the economy



Consumers want action now

Consumers think much more short term; they don't want you to offload the problem to 2030. They want to know what you are doing on climate change now.

56%

Believe that when it comes to Purpose brands **'do more talking than doing'**



Be transparent

Silence is not golden - if you say nothing, you may be distrusted anyway....but if you articulate your Purpose with passion and honesty, the public will at least give you credit for being transparent.

60%

Believe it is better for an organization to focus on a few environmental or social areas where it can make real change



Our advice to clients

Own your purpose: make it yours and make it obvious



Don't outsource your Purpose

Don't throw money at a non-profit to do the work for you; be proactive in purpose activation. Do what you can with the products and resources you have – take responsibility



Link your Purpose to your core product & your people

Link your Purpose agenda back your brand in a way that makes sense to your customers and employees; find ways to connect your products, people and purpose



Make your Purpose visible

Make your purpose work visible for maximum impact. Many companies are doing great things, but they are not shouting loud enough



Interested to hear more?

Contact laurence.evans@reputationleaders.ltd
Or visit our website at www.reputationleaders.ltd

Demographics: Who were the 500 US adults we surveyed?



51% Female

49% Male

