

legs

# The New Business Paradigm: *PURPOSE*

White Paper:

A Fundamental Aspect of Business, Culture & Branding in The Modern Era



A PURPOSE-DRIVEN  
BRANDING AGENCY



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For internal  
& external  
use

## 1. Overview

The world has changed & so has the way we perform business.

This is due to increasing demands of company transparency & ESG (environmental, societal & governance) responsibility that has been largely influenced by the public in recent years. This paper covers the **paradigm shift** of business in the **modern era**.

## 2. People Have Power

“In an era of radical visibility, technology & media have given individuals the power to stand up for their opinions and beliefs on a **GRAND SCALE.**”  
 (1) Accenture

Purchase decisions are heavily affected by the ‘power to the people’ shift - we see **#BLM movements**, the objections to ‘**fake news**’ by media outlets & the growing **need for transparency** in the market.

The consumer has more power than ever with social media at their fingertips. →

In today's volatile world it is believed to be wise for brands to **showcase transparency in their messaging.**

Nowadays, brands are considered to be a term commonly known as ‘community property’.

**Employees**, customers & shareholders own a stake in the business and the decisions made thereof. Also, employees, **the front-line of a brand**, have the **power to bring a brand to life or make it fizz out.**

Touching on the power of the customer - currently the customer has never had as much influence as now. They help build awareness, help a business sustain itself and mold a product or service by their voice and input - think of surveys, social media reviews etc.

Together, these players continually improve the brand experience and, knowingly or not, refine what the brand stands for. In effect, they **form a brand ecosystem.** (2)

## 2. People Have Power (Continued)

**“While business leaders, investors and employees all bring unique and necessary perspectives & capabilities to a brand ecosystem, the customers are frequently the swing vote.”**

• (3) Accenture

Customers have the power to influence the market.

Customers usually are perceived to have a non-biased review of a product or service. This often leads to them (customers) having power and influence over others through building trust in an honest manner.

They [customers] co-develop products or services, **invest in brands** they believe in, or even act as sales channel partners. Through their words and actions, they **provide insights** that can enable companies to hone their competitive agility in remarkable ways.

The **relationship** between product offering/service offering & customer is **heavily tailored** to fit the **customers needs & wants**.

They can put pressures and/or provide insights to alter an offering (be it a product or service) via public channels or personally via building up a relationship with the business as a loyal customer.



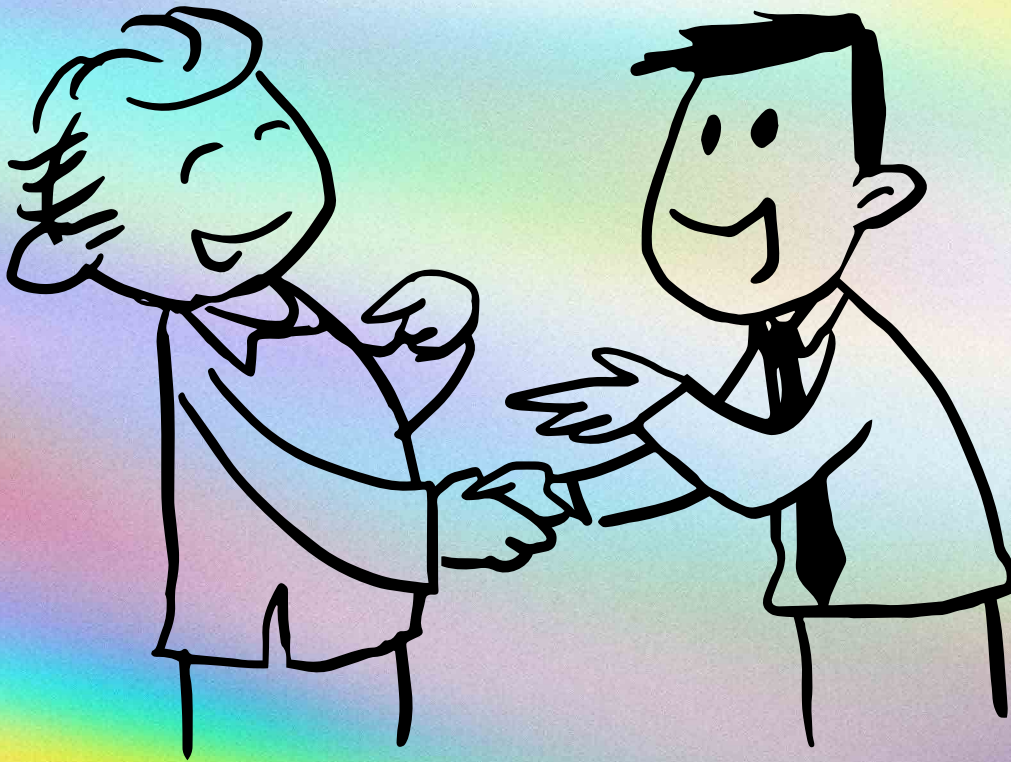


photo credit: c3centricity.com

## 2. People Have Power (Continued)

It is the norm **nowadays** for many industries to be highly competitive. This has led to **less differentiation** between the offering of each industry competitor. To **STAND OUT** against your competition has never been more difficult.

Many customers now seek other product/company/brand attributes that extinguish one offer from another - this is where **purpose fits the glove**. **Purpose provides self expressive benefits** that attracts customers on a more heart-felt manner.

It is **not just about the price, product quality** or customer experience that a potential customer judges before making a purchase decision. Those attributes are now 'a given' and an expectation. Companies looking to build their **competitive agility** may embed a **greater sense of purpose** into their business that makes them stand out again the clutter.

### 3. Purpose Explained

# purpose: by definition

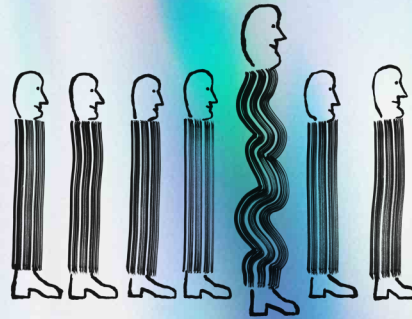


photo credit:mailchip

**pur pose /'pərpəs /**

**Noun: The reason why something exists.(4)**

**For companies, it is the foundation of every experience. It is the underlying essence that makes a brand relevant and necessary.**

**Purpose is not a simple empty statement, catch phrase or a fancy campaign slogan that does little to change the cause it serves to make a difference within. Purpose is a long-term commitment that should be embedded at the core business level above brand.**

**As mentioned above, your purpose strategy should be woven and embedded at a higher business level to your marketing & branding strategy.**

**Rather, approach the implementation of your purpose strategy to be driven through communication messaging via media channels or brand mission statements. Purpose defines a company's authentic role and value to society, which allows it to simultaneously grow its business and positively impact the world.**

# 4. Purpose & The Bigger Picture

**Purpose is a cog in the business wheel, not the entire wheel.**

It [purpose] contributes to the businesses overall reputation which leads to some brands gaining cult-like followers (see brands such a Patagonia).

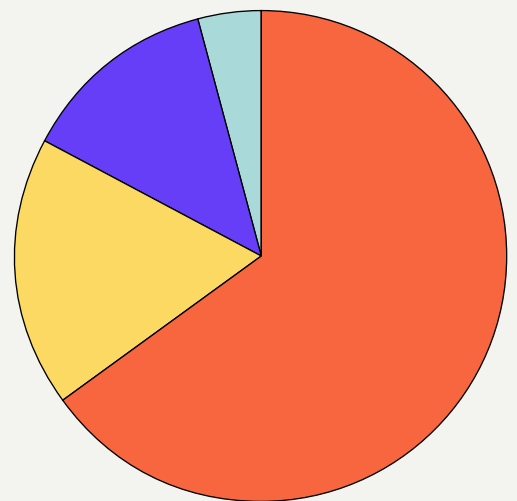
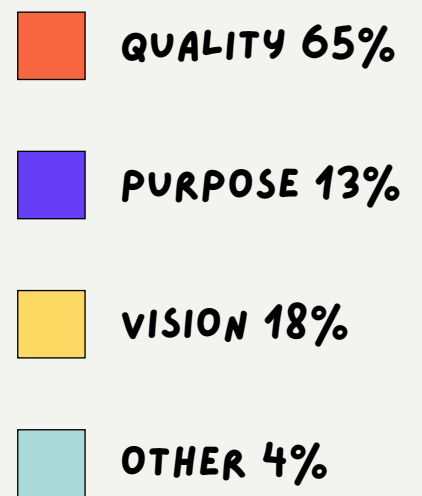
Reputation takes on many dimensions: 96% of a company's overall reputation is derived from three key categories (see right pie chart)

(5) Porter Novelli/Cone



These categories are divided into specific elements with varying degrees of importance to consumers, from security and innovation to philanthropy and responsibility.

Purpose contributes a significant amount to a company's overall reputation (13%). Without purpose, ones business may lack the diversity that many customers consider an important aspect to its overall reputation.



reputation dimensions pie chart



# 5. Success Stories

**BIG CORPORATIONS HAVE  
ADOPTED & INTEGRATED  
PURPOSE**

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Retail &  
Gender

**1. UK retailer John Lewis recently made the move to do away with “Boys” and “Girls” labels in children’s clothing to express its stance against gender stereotyping. (6)**

IKEA &  
Refugees

**Swedish furniture giant IKEA—already a leader in environmental sustainability—recently broadened its social impact by committing to employ refugees at production centers in Jordan. This effort is part of the company’s long-term goal to employ some 200,000 disadvantaged people around the world. (7)**

Unilever &  
Growth

**“Our ‘Brands with Purpose’, known as our Sustainable Living Brands, grew +50% faster than the rest of our brands last year.”  
@UnileverGradsUK Twitter**

# 5. Success Stories (continued)

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CVS &  
Tobacco

**In 2014, CVS (a massive US pharmacy & retailer) stopped selling tobacco, sacrificing an estimated USD\$2B in sales for public health & future growth. (8)**

Free Education  
& Starbucks  
(2017)

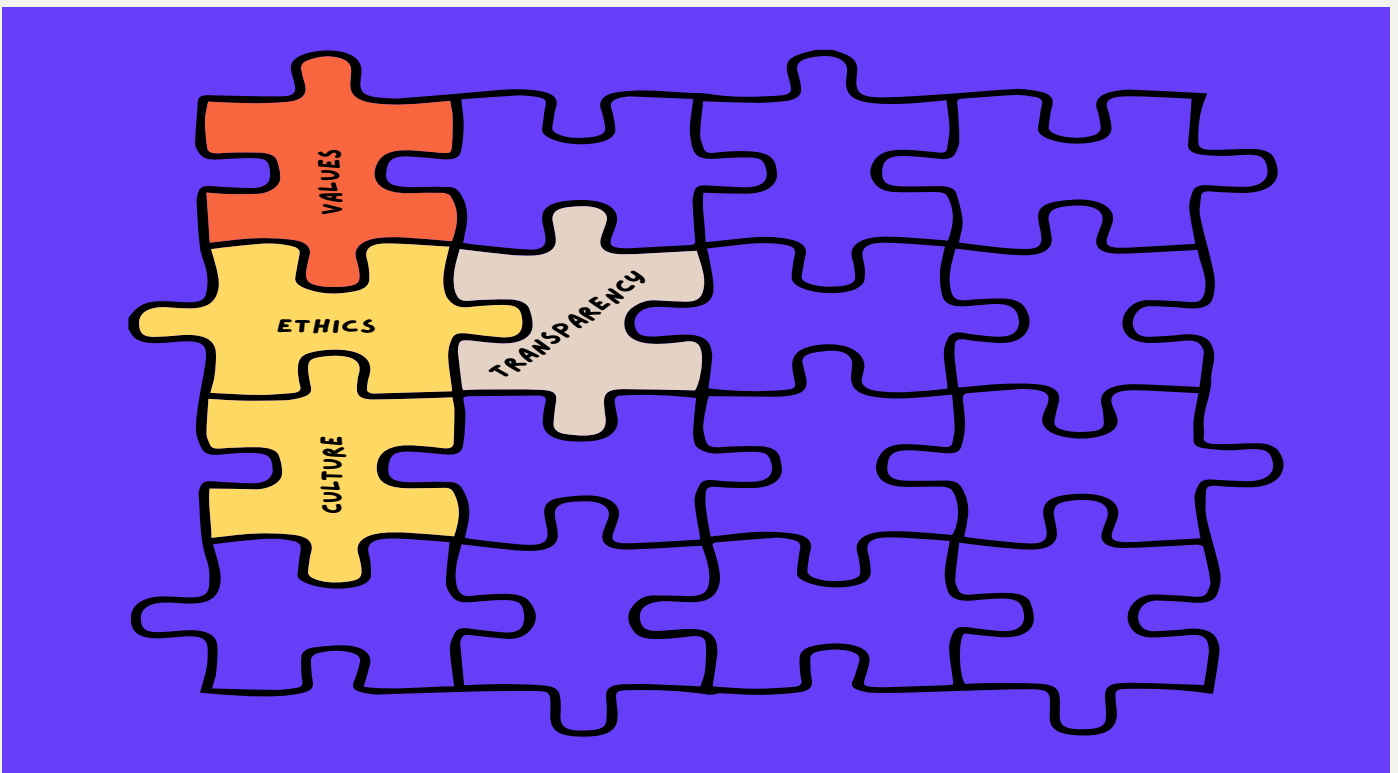
**“Starbucks (in collaboration with Arizona State University) provides free education to thousands of workers.” New York Times Twitter**

Direct-Consumer  
Relationships

**SunTrust, the seventh largest bank in the United States, has the financial clout of a multinational bank. But much of its success can be attributed to its reputation as a reliable local bank focused on developing personal relationships and helping customers gain financial confidence. (9)**

# Unique positioning is the key to a purpose driven framework.

Culture, values, ethics, honesty & transparency are integral pieces of the purpose puzzle.



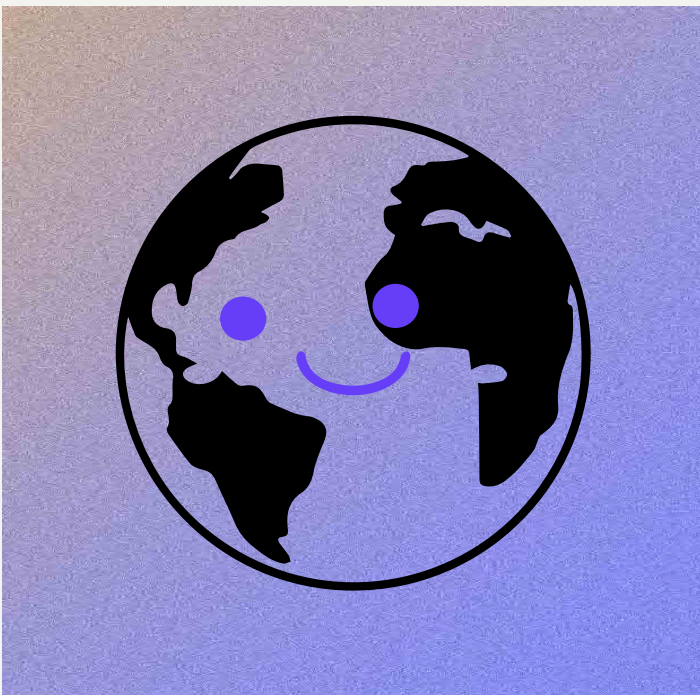
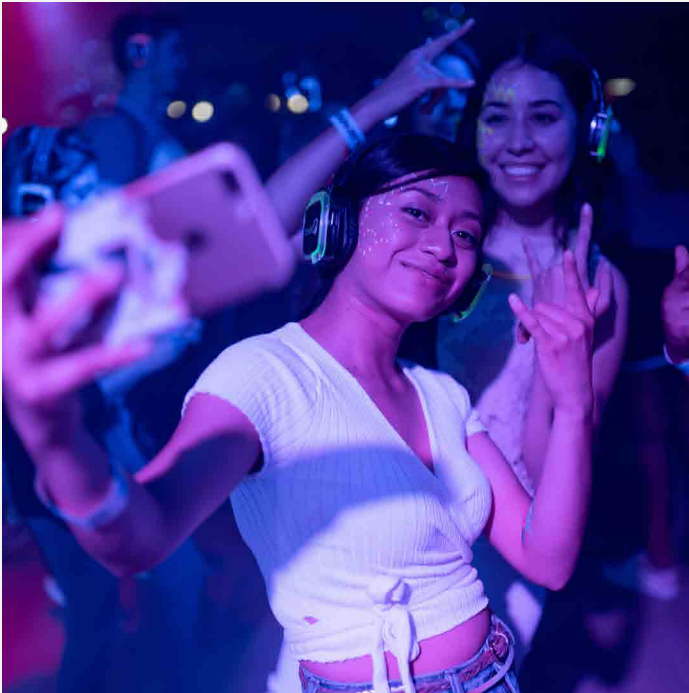


## 6. Purpose & The Public

“The public expectations of your company have never been greater.

**Every company must not only deliver financial performance, but also be transparent as to how it makes a positive contribution to society.**

**Without a sense of purpose, no company, either public or private, can achieve its full potential.” Larry Fink, Chairman and CEO of BlackRock, Inc.**





## 6. Purpose & The Public

The **public pushes brands** to participate in social, cultural or even political debates.

**Many customers believe that they can influence a brand's stance to an event or issue by taking action by attending protests or via use of social media - a recent study states that nearly two thirds of respondents. (10)**



## 6. Purpose & The Public



Business is evolving & it's exciting.

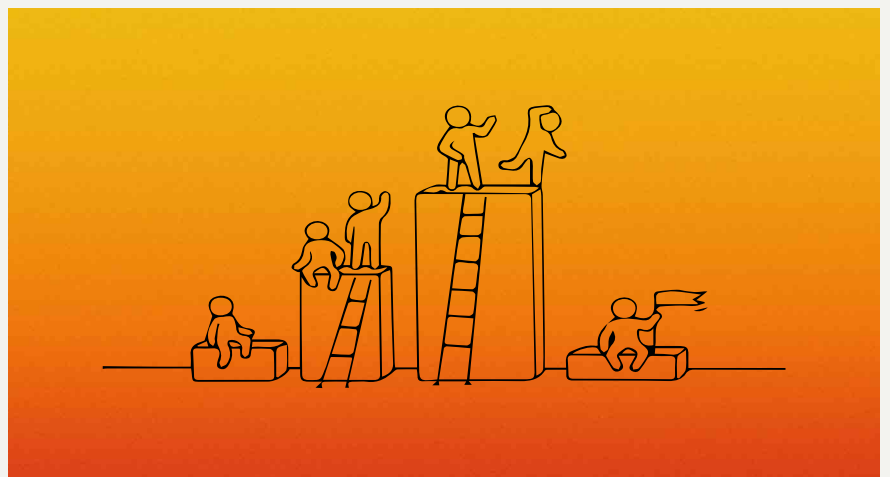
**Consumers believe that they need to warrant a reason to support your brand, or even defend it if your company plays an integral role in creating change. (11)**

**Currently many consumers somewhat expect that companies to make a positive impact to society in some form or other.**

PRICE AND QUALITY ARE NO LONGER ENOUGH.

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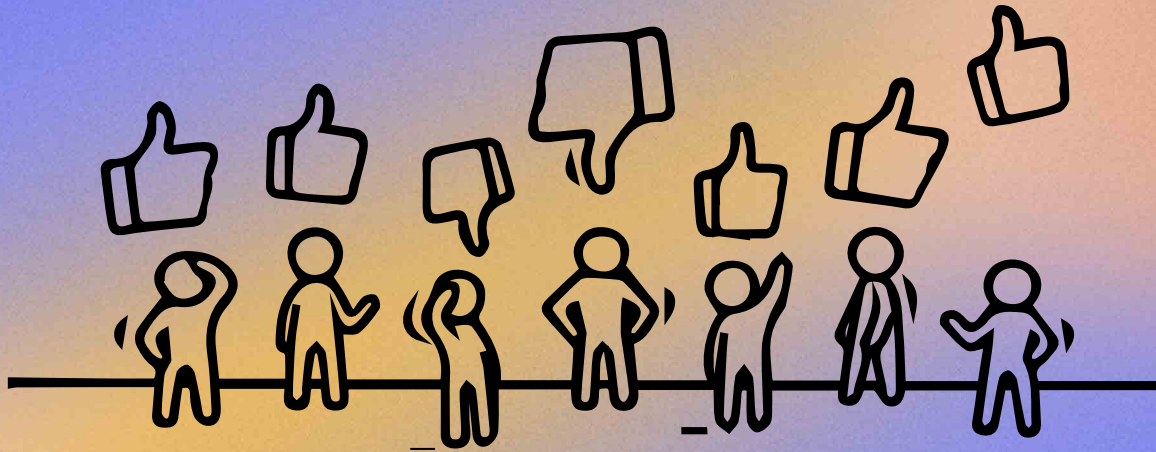


photo credit @sapunkele

## 7. Purpose & Profit: How Purpose Moves The Needle

*Brand Purpose And Social Impact Help Drive Sales.*

**Kantar's Purpose 2020 study** showed how brands that consumers see as having a **positive impact grow at twice the rate of their competitors.**

**Customer loyalty (which is highly valuable) can be influenced by incorporating purpose which allows customers and brands to share values — something a competitor's newly released product or cheaper price cannot beat. (12)**

*Purpose Impacts Impression*

**66% of young consumers say that a brand's association with a social cause or platform positively impacts their overall impression of a brand; and 58% say this association is also a positive driver of their likelihood to purchase that brand. (13) →**

**2022**

*Purpose Shifts The Customer Dialogue*

**Meaningful relationships that shift the customer dialogue from "give ME what I want" to "support the ideals WE believe in."**

**Long-lasting relationships** grounded in a common purpose and built around a collective sense of brand belonging.

**Authentic relationships** based on an affinity to brands that do more than just make money. (14) →

*Consumers Want Companies To Act*

**When it comes to which purpose attributes are most important to reputation, a recent study shows that Americans prioritize companies that are responsible (86%), caring (85%), advocate for issues (81%), protect the environment (79%) and give back to important causes (73%). (15)**

**These dimensions touch on both the "hard" and the "soft" elements of Purpose.**

**Companies must first ensure they are implementing **responsible business practices**, while also displaying how they truly care for the world they operate in through supporting social issues and**

**legs brands**

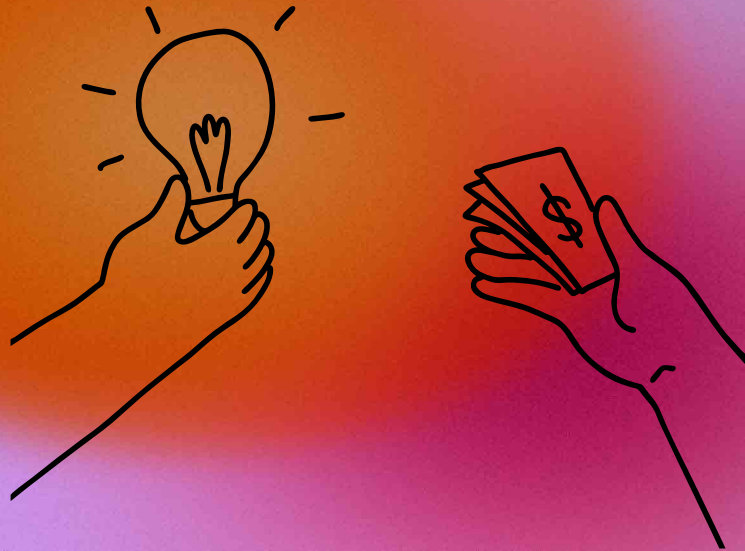


photo credit rawpixel.com

## 7. Purpose & Profit: How Purpose Helps The Bottom Line

### *Purpose Can Bring You Investment*

**Climate change is the #1 ESG issue for ESG asset managers, according to US SIF (The Forum for Sustainable and Responsible Investment), with \$3tn of ESG assets considering climate change as part of their investment decisions. (16)**

### *Consumers Reward Companies With Purpose*

**Companies with a higher Purpose ranking compared to their laggard peers will reap greater benefit as consumers are more likely to favor that brand through trial, purchase and support of that company in their communities. (17) →**

### *Purpose Leads To More Engagement*

**Businesses that lead with purpose can build deeper bonds with existing consumers by engaging around shared interests about issues that matter.**

**Consumer engagement can be a by-product of a purpose-driven strategy that has been effectively implemented and managed. (18)**

### *Purpose Can Save Your Company*

**ESG (environmental, societal & governance) could have helped avoid 90% of bankruptcies:**

**15 out of 17 (90%) bankruptcies in the S&P 500 between 2005 and 2015 were of companies with poor Environmental and Social scores five years prior to the bankruptcies. (19)**





## 8. Purpose Is Popular

Don't Think That Purpose Is Just The Latest Branding Fad.

**Businesses are changing how they operate and what they stand for to have an authentic — and impactful — role in society.**

**Purpose is more than just a mission statement or a commitment of values. It defines an organization's value in society, which allows it to simultaneously grow its business and positively impact the world.**

**Purpose needs to be multi dimensional and deeply embedded within the company structure. This along with the brand experience must be delivered. Purpose assists a business on various levels such as:**

- 1. Delivers on promise**
- 2. Transparency: sourcing materials + employee treatment**
- 3. Reducing plastic use & carbon emissions**
- 4. Brand showcases & lives by ethical values & demonstrates authenticity**
- 5. Stands up for societal & culture issues**
- 6. Stands for something bigger than its products, which aligns with customer values**
- 7. Brands that are highly passionate**
- 8. Brands that support causes that customers have in common (social, charitable etc)**
- 9. Brands create a community of like-minded people**
- 10. Brands take on a political stance same as customers**

(All above stats taken from the Accenture Case Study 2019 30,000 respondents)



## Is Your Business A Purpose Prioritizer Or A Laggard?

According To The Harvard Business Review Analytic Services Report

**Their are three (3) categories of purpose businesses:**

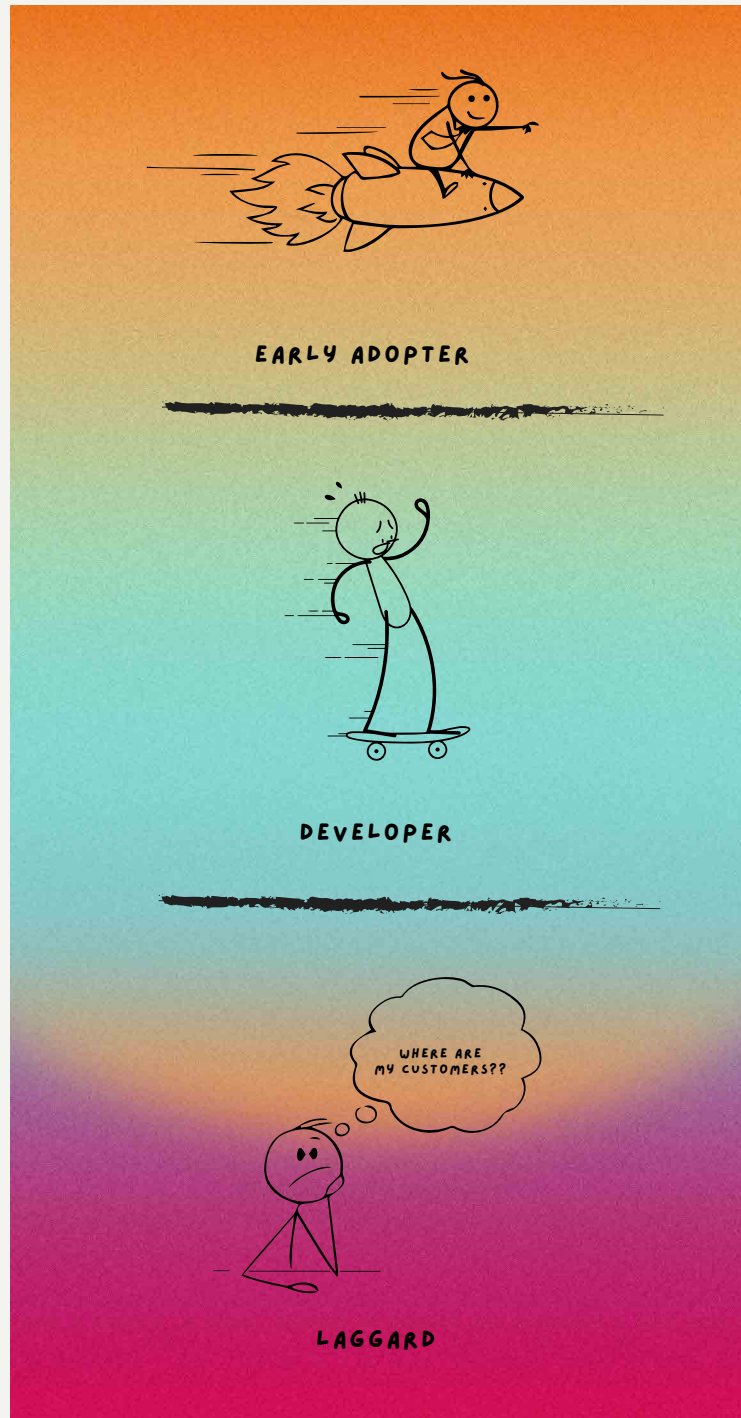
1. **Prioritizers (39%)**
2. **Developers (48%)**
3. **Laggards (13%)**

**Here's a description of the categories compiled by Havard Business School:**

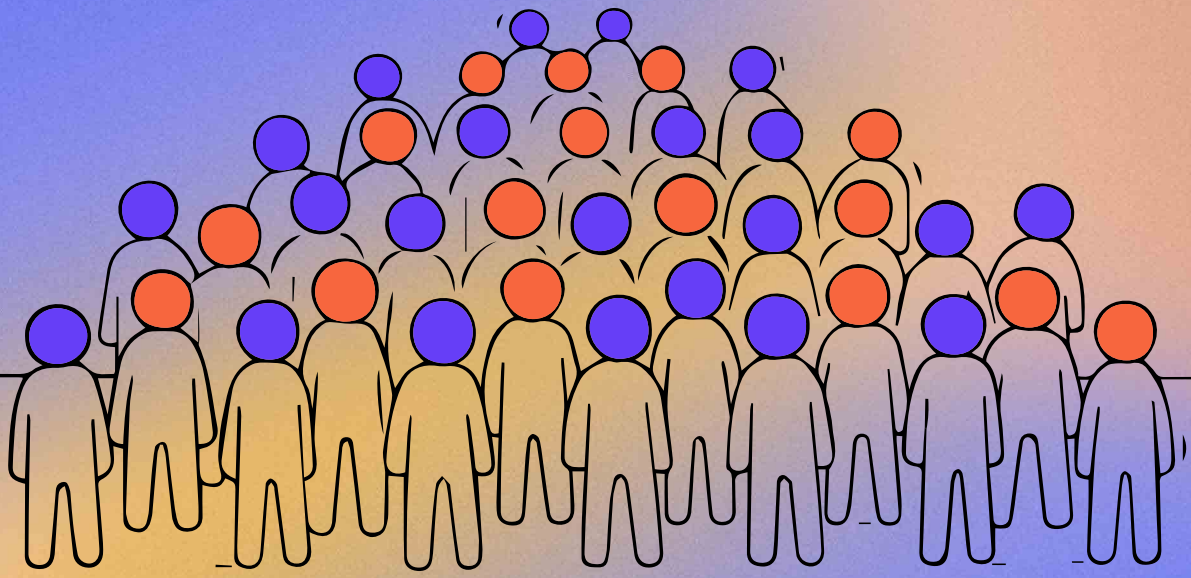
**- Prioritizers, companies that already have a clearly articulated and understood purpose.**

**- Developers are companies that do not yet have a clearly articulated purpose but are working to develop one.**

**- Laggards, companies that have not yet begun to develop or even think about purpose.**



**WHICH CATEGORY DOES YOUR BUSINESS FIT INTO?**



## 9. Purpose, Businesses Types & Audience

*Not All Brands Are Created Equal*

Start-up brands often use their **purpose** as a competitive strategy against larger competitors whose brand meaning has long been tied to product aspects such as quality.

Although the smaller brands have more agility, the bigger brands can implement purpose on a larger scale which leads to high impact.

Big brands may have a built-in advantage though. Research found that 29 percent of consumers prefer large brands and only 23 percent prefer small, local or independent brands. (21)

*The Youth: Purpose Advocates*

A majority of the Millennial + Gen Z market (60% +/-) believe it is important for issues such as sexuality movements like LGBTQ, sustainability, gender equality, human rights & racial issues to be supported by brands. (22)

**2022**

*Shift Or Be Forgotten*

**77% of brands could shut their doors and no-one would care, reveal new results from Havas' global Meaningful Brands® 2019. (23)**

**Not only is this the highest percentage since Meaningful Brands® research began in 2008, this is a major three-point hike on the Meaningful Brands® 2017 results. (24)**

**This suggests that the purpose tide has turned.**

*Incorporating A Value like Being Meaningful is Good for Business*

**Being meaningful is good for business: 77% of consumers buy brands who share their values. (24)**

**Google, PayPal, Gillette and Johnson & Johnson are in the top ten Meaningful Brands® 2019 rankings, a study conducted by Havas Group (25) →**

**→ showcasing that big brands have already considered and adopted their business strategies to accommodate for the purpose paradigm shift.**

*Consumers Are Driving Change*

**A recent study by IBM in association with the National Retail Federation (USA) uncovered hard-hitting insights: 57% of consumers are willing to change their purchasing habits to help reduce negative environmental impact. (26)**

**A staggering 71% of those surveyed who indicated that traceability is very important are willing to pay a premium for brands that provide it.**

**legs brands**

## 10. Purpose Matters

### How To Apply Purpose To Your Business

1. Be yourself & human
2. Be clear & authentic
3. Be creative

Whether your business is as old as a fossil, scaling-up or in the process of being built for launch, instilling a purpose-led approach to embedding a healthy work culture, and reason for existing, (other than making money) should be at the forefront of your core business framework.

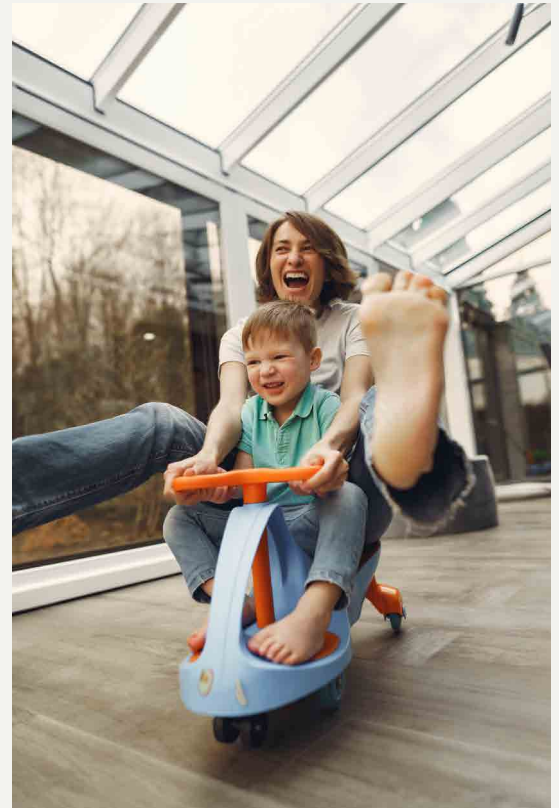
Incorporating purpose into your business is not as easy as one thinks, it would be naive to think you could you copy a cookie-cutter approach and expect results.



#### Quick Facts

**74% of respondents said post-pandemic changes in consumer behaviour will significantly impact 2022 marketing strategies - warc.com.**

**52% of respondents say the shift to increased time spent at home will impact strategies - warc.com.**



**Legs Brands™ focuses on building purpose-driven brands that walk the walk. Our approach is unique and our strategies are tailor-made for your business needs.**

**Contact us today for a free 60 minute discovery session where we discuss your business and its role into society.**





## Legs: A Purpose-driven Branding Agency

**legs** aims to create a **bright future** for planet earth through a purpose-driven brand architecture model.

Socio-economic transformation coupled with sustainable environmental progression is the foundation of this agency.

Feel free to contact us to learn more about our service offering & how we can instill purpose in your business in an authentic & creative manner.

**BUILD BETTER BRANDS  
THAT MAKE THE WORLD  
A BETTER PLACE**





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# community

LEGS PLACES AN EMPHASIS ON BUILDING  
PURPOSE-DRIVEN BRANDS THAT AIM TO CREATE  
UNITY WITHIN.

FOR US, THIS IS OUR ULTIMATE GOAL.

