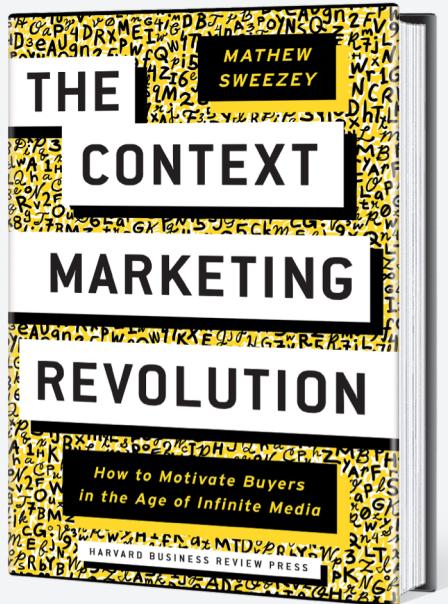


The Purpose Of It All

The Ethical Future of Brand and Consumer Demands

Mathew Sweezey
Salesforce, Director of Market Strategy
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Mathew Sweezey

Director of Market Strategy
Salesforce

Author:

Marketing Automation for Dummies (Wiley 2013)
Context Marketing Revolution (HBR 2020)



**CAPITALISM ISN'T
WORKING**

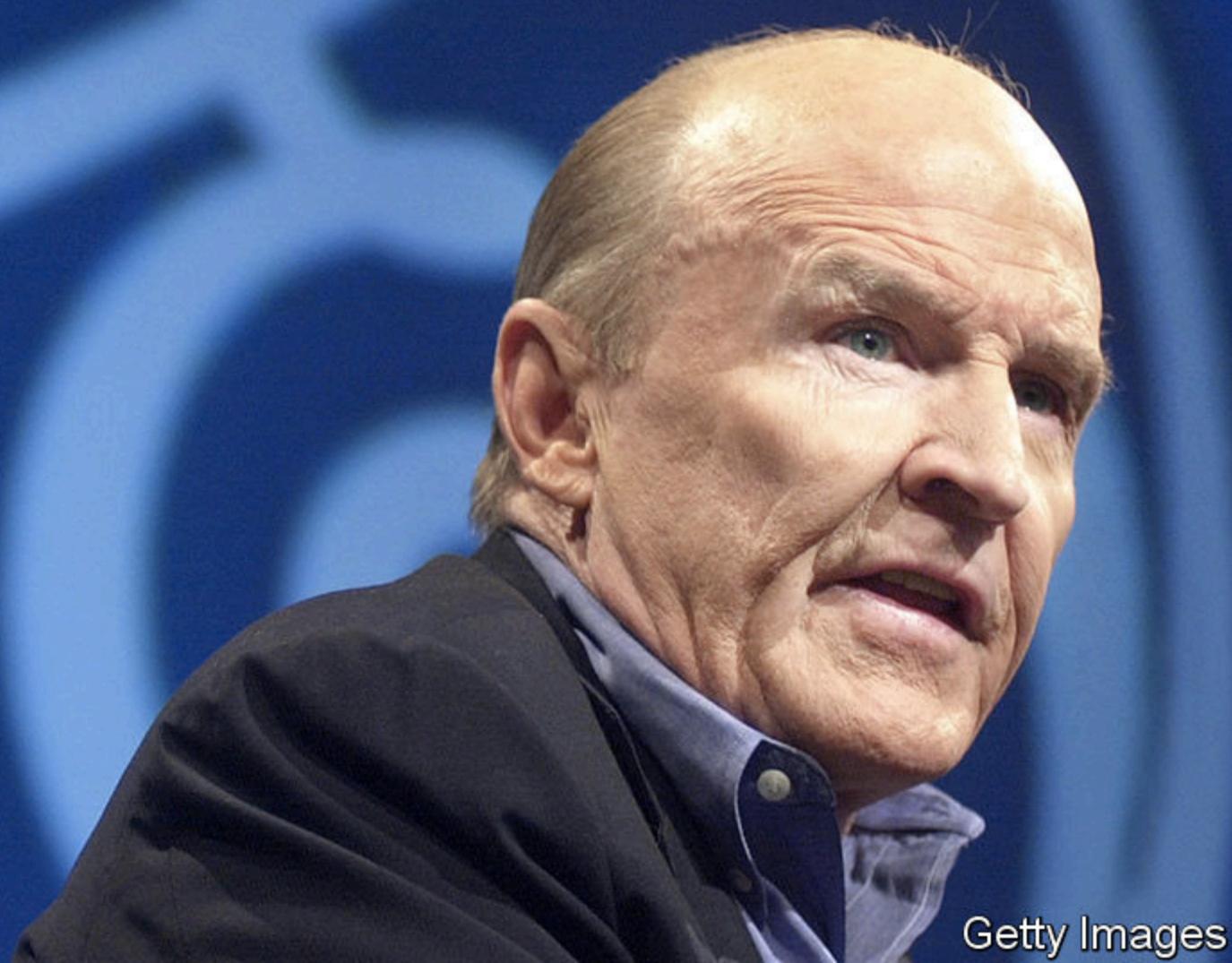
ANOTHER WORLD IS POSSIBLE

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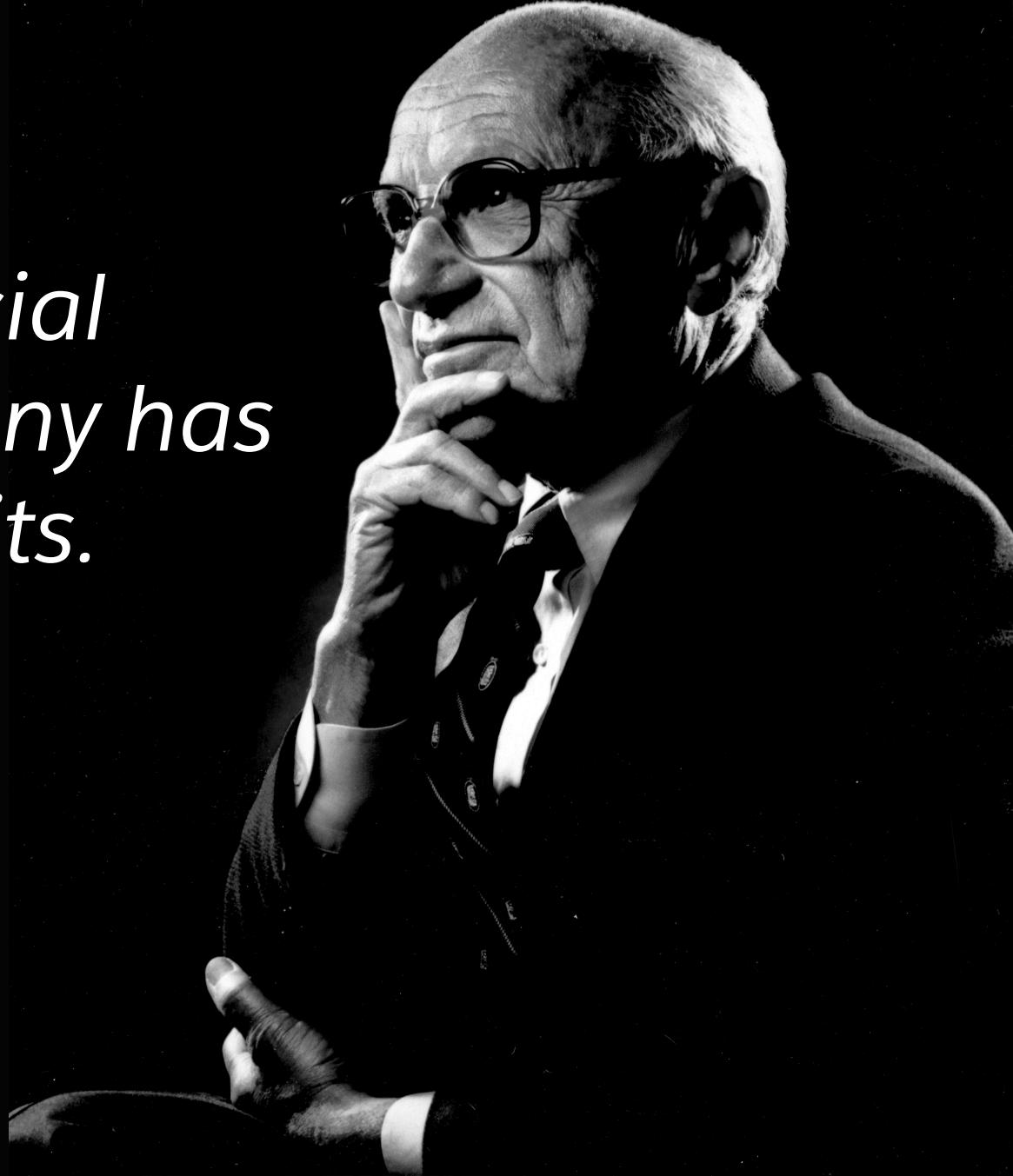
*Really, It is just
this guy's idea
of capitalism
doesn't work.*

*Jack Welch, Former CEO Of GE
Propagator of Shareholder Theory*



The only corporate social responsibility a company has it to maximize it's profits.

*Ed Friedman
Creator of Shareholder Theory*



*We should
move to
Stakeholder
Theory.*

*Ed Freeman, Darden Professor
Creator of Stakeholder Theory*





Stakeholder Value

The foundations of why we are even talking about purpose driven efforts.

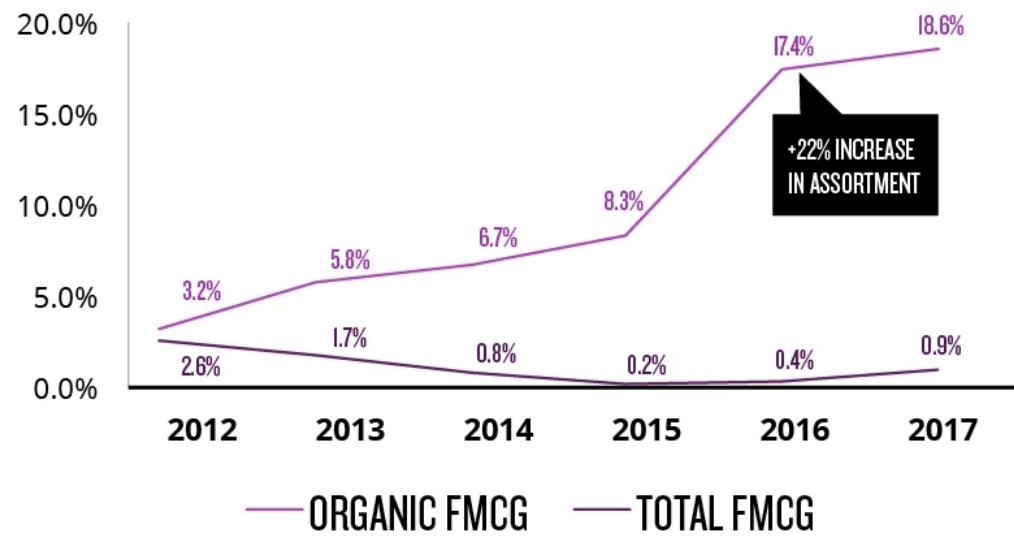
Consumers Are Putting Their Dollars Into Purpose Driven Products

n

FRANCE'S ORGANIC SALES SOAR, BOOSTED BY NEW PRODUCTS

YEAR OVER YEAR VALUE GROWTH VS TOTAL FMCG (VALUE SALES)

Measured in hypermarkets and supermarkets



Source: Nielsen ScanTrack ending December 31, 2017

Sustainable Products

In the US alone, consumers are expected to spend **\$150 billion on sustainable products by 2021**.

Organic Food

1997 - \$3.6B Market

2019 - \$55.5B Market

Organic food just within the US had a **18X growth over a 12 year period of time**.



The
Economist

FRESH DATA ON PURPOSE

FROM THE ECONOMIST & SALESFORCE

In a large scale research effort looking at over 1,000 brands from around the world we found purpose to be a major factor of businesses growth, and consumer demand.

2.2X

GREATER RESULTS

High performing marketing organizations are 2.2x more likely to use focus on purpose driven efforts.

79%

CONSUMERS CARE

79% of consumers want to purchase from companies that operate with a social purpose.

79%

EMPLOYEES CARE

79% of employees say they want to work for a company who operates with a social purpose.

Why Aren't All Businesses Purpose Driven?

We asked 4,500 of them and here is what they said was keeping their business from being purpose driven.

- 1 Fear of polarizing their audience.
- 2 Unable to connect product to a social issue.
- 3 Lack of executive support.

Source: Salesforce State of Marketing 2018



Flavors of Purpose

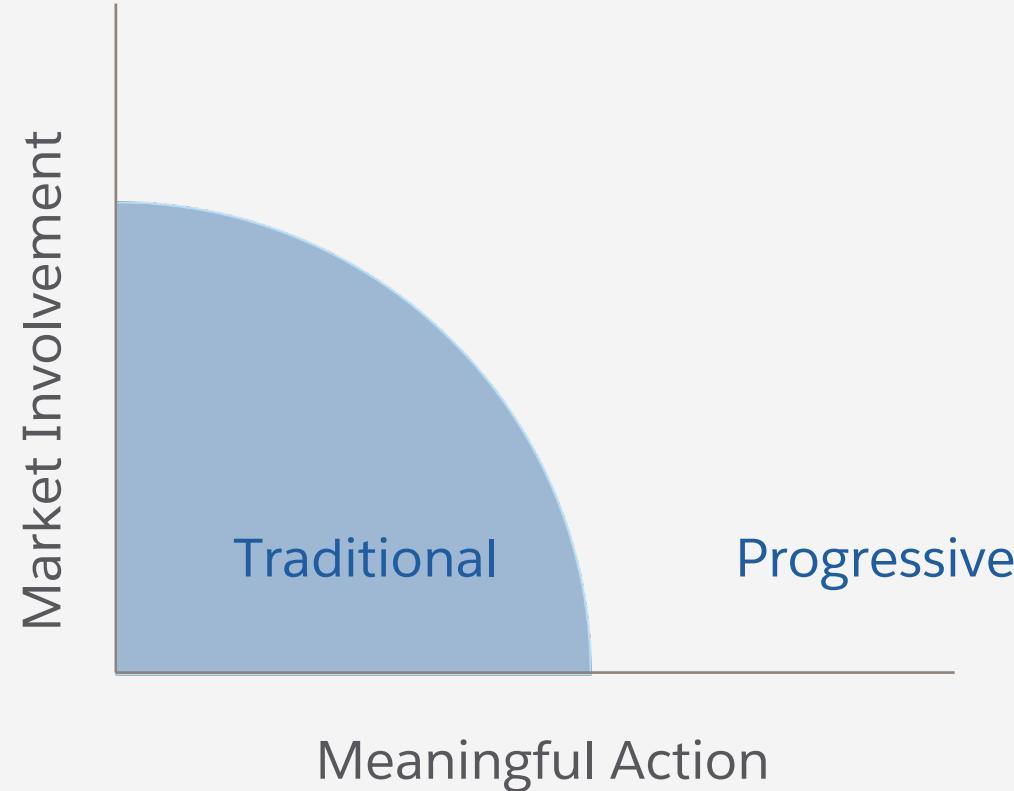
Purpose driven efforts come in many forms

Not all Ideas of Purpose are the Same

Purpose is not a single thing, rather a range of possible options. Each also has a different value, and benefit to the organization.

Traditional Ideas: CSR, Donating, Volunteering

Progressive Ideas: New business models, new supply chains, co-action with market





Lip Service

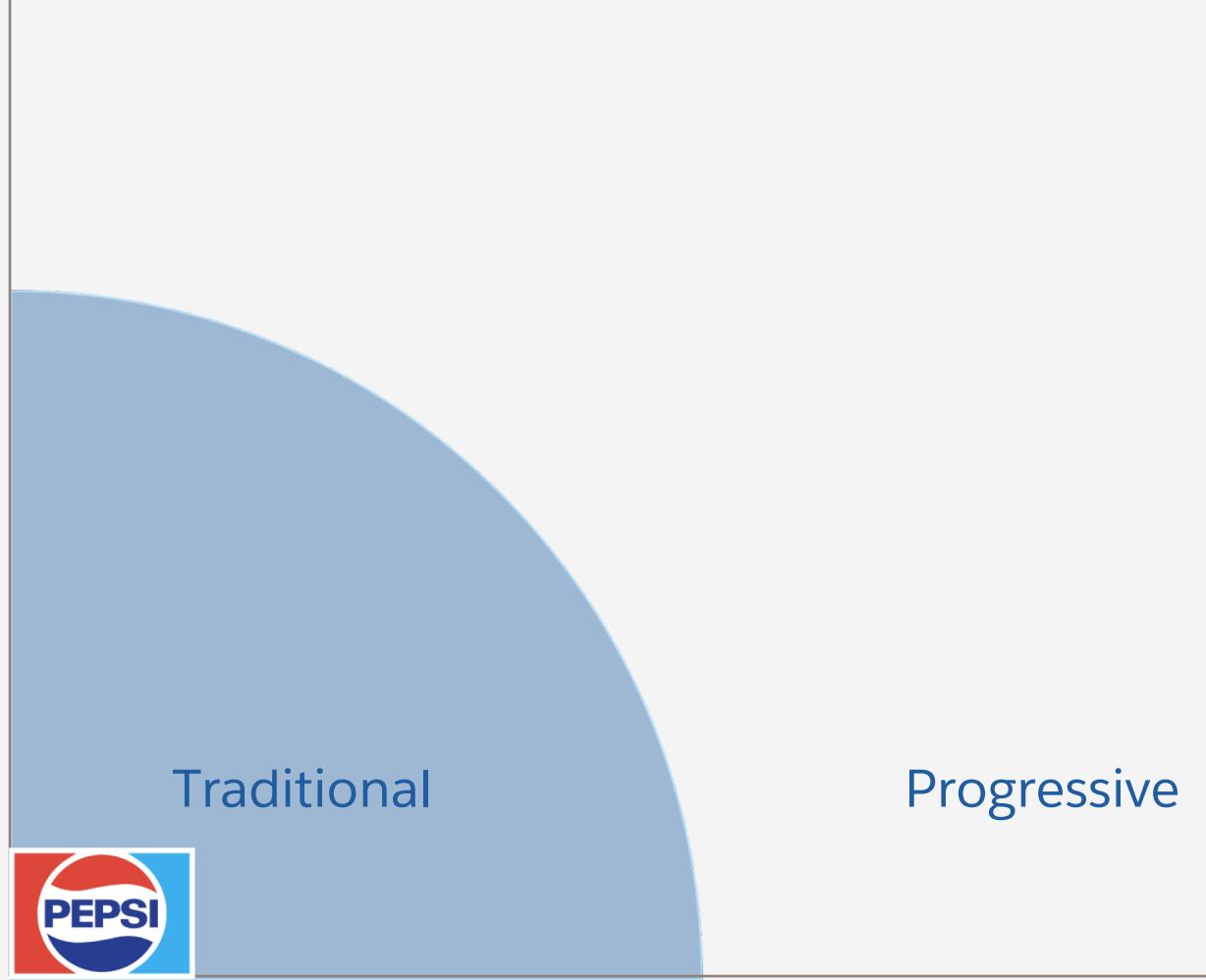
There has long been an issue with brands of attaching themselves to things just for the "Show" of it.

"Rainbow Washing" is a great example. This is when brands change their colors to rainbows to support Pride month, yet they take no action to change or support the actual issue.



The Range of Purpose Driven Efforts

Market Involvement



Meaningful Action



GE Foundation

Corporate Giving

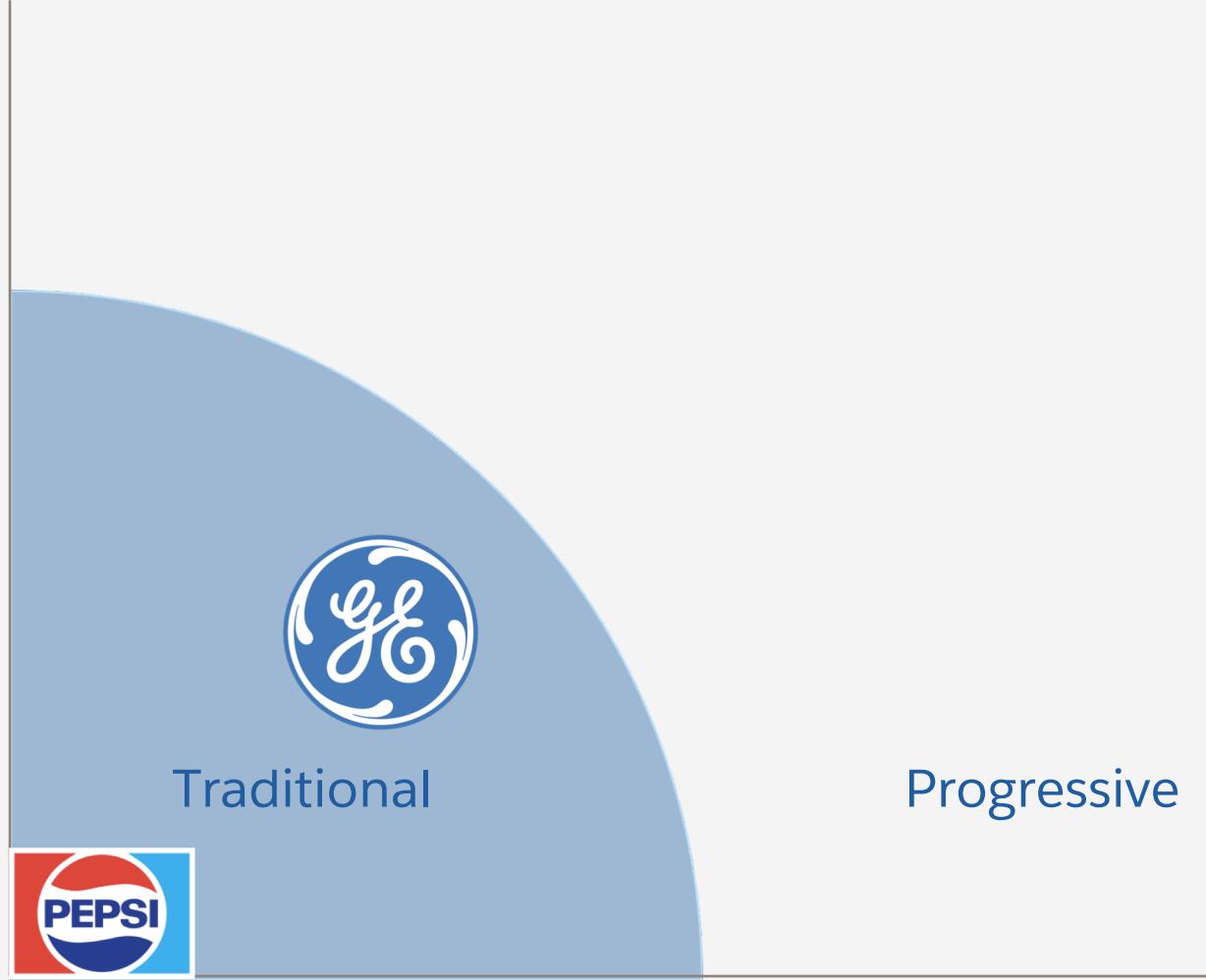
Traditionally brands have donated their time, or energy to causes. Delta builds Habitat for Humanity houses, while GE has set up a foundation.

Corporate giving is traditional, and it is good, but it is also only a starting place.

The issue is that often these measures are not connected to their market so there is limited visibility for these actions.

The Range of Purpose Driven Efforts

Market Involvement



Meaningful Action



Buy One Give One

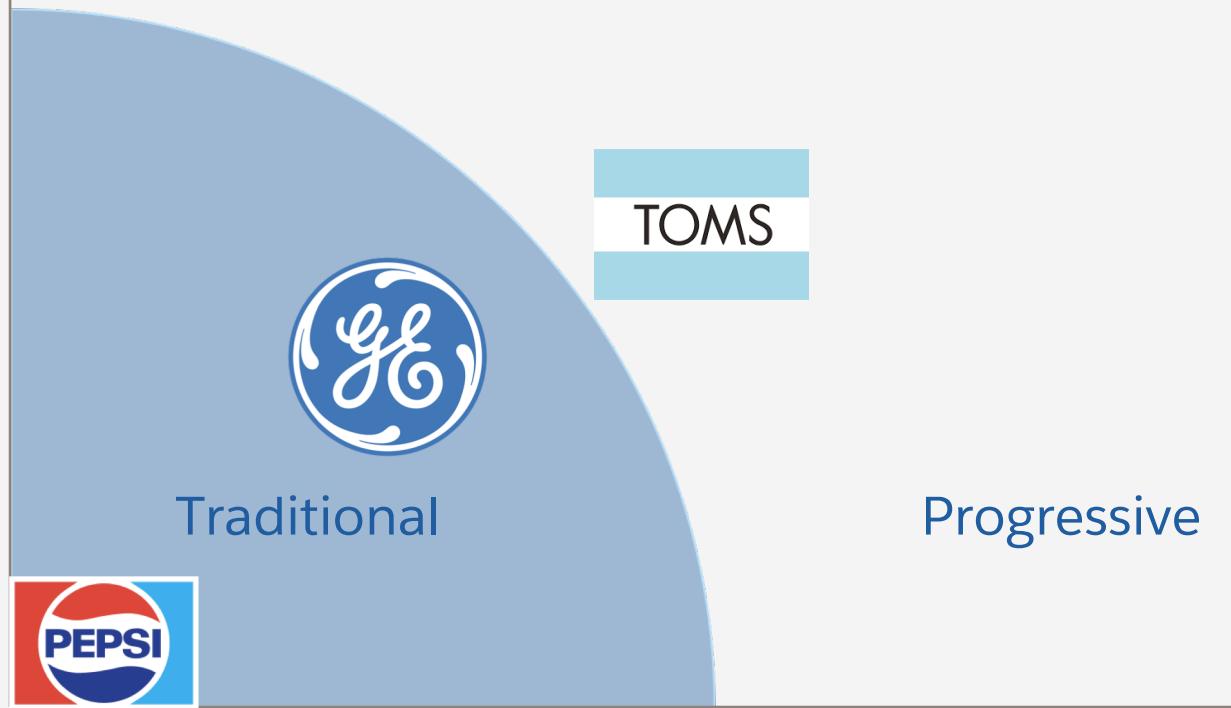
More progressive ideas of purpose are in new businesses models, such as Toms. The BOGO idea has been leveraged by many organizations.

There is also the “Percentage of Profits” which has driven the Newmans’ Own brand for decades.

These methods are not completely new businesses models, rather simply tweaks on how they distribute their profits.

The Range of Purpose Driven Efforts

Market Involvement



Meaningful Action



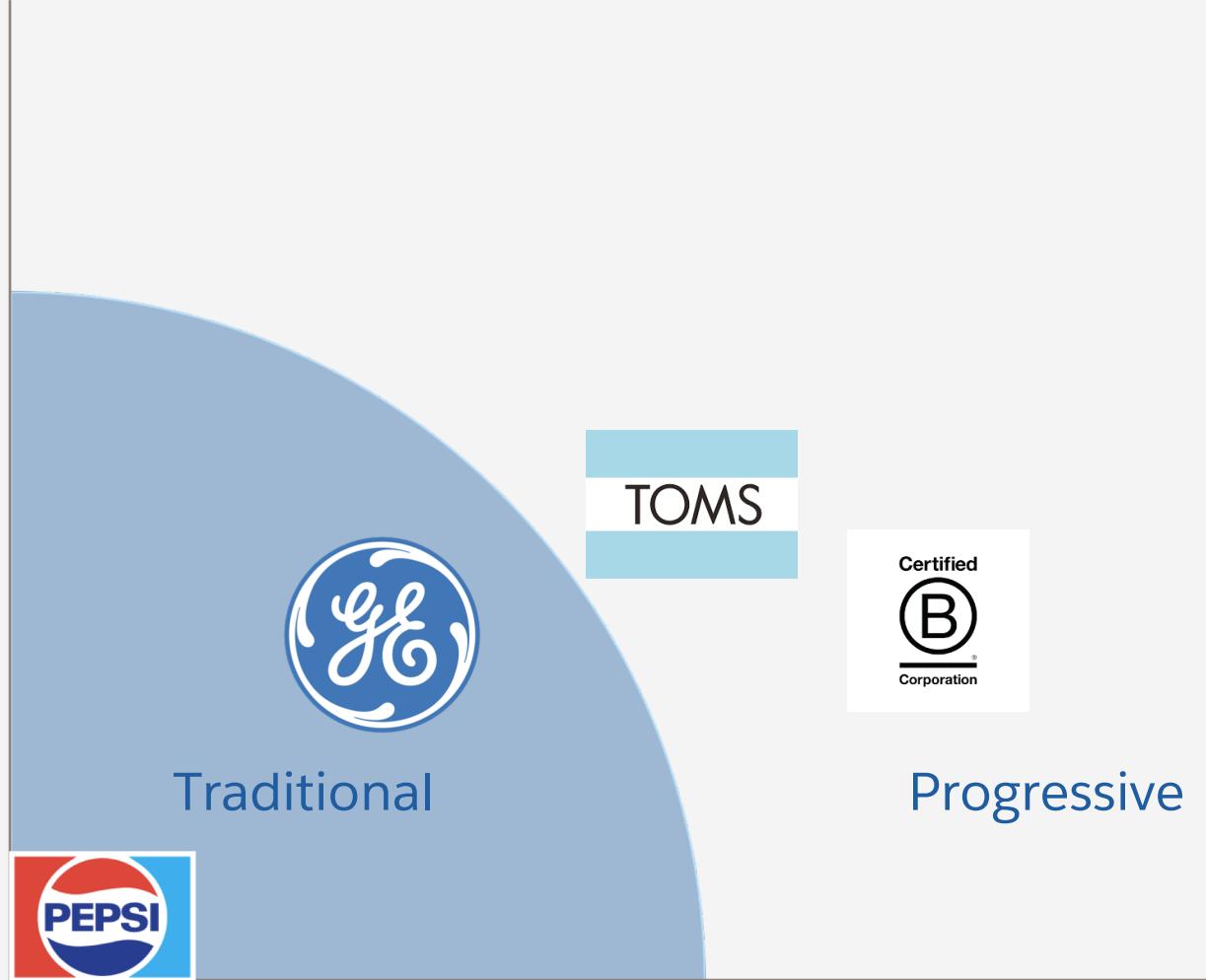
B Corporation

A “B Corporation” is by definition a new businesses model. Where the businesses states in their founding documents more key metrics than just bottom line profits.

There are also less strict ideas of new business models such as “Triple Bottom Line” which measures a business on it’s impact socially, environmentally, and financially.

The Range of Purpose Driven Efforts

Market Involvement



Meaningful Action



Make It A Part of Everything You Do

- **New Supply Chain** – They demand all suppliers pay their workers living wages, and provide health care. They cut vendors who do not comply.
- **Employee Success** – They train their employees on skills to empower their lives, like how product design and management. They then give them their own product line "Del Dia" where they create and sell.
- **Event Series - Questival** – A 24hr adventure race series hitting 50 states in 2018 which challenges participants to take on tasks such as donating, clearing up a park, or building a boat out of found carboard.
- **Corporate Structure - B Corp** – This is a corporate model where they place their core focus on doing good, not just selling more stuff. This allows all of their operations to be focused on purpose, past the products.

The Range of Purpose Driven Efforts

Market Involvement



Meaningful Action



TRAILHEAD

Co-Creating Purpose

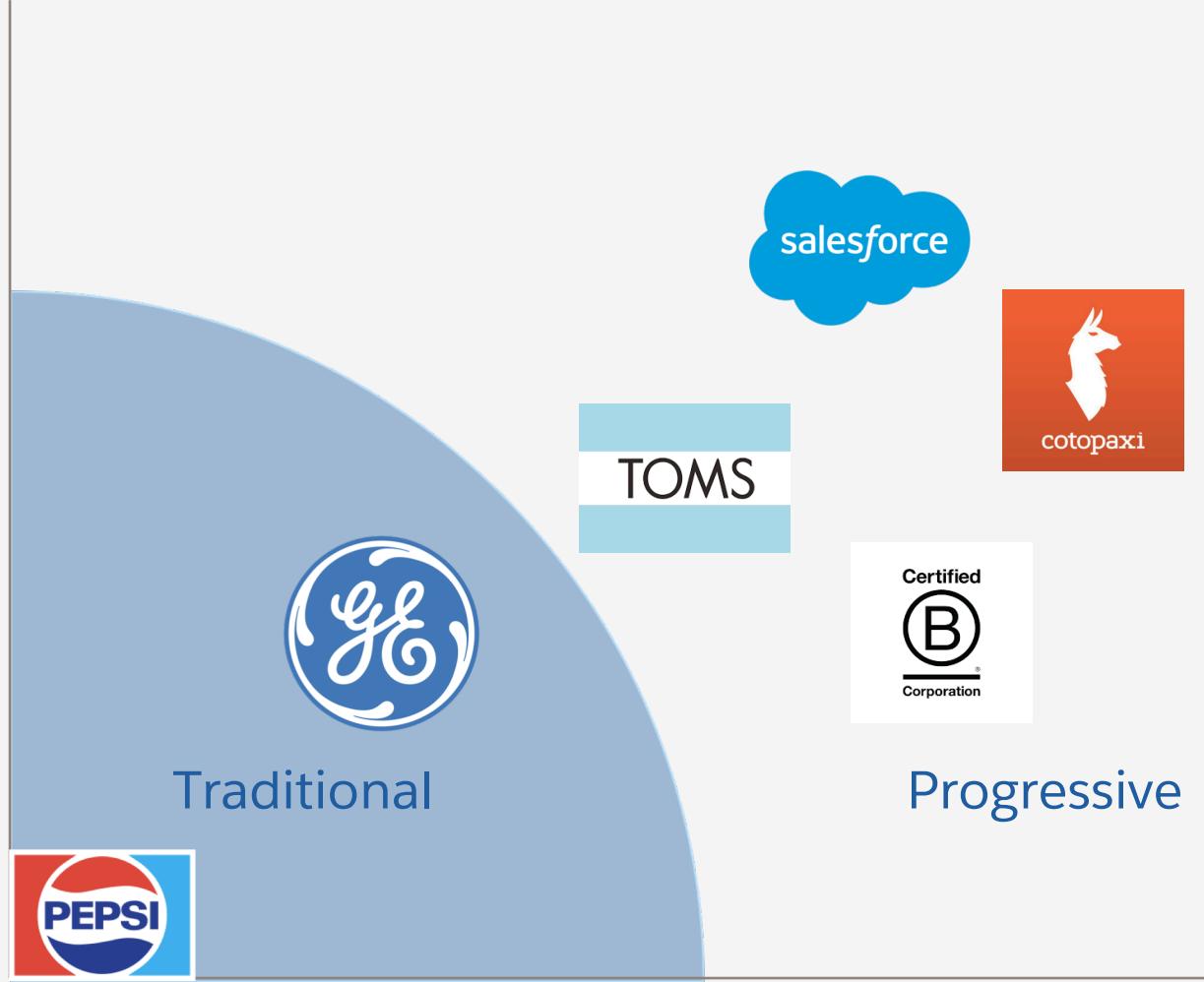
Salesforce created Trailhead, a hub for anyone to up skill, join a community, and improve both their business and their career.

- 1.8 Million learners
- 125,000 MAU
- 14,000,000 badges earned
- Customers spend 2X as much
- Customers stay 3X as long
- 1/4 of those using Trailhead have found a new job



The Range of Purpose Driven Efforts

Market Involvement



Meaningful Action



- 66% of Shoppers Feel SMB's Are More Important Than Ever
- 67% also said they are committed to supporting small businesses more now than before.

Short Term: Shopping Local Becomes Purpose Driven

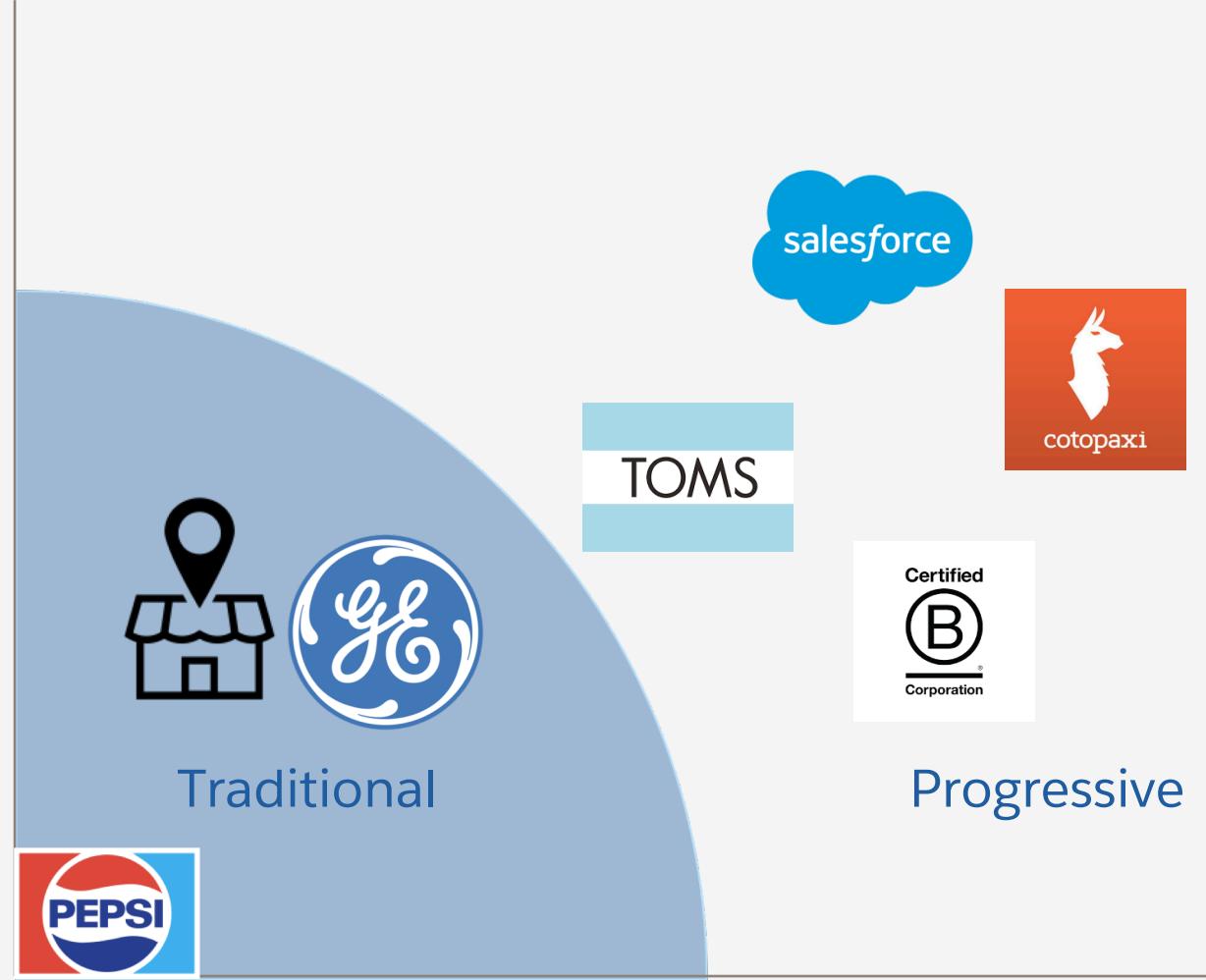
When we asked SMB customers why they like to shop small they told us. Customers are looking for ways to support small businesses without compromising social-distancing requirements and within their current means, as household cash flows suffer during lean economic times.

1 in 10 consumers have tried a new brand because it was a local business.



The Range of Purpose Driven Efforts

Market Involvement



Meaningful Action



CONCLUSION

New media environment has
created a new consumer and a new
decision making process

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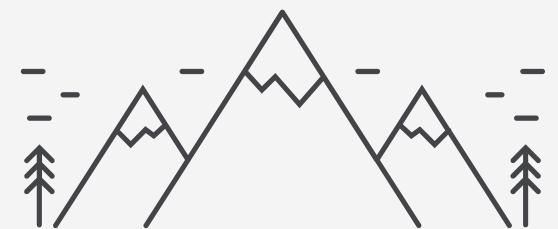


“

*CSR is good but it is
only a starting point.*

”

- Stephan Jacob, Founder of Cotopaxi



Not all Ideas of Purpose are the Same



Market Involvement



Meaningful Action



thank
you

