

FORRESTER®

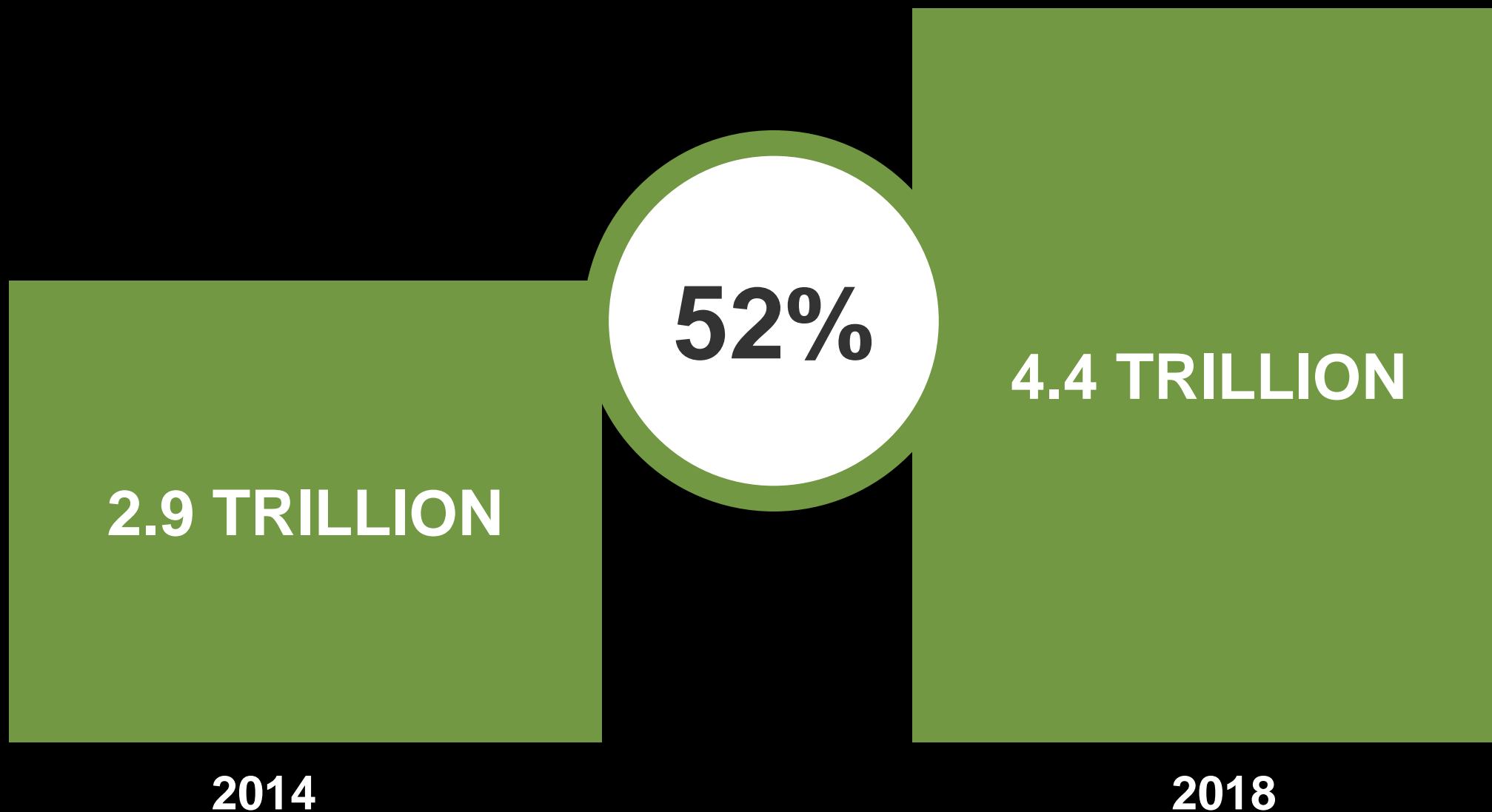
CHALLENGE THINKING. LEAD CHANGE.



Marketing's Next Frontier: How Brand Purpose & Customer Experience Are Redefining Marketing

Sheryl Pattek
Vice President, Executive Programs

Brand Value Top 100 Brand Z (USD)





“If this business were split up, I would give you the land and bricks and mortar, and I would take the brand, and I would fare better than you”

-John Stuart, Former CEO of Quaker Oats

THE
NEW YORKER



THE FINANCIAL PAGE FEBRUARY 17 & 24, 2014 ISSUE

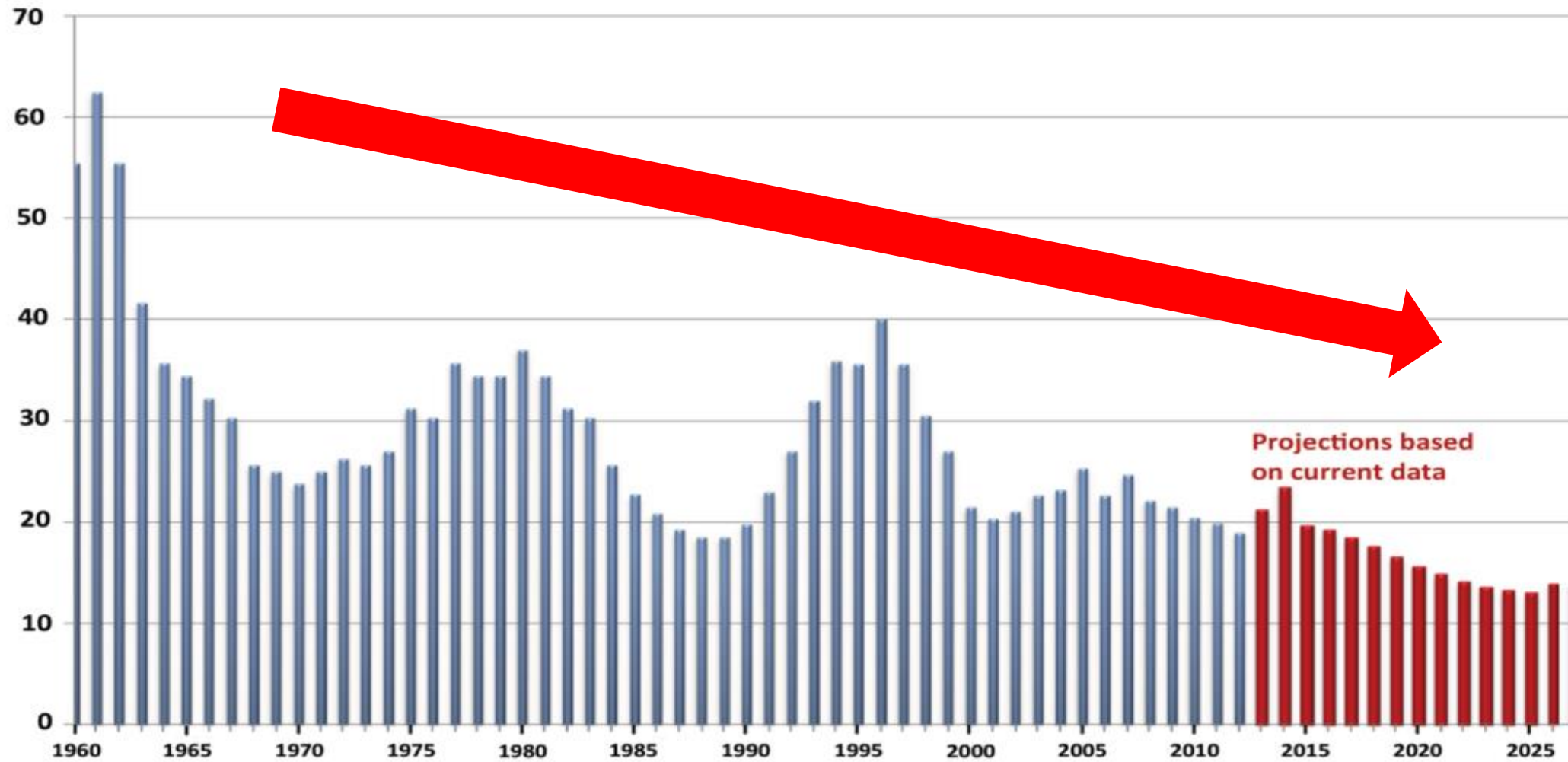
TWILIGHT OF THE BRANDS



By James Surowiecki

**“brands have never
been more fragile”**

Average Company Lifespan on S&P 500 Index (rolling 7 yr average)



50%

of S&P 500 companies
replaced in next **10**
years

The Value Of A Business

2008



Microsoft



NOKIA

2018



Google

amazon



Microsoft

SAMSUNG

Source: Interbrand's Best Global Brands, 2008 and 2018

Is this a product or a relationship?

amazon echo

What It Means

RE-DEFINE
THE
EXPERIENCE
OF A
BRAND

- **Identified as a type of interaction**
- **Designed to be brief and seamless**
- **Based on granular data at high threat**



BX



CX

In this new world, how do we translate **Essence** into

EXPERIENCE



- › What you stand for is now as important as functional benefits
- › A point of view is now as important as a point of difference
- › Meaningful experiences are paramount to building authentic, genuine relationships with all stakeholders

A 3D rendering of a chain with a yellow link. The chain is composed of several silver-colored links, and one link in the foreground is highlighted in a bright yellow color. The chain is draped over a white surface, creating soft shadows.

Purpose links your culture and your brand

Purpose gives context to your work

Purpose provides a foundation for the creation of differentiated experiences

PEOPLE

DON'T BUY WHAT YOU DO

THEY BUY 

WHY

— YOU DO IT —



@JumpSuitGro

The background of the slide features a close-up, artistic shot of weathered driftwood in shades of brown and grey. Scattered around and resting on the wood are several translucent glass marbles in vibrant colors like emerald green, sapphire blue, and citrine yellow. The lighting is soft, creating a textured and somewhat ethereal atmosphere.

Connects The Heart And Head And Hands

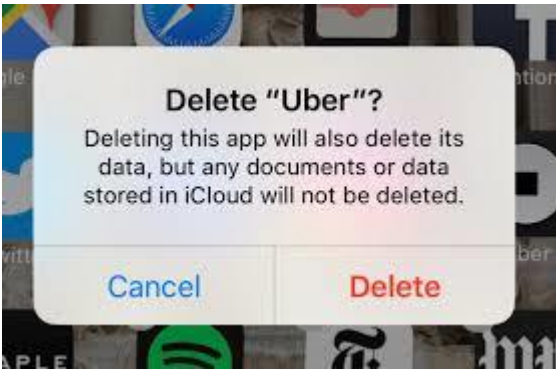
BRAND

Must Be Meaningful To All Stakeholders

PURPOSE

Is Not A CSR Or A Communication Tactic

The Landscape Is Changing





Culture has changed

UN SDG's
Paris Climate Agreement
WEF



Technology has changed

Web
Social media
Mobile



Demographics have changed

Consumers Now Prefer Brands That Take A Stand On Social Issues

Millennials

62%

Baby Boomers

50%

Source: Forrester Research

Power of Purpose

57%

Buy or boycott a brand based on it's position on a social or political issue

65%

Will NOT buy a brand that stayed silent on issues it was obligated to address

67%

Bought a brand for the first time based on its position on a controversial issue

Positive Marketing Impact Of Purpose

The background image shows several runners in motion on a track. A semi-transparent dark grey box is overlaid on the left side of the image, containing a list of marketing impact statistics. The runners are blurred to convey a sense of speed and movement.

2x the affinity

3X the behavioral loyalty

3x the positive momentum

3x the brand share

4x as many ideal customers

44x as many social media photos

33x as manage social media videos

10x as many Facebook fans

3x as much search volume

2x as many unique website visitors

And, It Doesn't Stop There...Purpose Unlocks Economic Value

63%

Executive say purpose drives innovation

81%

Purpose-driven brands grow more in value

5.3x

Millennials more loyal to their employer

#1

Be Purposeful: #1 action to build valuable brand

Top 10

Trend impacting brand category value change

#1

Motivating factor for employees

21%

Orgs with meaningful work are more profitable

84%

Executives say purpose affects transformation

15-1

Purpose-driven orgs outperform the market

87%

Business leaders believe performance is higher

133%

Meaningful brands outperform the market

9/10

Millennials would switch to brands with a cause

46%

Nearly half of B2B buyers today are millennials

20%

Price premium on purpose-based assets

50%

Reduction in employee turnover

Sources: PwC, Edelman, Gallup, Cone Communications

Purpose Creates Positive Employee Experiences



**Employees are
your business**



***Purpose workers
generate:***

***81% higher customer
satisfaction.***

***Half the employee
turnover.***



Source: James K. Harter, Frank L. Schmidt, and Theodore L. Hayes, "Business-Unit-Level Relationship Between Employee Satisfaction, Employee Engagement, and Business Outcomes: A Meta-Analysis," Journal of Applied Psychology, April 2002

Purpose Workers...

- › Feel their work has meaning
- › Feel safe, psychologically
- › Satisfied with the job and the work they do
- › Feel proud of the work they do
- › Feel inspired by their job
- › Have a growth mindset
- › Seek new and interesting aspects of their work

Purpose Workers Willingness To Stay For The Next 12 Months

Bottom 60%:

50%

Top 15%:

96%

Source: Forrester's Employee Experience Index 2019

Purpose Workers Willingness To Recommend The Company's Products

Bottom 60%:

22%

Top 15%:

87%

Source: Forrester's Employee Experience Index 2019

Purpose Willingness To Recommend A Job At Their Company

Bottom 60%:

19%

Top 15%:

83%

Source: Forrester's Employee Experience Index 2019

Let's Take A Look At Purpose Driven Experiences At Work

Purpose Begins From Within



"We found an amazing video tape of our founder, Sam Walton, receiving the Presidential Medal of Freedom from President George H.W. Bush. In his speech, he said: **'If we work together... we'll give the world an opportunity to see what it's like to save and have a better life.'** And boy, when we found that tape, we found those words, we realized that our work was done. We didn't need a bunch of MBA's to come in here and figure out the purpose [of this company]. **It had already been articulated by Sam Walton. And that message really is something that we've spent the last decade trying to insert every place we can in this company.**"

Tony Rogers, former CMO of Walmart, now Chief Member Officer of Sam's Club



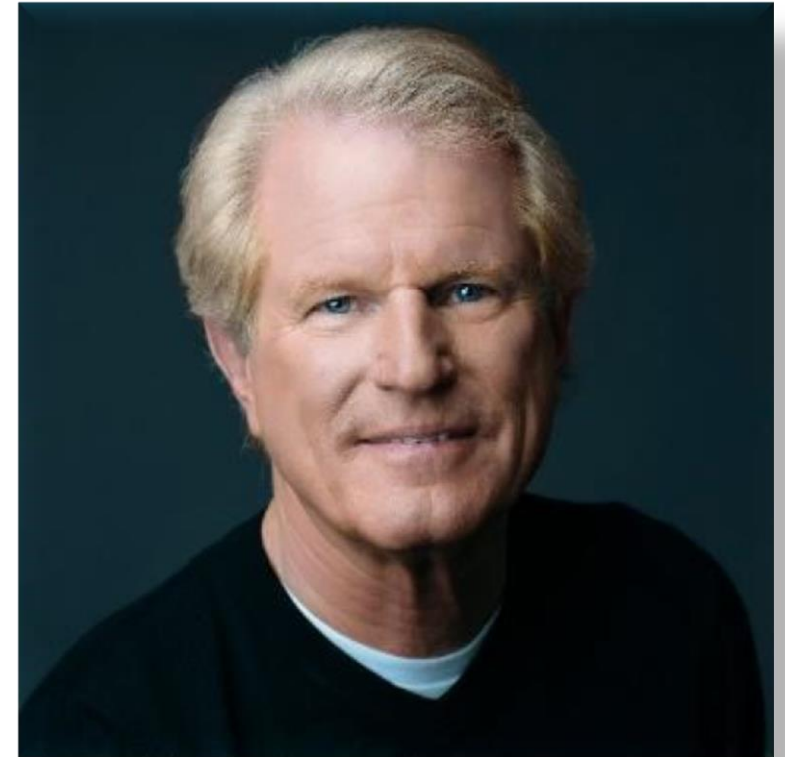
Marketers Are The Carriers Of Purpose

“When marketers take [purpose] and embrace it, they affect not only the consumer, but also the culture of the organization.

Marketers have the opportunity to be a force for good, especially when you're purpose-driven.’

The best organizations are driven by purpose. The great visionary companies, the ones that are built to last, will always have a purpose beyond making money. And in the process, will make more money.”

[Roy Spence](#), Co-founder & Chairman of GSD&M, Co-founder & CEO of The Purpose Institute



As A Result, Big Brands Are Taking On Purpose

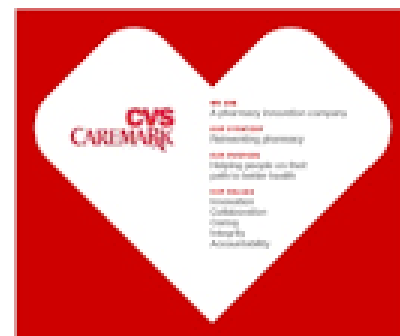


EVERLANE

Know your factories

RECASTING FACTOR: NEW BRAND PURPOSE

New Brand Purpose Clearly States A Commitment to Health



Our purpose
Helping people on their
path to better health.




**NIKE
BETTER
WORLD**

Patagonia Purpose Fueled Transparency

patagonia
Men's > Jackets & Vests > M's Down Sweater Hoody

SHOP

INSIDE PATAGONIA

What are you looking for?

Patagonia Men's Down Sweater Hoody

\$279.00

#84701
Regular Fit

★★★★☆
87 Reviews

What's my size?

Color **Forge Grey (FGE)**

Size **S**

Qty **1**


ADD TO CART

The Footprint Chronicles®

We promote fair labor practices, safe working conditions and environmental responsibility throughout the Patagonia supply chain. Below are the suppliers that impact the M's Down Sweater Hoody.

Youngone - Karnaphuli Sportswear Ind. Ltd. (KSL)


Sewing Factory
A Patagonia supplier since: 2012



TOYOTA TSUSHO
Textile Supplier
A Patagonia supplier since 2003

4 Chome-3-11 Minami-Senba
Chuo-ku, Osaka
Japan

Toyota Tsusho supplies us with breathable and lightweight synthetic woven fabrics used to make everything from our Torrentshell collection to our Nano Puff® and Down Sweater collections. They do not manufacture materials, but Toyota works hard to match us with fabric suppliers aligned with our environmental values. They were able to get recycled content into our more lightweight technical fabrics, which was a very difficult task and a big step forward for us. They also supply us with

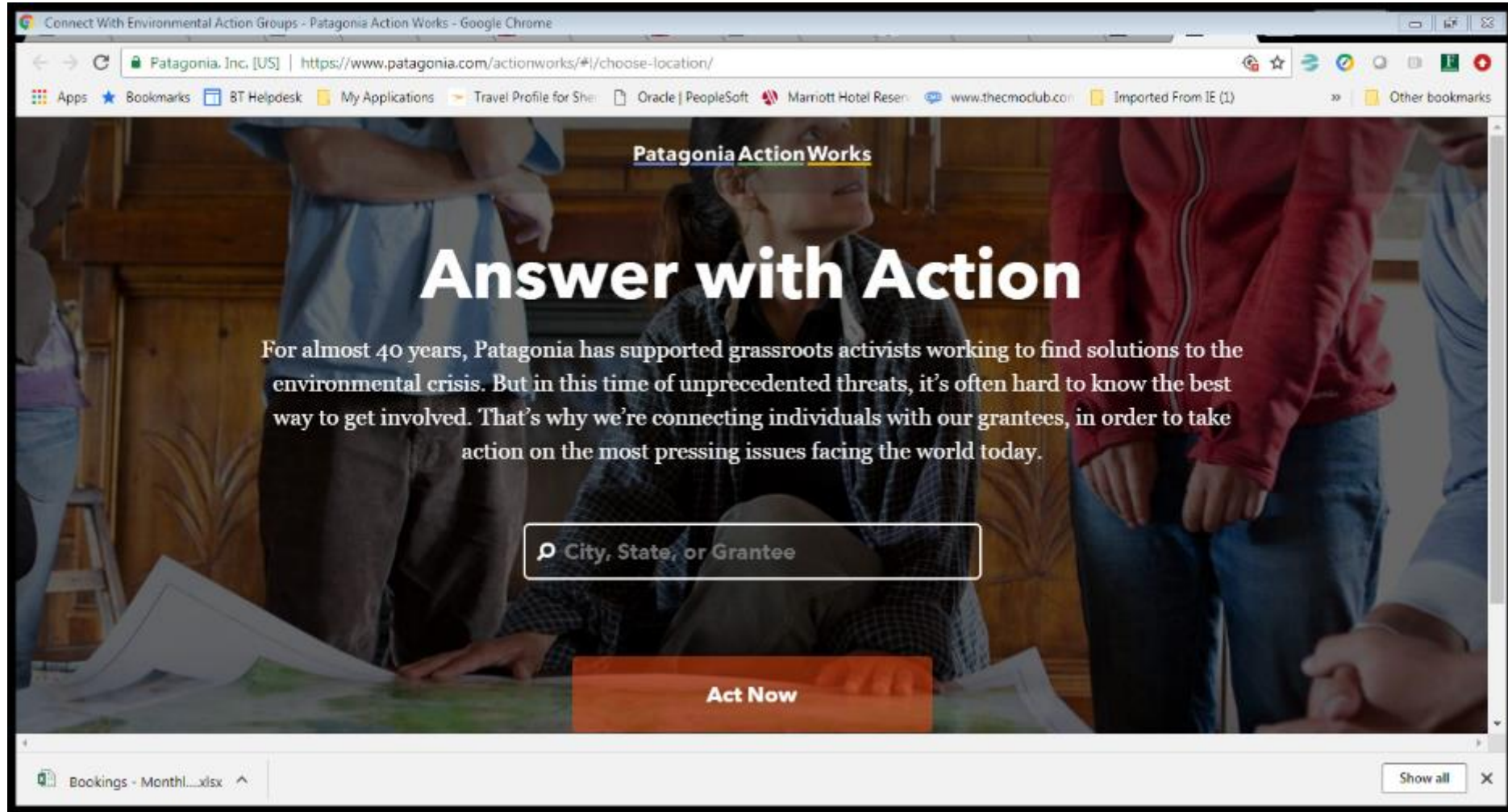


NUMBER OF WORKERS/GENDER MIX
3420 / 27% Female, 73% Male

LANGUAGE(S) SPOKEN
Japanese & English

PRODUCED HERE
Outerwear

Patagonia Lives Its Purpose



Salesforce Embeds Purpose In Its Culture

Building a movement of corporate philanthropy

Salesforce Ventures partners with Pledge 1% to encourage our portfolio companies to make giving back a priority. Pledge 1% is an easy way to leverage a portion of your future success to support nonprofits in your community. It's a small commitment today that can make a huge impact tomorrow.

TAKE THE PLEDGE NOW

PLEDGE
1%



The 1-1-1 model

In 1999, Salesforce was founded with a vision for a new kind of company—one with a new technology model, a new business model and a new philanthropic model. This philanthropic model is the 1-1-1 Model, which dedicated 1% of Salesforce's equity, 1% of Salesforce's product and 1% of Salesforce employees' time back to communities around the world.

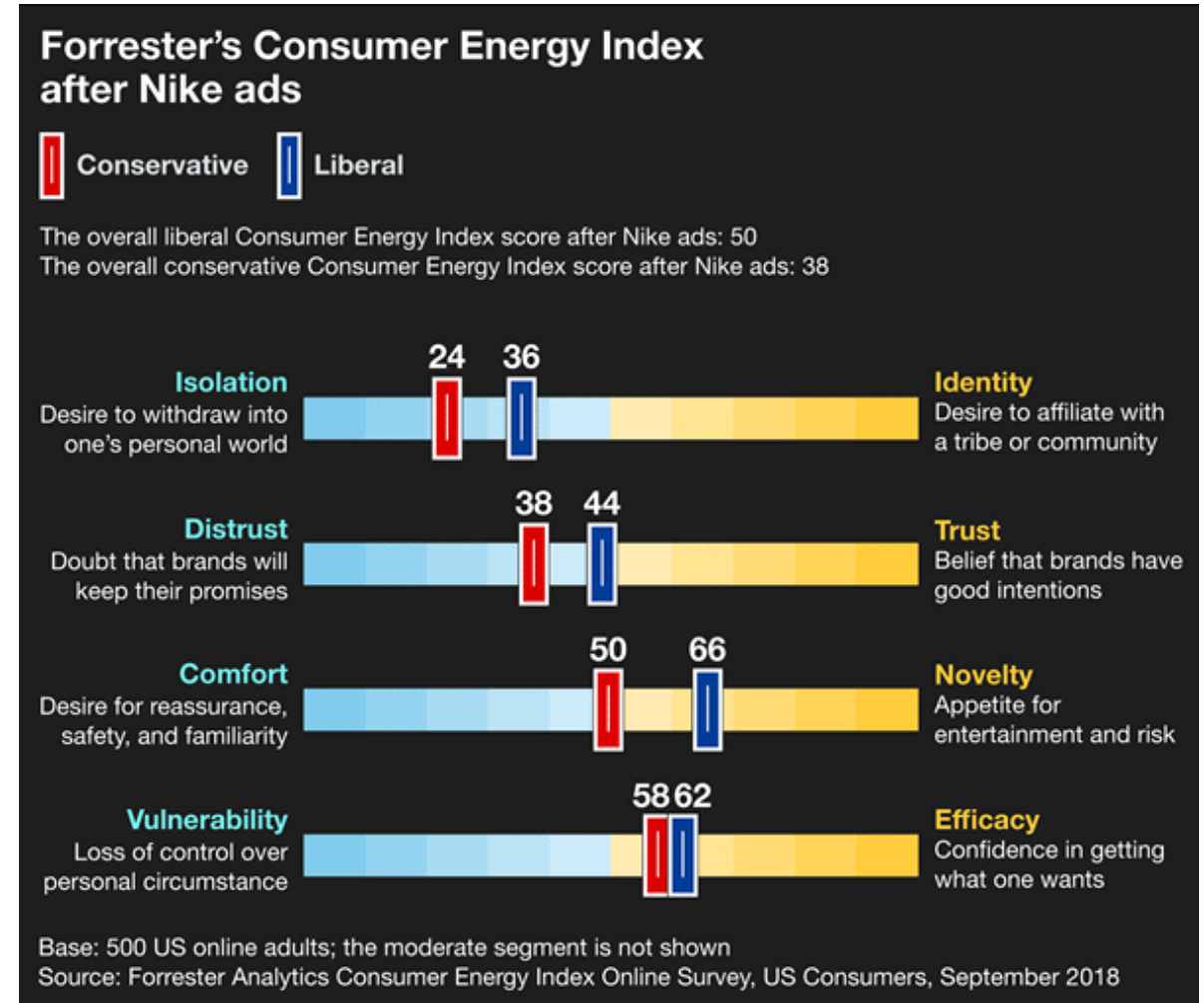
Nike Takes A Stand

Believe in something.
Even if it means sacrificing everything.


 Just do it.

Nike Takes A Stand...But Still Has More To Do

- Social media chatter grew by 8x
- Produced an estimated \$163M in free word-of-mouth marketing
- 60% of that buzz was emotionally charged
- Market cap reached an all-time high of \$135B



Forrester's "Nike Makes No Sacrifices" report

A young child with curly brown hair and a purple hair clip is shown from the chest up, standing on a sandy beach. The child is wearing a light blue patterned shirt and a purple beaded bracelet on their right wrist. Their arms are outstretched to the sides, palms up, and they are looking off to the right towards the ocean. The background is a blurred view of the beach and the sea under a soft, hazy sky.

**Where Do
You Start?**

Finding Your Purpose Matters

Marketers are the drivers of purpose fueled experiences

It is the responsibility of marketers is to ensure that relevant, differentiated experiences are anchored in purpose, that they provide meaningful experiences built on strong emotional connections, that they behave with integrity and importantly that they're always reinventing themselves to deliver on that purpose.

Antonio Lucio, CMO of Facebook



Antonio J. Lucio / facebook
CMO

Choose A Purpose Driven Movement

Responsible Economy



Climate Change



Getting Outdoors



Universal Belonging



Lead By Engagement

Patagonia CEO led advocacy



Mobilize Employees



MetLife Celebrates International Women's Day

#innovateforchange



Navigating life together



Next Generation of Marketers Have Purpose In Their DNA

“We’ve got to inspire purpose-driven, talented, creative, young people to realize marketing can be a force for good. The **millennial generation is more purpose-searching than any generation that we’ve ever surveyed.** **Boomers started with paycheck, millennials start with purpose.** We had bosses, millennials want coaches. We had annual reviews, they want to talk about development.”

Roy Spense



Keys To Activating Purpose With Employees

Purpose as a noun



Purpose as a verb

Advertising



Advocacy and activism


Employees



Purpose champions

Create Rituals



A woman with brown hair, wearing a dark blue business suit over a white shirt, is meditating in a lotus position on a wooden desk. Her eyes are closed, and her hands are raised in the air with palms facing up. To her left is a computer monitor on a stand, a keyboard, and a pair of glasses. To her right is a stack of four colorful binders (green, red, black, and blue). The background is a blurred grid of numbers. A semi-transparent dark banner with white text is overlaid across the middle of the image.

Back at your desk...

To adapt to changes in:
*How customers **behave***
*What customers **expect***
*How you become **purpose driven***

***As marketers you
must do five
things...***

1. Adjust your mindset to understanding the impact of purpose in your market
2. Be *THE* purpose advocate in your organization
3. Create and deliver purpose driven brand experiences
4. Leverage purpose to drive profitable growth
5. Be a mission with a company, not a company with a mission



**“Products are
made in the
factory, but
brands are created
in the mind”**

- Walter Landor

Time For Questions



FORRESTER®



Sheryl Pattek
VP, Executive Programs
561-573-4007
spattek@forrester.com
@sherylpatttek

Thank you

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