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Competing On Social Purpose

Brands that win by tying mission to growth
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COMPETING ON SOCIAL PURPOSE

**BRANDS THAT WIN
BY TYING MISSION
TO GROWTH**

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Consumers increasingly expect brands to have not just functional benefits but a social purpose. As a result, companies are taking social stands in very visible ways. Airbnb used a Super Bowl ad to publicly cement its commitment to diversity. Tecate, based in Mexico, is investing heavily in programs to reduce violence against women, and Vicks, a P&G brand in India, supports child-adoption rights for transgender people. Brands increasingly use social purpose to guide marketing communications, inform product innovation, and steer investments toward social cause programs. And that's all well and good when it works. But missteps are common, and they can have real consequences.

Recall Starbucks's Race Together campaign—the chain's earnest effort to get customers talking about race relations in the United States. The program was widely criticized for its perceived lack of authenticity, among other reasons, and was quickly canceled. Or consider SunChips's 2010 launch of a biodegradable bag. The composite material was indeed good for the environment—but the bags were so noisy they drew mockery on social media, forcing the company to pull them from the market.

Countless well-intentioned social-purpose programs have consumed resources and management time only to end up in obscurity. Sometimes they backfire because the brand messages designed to promote them anger or offend customers—or they simply go unnoticed because they fail to resonate. Other times, managers use these initiatives solely to pursue intangible benefits such as brand affection or as a means to communicate the company's corporate social responsibility, without consideration of how they might create business value for the firm.

With the support of Sustainable Brands and the Ray C. Anderson Center for Sustainable Business, we've studied many social-purpose brand programs and have worked with close to a dozen leading brands to design growth-focused social-purpose strategies. On the basis of our research and experience, we've developed an approach we call “competing on social purpose” that ties a company's most ambitious social aspirations to its most pressing growth needs. In this article, we provide a novel framework to help companies find the right social purpose for their brands.

BUILDING A STRATEGY

Some brands have integrated social purpose into their business models from the start: Think of Patagonia, TOMS, Warby Parker, and Seventh Generation. The societal benefit these “social purpose natives” offer is so deeply entwined with the product or service that it's hard to see the brands' surviving intact without it. Imagine how customers would react if TOMS abruptly

ended its one-for-one program, which donates shoes, water, or eye care to the needy for every product it sells. And what would happen to Patagonia's brand if the company abandoned its commitment to eco-friendly manufacturing? Social purpose natives like these must be diligent stewards of their brands.

The challenges are very different for the much larger number of brands for which this article is written—a group we call “social-purpose immigrants.” These established brands have grown without a well-defined social-purpose strategy and are now seeking to develop one. Typically, they belong to firms that are good corporate citizens and are committed to progress on environmental and social goals. However, their growth has thus far been based on superior functional performance that is unrelated to a broader social purpose.

To develop a social purpose strategy, managers should begin by identifying a set of social or environmental needs to which the brand can make a meaningful contribution. (For simplicity, we'll use the term “social needs” to refer to both social and environmental concerns.) Few brands are likely to start with a blank slate—most have corporate social responsibility programs under way, some of which could become relevant aspects of the brand's value proposition. Yet focusing on only those initiatives could limit the potential of a purpose-driven brand strategy or divert marketing resources meant to stimulate the brand's growth toward corporate initiatives. To create a more comprehensive set of choices, managers should explore social purpose ideas in three domains: brand heritage, customer tensions, and product externalities.

Brand heritage. Of the many benefits a brand may confer, only a few are likely to have defined the brand from the start and be the core reason for its success. A look into the brand's heritage—the most salient benefits the brand offers customers—can help managers identify the social needs their brands are well positioned to address. For instance, since its launch, in 1957, Dove has been promoted as a beauty bar, not a soap. Enhancing beauty has always been central to its value proposition. Therefore, it makes sense that Dove focuses on social needs tied to perceptions of beauty.

Customer tensions. An unbounded exploration of social issues relevant to your customer base will most likely yield a list that's too broad to be very helpful. To narrow your options, look at the “cultural tensions” that affect your customers and are related to your brand heritage. Such tensions, first characterized by marketing strategist Douglas Holt, refer to the conflict people often feel when their own experience conflicts with society's prevailing ideology. Holt argues that brands can become more relevant by addressing consumers' desire to resolve these tensions. Classic examples include Coca-Cola's “I'd Like to Teach the World to Sing” commercial, which promoted peace and unity at the height of the Vietnam War, and Budweiser's recent

IN BRIEF

THE EXPECTATION

Consumers increasingly expect brands to have a social purpose, so many companies are taking social stands in very visible ways. Think TOMS's one-for-one program, which donates shoes and other goods for every product sold.

THE CHALLENGE

These programs can benefit society and the brand but may fizzle or actually harm the company if they're not carefully managed.

THE STRATEGY

An effective strategy creates value by strengthening a brand's key attributes or building new adjacencies. At the same time, it mitigates the risk of negative associations and threats to stakeholder acceptance.

Super Bowl ad celebrating the immigrant story of one of its founders, which aired in the midst of a heated public debate about immigration.

Product externalities. Finally, examine your product's or industry's externalities—the indirect costs borne or benefits gained by a third party as a result of your products' manufacture or use. For instance, the food and beverage industry has been criticized for the contribution of some of its products to the increasing rates of childhood obesity. It has also faced concerns about negative health effects resulting from companies' use of artificial ingredients and other chemicals in their products. Panera Bread's decision to position its offerings as “clean food”—made without “artificial preservatives, sweeteners, flavors, or colors from artificial sources”—is a direct response to a social need created by industry externalities.

Although a company may build a sound social-purpose strategy that focuses on just one domain, ideally this exercise yields opportunities at the intersection of all three. Consider Airbnb's WeAccept social purpose strategy. The company's brand heritage is built on providing an open and inclusive platform, but in recent years concerns about race discrimination have once again risen to the forefront of cultural tension in the United States. Recently, Airbnb has faced allegations of racial discrimination by some of its members—a serious externality produced by its service.

PALE THE LIST

After considering social purpose ideas in the three domains, managers should pare the list to three or four social needs, and propose strategies for each, to be evaluated as final candidates for the brand's social purpose.

To guide the prioritization and selection process, managers should gauge how the social purpose idea both generates business value and minimizes the company's exposure to risk. An effective social-purpose strategy creates value by strengthening a brand's key attributes or building new adjacencies. At the same time, it mitigates the risk of negative associations among consumers and threats to stakeholder acceptance.

Brand attributes. Managers often consider the fit between the social need and the brand as a criterion for evaluating social purpose strategies. However, good fit isn't enough. They should also consider how social purpose can create value by strengthening (or creating) brand attributes relevant to consumer choice in a given industry.

We define brand attributes as characteristics managers instill in a product or service, including features and benefits as well as personality or reputation supported through marketing communications. A restaurant, for example, might use sustainably sourced ingredients (a feature), which can reinforce a perception of great taste (a benefit), and through marketing communications,

OBSTACLES TO COMPETING ON PURPOSE

Three characteristics of purpose-driven growth make it particularly challenging for managers.

It's hard to change course. Once a social purpose is chosen, changing course is difficult and ill-advised, because success depends on the legitimacy of the brand's claim. Shifting or inconsistent claims may raise doubts about the firm's integrity or commitment. Specific programs can and should evolve, of course, and successful brands continually innovate. But the underlying purpose should remain constant. Dove has pursued its Real Beauty cause for more than a decade. Patagonia has advocated for environmental protection since its founding, in 1973. Starbucks has consistently worked to promote social justice. Although an unswerving purpose is critical to success, this constraint can be frustrating to managers in an era characterized by agility and constant experimentation.

It's tough to gauge market potential. Proponents of social purpose initiatives often argue that the programs can help the business grow. And they can—but not without a carefully crafted strategy. Too often, strategies are based on projections of business impacts that are oversimplified or flawed. Even among customer segments that support a brand's social purpose, for example, individual consumers may take purpose into account to varying degrees when making product choices. In addition, the size of the customer segments inspired by a brand's social mission may vary significantly by product category, purchase occasion, and geography. Finally, data on the importance of societal benefits is often drawn from consumer surveys—as opposed to actual customer behavior—which may overstate true purchase intentions. Taken together, these factors can lead to unreliable estimates of market demand and growth.

It's easy to get distracted. Many purpose-driven brand initiatives have been launched with enthusiasm only to vanish without a ripple. One reason is that the appeal of “doing well by doing good” can distract managers from a brand's primary business needs. These nonstrategic programs can take on a life of their own, tempting managers to expand and dilute the focus of their brand purpose and split their attention in ways that don't help growth. Or, concerned about potential controversy, managers may distance the program from the brand's other business activities, giving rise to shell initiatives that have no real presence in the brand's value chain.

promote a reputation for environmental consciousness (the brand personality).

When choosing among possible social-purpose strategies, managers need to understand how each option affects key brand attributes. Consider the case of Vaseline. By 2014, when Kathleen Dunlop became global brand director, the product was at risk of becoming a commodity in the United States. To grow, it needed to find new ways to remind existing customers of its core attributes while educating a younger generation.

Dunlop and her team determined that the answer to this business problem lay in the brand's tagline “the healing power of Vaseline,” which captures its core attribute. Asking “Where is our healing power most urgently needed?” the team began the process of developing a social purpose strategy for the brand. Through interviews with medical professionals at the Centers for Disease Control, Doctors Without Borders, and the UN Refugee Agency, the team learned that Vaseline jelly was an indispensable part of emergency first-aid kits. In refugee camps, for instance, minor but common skin conditions such as cracking and blistering could become dangerous and debilitating. Petroleum jelly, and Vaseline in particular, was often a first line of care.

With this insight, the team crystallized a social purpose strategy around skin care for the most vulnerable—people living in poverty or emergency conditions—and in 2015 the Vaseline Healing Project was born. In partnership with the nonprofit Direct Relief, the project aims to reach 5 million people by 2020.

The Healing Project was not a CSR or public relations initiative; it was designed to connect business goals with societal needs. The resulting campaign was tested alongside other traditional marketing programs designed to differentiate the brand. The initiative outperformed all the alternatives and achieved its objectives in its first full year, helping Dunlop build a stronger business case for it and persuade the managers responsible for the brand's P&L to invest marketing resources behind it.

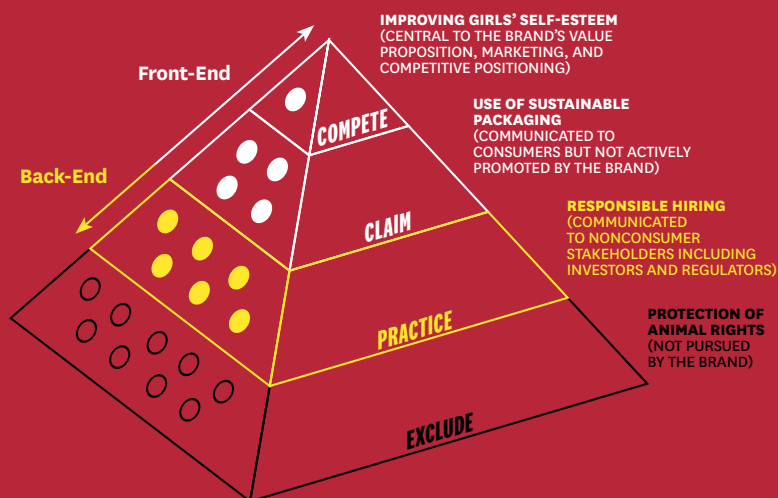
THE SOCIAL BENEFIT PYRAMID

Managers often struggle to reconcile corporate-level sustainability efforts, CSR programs, and social purpose strategies for their brands, causing them to misdirect brand marketing resources toward increasing consumer awareness of corporate-wide programs.

To ensure the proper allocation of resources, brand managers should clarify the roles of existing or potential social initiatives for the brand. First, sort the initiatives into “front-end” investments (those the brand will actively promote to customers), “back-end” investments (those that the company practices but that do not create value for consumers), and activities the brand won’t pursue at all. Then, select one social purpose initiative to compete on and several to “claim” in brand marketing. All others should not be an active part of the brand’s marketing efforts.

The chart below shows how this categorization would work for the Dove brand.

A CLOSER LOOK: DOVE BRAND



Now in its third year and with more than 2.3 million jars of Vaseline donated, the initiative is continuing to expand.

To assess the relationship between different social-purpose strategies and brand attributes, managers should ask:

- Does the strategy reinforce existing brand attributes?
- What new and valuable brand attributes might it create?
- Would the strategy be difficult for competitors to imitate?

Business adjacencies. One reason a brand purpose strategy can fall short of expectations is that it doesn’t adequately address the financial interests of investors and other stakeholders. One way a social purpose strategy can boost business performance is by enabling the brand to compete in adjacent markets.

Consider Brita, which until 2005 primarily sold tap-water filters. Concerned by slowing growth, managers realized that the company could enter the adjacent bottled-water market by positioning filtered water as an environmentally friendly alternative. Thus Brita seized on a social need—waste reduction—to push into a new market. It combined reusable water-bottle and pitcher innovations with its filter technology to expand the brand’s market presence. In its marketing, Brita emphasized the water’s “great taste and purity” and its economic value over time relative to bottled water. But its central message was the environmental benefit of substituting filtered water for bottled water: 300 plastic bottles kept out of landfills and oceans for each Brita filter used.

Most recently, the brand has evolved its strategy by positioning itself as not just a filter brand but also a water brand, promoting additional social benefits related to health and wellness. This strategy helped Brita secure a strong competitive position: It was relatively straightforward for the brand to enter the bottled water category, but it would be much harder for bottled water rivals to enter the filter business. Three years after Brita entered this adjacent market, its revenues had grown by 47%.

To gauge whether a proposed brand purpose and strategy can support a move into adjacent markets, managers should ask:

- Can the strategy help create a new product or service for current customers?
- Can it help open a new market or channel or attract a new customer segment?
- Can it help reduce costs or increase the profitability of the business?

Consumer associations. It’s important to think through how consumers will perceive the social purpose a brand is considering. Will they see the benefits

as an asset? A liability? Or irrelevant to their purchase decision? In predicting customer response, brand managers need to understand the range of cognitive associations that different consumer segments may bring to a brand's social claim. Take, for instance, the brand attribute "organic ingredients," which is typically used to support claims of health or environmental benefits. If it appears on the label of a tea product, consumers may associate it with augmented qualities—perhaps improved taste or healthfulness. But how might they react to an organic dry-cleaning service? A growing body of research demonstrates that consumers don't have an equal or easily predictable response to social benefit claims: Labels like "fair trade," "environmentally friendly," and "ethically sourced" can sometimes induce negative associations—such as poorer performance, in the case of the dry cleaner.

Consider the Green Works line of environmentally friendly cleaning products. Launched with high expectations by Clorox in 2008, the brand has failed to generate the anticipated sales and the company's plans to become the dominant player in this premium market have yet to become reality. Before launching Green Works, Clorox's market research revealed that although consumers expressed interest in "green" cleaning products, only a small minority (15%) perceived environmentally friendly ingredients as an important consideration in their purchase decisions. The research also showed that mainstream consumers often associated environmental friendliness with diminished performance. Clorox product managers delayed the product launch twice until they were confident their formulation was as effective as traditional cleaners. In addition, they decided to include the Clorox logo on the label to reinforce the message of cleaning efficacy.

Despite these efforts, Green Works ran into problems. Eco-conscious consumers who might have been attracted to Green Works' environmental credentials were put off by its association with Clorox—an industrial-strength cleaner that they did not perceive as environmentally friendly—while mainstream consumers remained unconvinced that the products were effective enough. In response, the company revamped the packaging to satisfy both groups: The Clorox logo has disappeared, and messages about powerful cleaning are now prominent on the label. Green Works' experience demonstrates the importance of carefully evaluating the associations—both positive and negative—that consumers may bring to each social-benefit claim a brand makes.

To assess the associations consumers may have with different brand-purpose strategies, managers should consider the following questions:

- Is the social need likely to be perceived as personally relevant to target consumers?
- Will consumers be able to easily associate the brand with the social purpose?
- Will the social purpose strategy induce positive (and not negative) associations about the brand or product?

Stakeholder acceptance. Competing on social purpose is sure to attract criticism—virtually all social issues have both advocates and detractors—which can stall or even derail a program. Thus, managers must evaluate whether key stakeholders will accept and support the proposed social-purpose strategy. As with customer associations, some stakeholders may embrace a brand purpose while others reject it. Our research has found three drivers of negative reactions: inconsistency between the brand claim and the company's actions, politicization of the claim, and suspicion about the firm's motives.

Consider again Dove brand's Campaign for Real Beauty. The marketing program challenged traditional standards of beauty and promoted the idea that true beauty has limitless forms. Its success made the brand a leading example of how to effectively integrate a social purpose into an existing brand strategy. But as its popularity grew, the campaign also attracted criticism. Some detractors noted an inconsistency between Dove's position and those of its parent company Unilever, particularly in the marketing of the Axe line of men's grooming products, whose advertising featured the seduction of scantily clad women. That Unilever was simultaneously fighting and reinforcing stereotypical notions of beauty struck its critics as hypocritical. Unilever eventually repositioned Axe and removed sexist stereotypes from its marketing. When competing on social purpose, inconsistencies between your operations and your brand claims will become more salient and should be quickly resolved—or, better, avoided in the first place.

Another obstacle to stakeholder acceptance occurs when companies, unwittingly or not, adopt a controversial social purpose. This was the case with Coca-Cola's Arctic Home program, a partnership launched in 2011 with the World Wildlife Fund to protect polar bears. The social mission fit well with the brand, which had long used the animal in its advertising. However, despite the fact that its leaders never intended to equate a conservation initiative with the politics of climate change, the program catapulted Coke into the middle of a political debate. A significant segment of the population regarded global warming as a serious problem. But climate skeptics saw the Coke campaign as a mass media effort to promote a political

COMPETING ON SOCIAL PURPOSE IS SURE TO ATTRACT CRITICISM—WHICH CAN STALL OR EVEN DERAIL A PROGRAM.

agenda. Coke's program was interpreted by some as a position on climate change and became a talking point in a Senate debate. As a result, some retail customers refused to use the campaign in their stores. While the company succeeded in containing a more general outcry, its experience highlights the risk of politicization around a brand's social purpose. It is unlikely that any social-benefit claim can escape criticism, but management's goal must be to maximize the fan-to-foe ratio.

Finally, stakeholders may question a brand's motives if the initiative appears to be driven primarily by commercial interests. Stakeholders understand that companies are profit-driven, but if the company's initiative offers no apparent social benefit, they may feel manipulated—as often happens if a brand is found to be “greenwashing.” To mitigate this risk, it's critical to select a social purpose for which the brand can make a material contribution.

To assess whether the social purpose strategy is likely to be accepted by stakeholders, managers should ask:

- Can the brand have a demonstrable impact on the social need?
- Are key stakeholders on the front lines of the social issue likely to support the brand actions?
- Can the brand avoid inconsistent messaging, perception of opportunism, and politicization?

NIKE: A CASE STUDY

Let's look at how our framework can be applied in practice. Although numerous brands are using this method to evaluate brand purpose strategies, their initiatives are still under way. For illustrative purposes, we've analyzed the choices made by Nike over the past several decades. (For more, see the exhibit “Gauging Social Purpose Strategies.”)

Over the past decade, Nike has invested heavily in R&D to reduce environmental waste in its manufacturing processes. In 2010, the company launched the Environmental Apparel Design software tool—an open-source version of its Considered Design Index—enabling garment designers anywhere to assess the environmental impact of various materials and explore combinations that reduce material waste before making a selection. In 2012, Nike debuted its flyknit technology, which allows the company to reduce waste by manufacturing shoes with a one-piece upper body.

Nike could tout these efforts in its customer-facing marketing, but it doesn't. In their purchase decisions, customers look for performance shoes that are comfortable, lightweight, and durable. Reducing manufacturing waste is not an attribute most sports-shoe buyers prioritize. Claims of environmental friendliness are also unlikely to help the brand move into adjacent markets. In fact, people buying performance shoes are more likely

GAUGING SOCIAL PURPOSE STRATEGIES

To compare brand purpose strategies, score each option on its potential to create value or reduce risk by answering the questions below. Strategies that score highest across domains are the most likely to create value for the company and effectively address the targeted social need. Below, we assess how two options for Nike would stack up.

NIKE: SCORING TWO OPTIONS

ANSWER THE QUESTIONS BELOW, GIVING ONE POINT FOR EACH “YES” ANSWER

DECREASING MATERIAL WASTE IN MANUFACTURING

PROMOTING THE PARTICIPATION OF GIRLS IN SPORTS

BRAND ATTRIBUTES

DOES THE STRATEGY REINFORCE EXISTING BRAND ATTRIBUTES?	0	1
WILL IT CREATE NEW BRAND ATTRIBUTES?	1	1
WILL IT BE DIFFICULT FOR COMPETITORS TO IMITATE?	0	0
TOTAL SCORE	1	2

BUSINESS ADJACENCIES

WILL THE STRATEGY HELP CREATE A NEW PRODUCT OR SERVICE FOR CURRENT CUSTOMERS?	0	1
WILL IT HELP OPEN A NEW MARKET OR DISTRIBUTION CHANNEL?	1	1
WILL IT HELP REDUCE COSTS OR INCREASE THE PROFITABILITY OF THE BUSINESS?	1	0
TOTAL SCORE	2	2

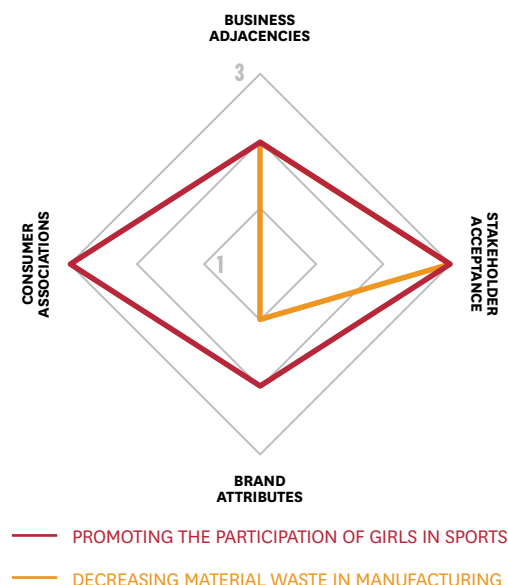
CONSUMER ASSOCIATIONS

IS THE SOCIAL NEED LIKELY TO BE PERCEIVED AS PERSONALLY RELEVANT TO TARGET CONSUMERS?	0	1
WILL CONSUMERS EASILY SEE THE CONNECTION BETWEEN THE BRAND AND THE SOCIAL NEED?	0	1
WILL THE STRATEGY INDUCE POSITIVE ASSOCIATIONS ABOUT THE BRAND?	0	1
TOTAL SCORE	0	3

STAKEHOLDER ACCEPTANCE

CAN THE BRAND HAVE A DEMONSTRABLE IMPACT ON THE SOCIAL NEED?	1	1
WILL KEY STAKEHOLDERS ON THE FRONT LINES OF THE ISSUE SUPPORT THE STRATEGY?	1	1
CAN THE BRAND AVOID INCONSISTENT MESSAGING, PERCEPTIONS OF OPPORTUNISM, AND POLITICIZATION?	1	1
TOTAL SCORE	3	3

Plotting the scores for Nike's two options on a spider chart clearly demonstrates that "promoting the participation of girls in sports" creates more value for the brand and mitigates risk better than "decreasing material waste in manufacturing" would.



to associate green-manufacturing claims with reduced durability. Nike does communicate its environmental benefits to partners and investors—for whom these are important operating practices—demonstrating a wise allocation of its social benefit claims.

In 1995 Nike embraced a customer-facing social benefit: encouraging young girls to participate in sports. Nike spokeswoman Vizhier Corpus said at the time, "If you are a parent interested in raising a girl who is physically and emotionally strong, then look to sports as a means to that end." It was a smart choice. The message reinforced the brand associations of courage and competition promoted by Nike in the 1990s, was unlikely to suffer from problems with stakeholder acceptance, and had a robust business logic: At the time, the women's apparel business represented less than 10% of Nike's revenues. Today that figure has climbed to 23%, and women's apparel is the company's highest growth segment.

DEFINE THE BRAND'S ROLE

Once a company decides which social need a brand will focus on, using the four dimensions of our framework to guide their selection, managers must determine how the brand strategy will create value for it. Our analysis of dozens of purpose-driven brand

strategies revealed four ways a brand can create value for a social need. This taxonomy provides a useful tool for thinking about how a brand can best execute on its purpose. It can also guide managers in the selection of metrics for measuring the impact of their social-purpose investments.

1. Generate resources. Brands can make an impact by helping generate the resources required to address a social need. Most commonly, this involves the donation of financial resources: When consumers buy a product, the brand gives a percentage of the profits to a selected cause. Newman's Own famously donates 100% of profits across thousands of organizations that address four broad social needs. Resources could also include time, talent, relationships, and capabilities.

2. Provide choices. Brands can offer consumers products that address a social need and can be substituted for those that don't. Brita filters, for example, give customers an alternative to bottled water that doesn't add plastic to landfills.

3. Influence mindsets. Brands can help shift perspectives on social issues. Examples include Nike's communications efforts to promote the participation of girls in sports and its recent campaign to promote racial and gender equality. Other examples include Tecate's initiative to stop gender violence in Mexico or the Always brand's "Like a Girl" program that focused on building girls' self-esteem.

4. Improve conditions. Brand actions can help establish the conditions necessary to address a social need. Consider Coca-Cola's Ekocenter initiative in Africa. Through a multi-stakeholder partnership, the brand is creating community centers with clean water, solar power, and internet access, among other services. The centers house modular markets run by local female entrepreneurs.

In defining how their social purpose programs will create value, managers should partner with organizations and individuals that are actively working on the front lines of the social issue. This ensures that the brand's capabilities are focused on the most pressing needs of the social issue.

MANAGERS OFTEN HAVE the best intentions when trying to link their brands with a social need, but choosing the right one can be difficult and risky and has long-term implications. Competing on social purpose requires managers to create value for all stakeholders—customers, the company, shareholders, and society at large—merging strategic acts of generosity with the diligent pursuit of brand goals.

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