



A Study on Purpose-Driven Strategies by Organizations to Build Resilient Brands

Kshemaindra Acharya Phaniharam
Independent Researcher

ABSTRACT

Organizations or brands across the world apply various marketing approaches and one of the increasingly adopted approaches is a purpose-driven marketing approach where organizations align their branding and communications to a purpose that their vision and mission stands for. Though this approach has been there for a long time, these approaches tend to take a ramp up whenever humanity faces a crisis to let people know that the brand stands with them. This paper studies various brands that have applied purpose-driven approaches and purpose-led marketing and how it has helped them retain, increase, or made customers stand behind the brand making them resilient towards a crisis. The paper also attempts to build a theoretical or a conceptual checklist model that brands can apply to build brand resilience through purpose-driven approaches and marketing.

KEYWORDS: Purpose-driven Marketing, Brand strategy, resilient brands, brand positioning, purpose washing

INTRODUCTION

A purpose of an organization shows its reason for its existence and can be a powerful concept in building a brand that will resonate with its target customers or will acquire new customer base because of synergy between ideology and beliefs.

Purpose-driven marketing is a marketing approach that will incorporate an organization's purpose of existence into its brand positioning and communications. This strengthens a brand's authority and credibility and brings in new opportunities with companies, customers, collaborators, influencers, and investors with the same values. Having a clearly defined mission and a purpose, investing in that purpose, and living it every day can strengthen an organization as a whole. (Maya Kosoff, 2021).

A global study of 8000 people across 8 countries conducted by Zeno Group (The 2020 Zeno Strength of Purpose Study) shows that customers who believe that an organization truly lives by a purpose are 6 times more likely to protect or stand by the brand in a moment of crisis or challenge and are 4 times more likely to trust a brand.

Resilience: (American Psychological Association) defines resilience as "the process of adapting well in the face of adversity, trauma, tragedy, threats or significant sources of stress." This can also be defined for an organization or a brand. Martin Reeves and Kevin Whitaker (2020) define

resilience as a company's capacity to absorb stress, recover critical functionality, and thrive in altered situations.

Brand Resilience: According to David Armano and Allison Cirullo (2020), two of the main attributes of a resilient brand are being built to serve and being values-led. Such brands have the potential to withstand or recover from changes and crises.

Richard Edelman (2020) in his 12 Market study (Brazil, Canada, China, France, Germany, India, Italy, Japan, South Africa, South Korea, the UK, and the U.S) called "Trust Barometer Special Report: Brand Trust and The Corona virus Pandemic" shows that in a time of crisis, an average of 60% people turned more towards the brands that they are sure that they can trust and in that 77% Indians have responded the same.

Also, an average of 37% of people recently started using a new brand because of the innovative or compassionate way they have responded to the virus outbreak and 60% of Indians stand with the same response. The study also showed the brands that are driven by a purpose have the potential to influence future purchase as an average of 65% people and 79% of Indians have told that depending on a brand's response to the crisis will have a huge impact on their likelihood in buying that brand in the future.

Though the above studies show that customers will stand behind a brand that they believe in during its moments of crisis, or customers will support, promote and start



purchasing a brand during and after the crisis, brands have to align their purpose, products, and actions and not get into the phenomena of purpose washing. The above-mentioned Zeno group study also identified a purpose paradox where “although 94% of global consumers feel it’s important that the companies they engage with have a strong purpose and will reward them, only 37% believe that the companies have a clear and strong purpose.” Alain Sylvain (2019) states that many companies are exploiting “Purpose” and are capitalizing on purpose just to drive their own agenda’s creating the phenomena of “purpose-washing”. Many Brands face the wrath of consumers across different media for not aligning their vision and the purpose they have communicated. Whether a brand stands for a single purpose or stands in support of multiple causes, they should not just try to wear purpose as some tag, it should be built from within, in terms of their products, their policies, and how they build the purpose from within the organization.

OBJECTIVE OF STUDY

- 1) To study purpose-driven approaches and marketing of brands and their impact on the brands in times of crisis.
- 2) To attempt the creation of a conceptual or a theoretical checklist model which organizations can apply to build or add resilience to their brands using purpose-driven approaches.

PURPOSE-DRIVEN MARKETING AND APPROACHES BY BRANDS

The below approaches will showcase brands that have been executing purpose-driven marketing for many years and will also cover new purpose-driven approaches they have implemented during a crisis such as the covid-19 pandemic. But, managed to keep both such approaches aligned with their organizational vision.

Nike’s History of Purpose-Led Branding and Communications

Nike is a brand known to drive inspiration and has been standing for social causes and breaking barriers of societies to inspire people. The brand also adopted various strategies and innovations to reduce or curb the environmental impact that can happen due to its manufacturing processes. Driven by a purpose that deals with both social barriers and environmental impact, Nike was able to withstand crisis, bad media, and also impact of the COVID-19 pandemic. BrandZ retail ranking report shows that Nike is one of the top 5 brands to be resilient to the impact of the pandemic and stands first in the apparel category.

Apart from Pandemic, Nike’s purpose-driven approach and campaigns gained huge customer support and appreciation though few of them faced controversies initially but only have made the brand stronger. One of the most famous and prime examples of this is Nike’s “Dream Crazy” Ad campaign featuring NFL star Colin Kaepernick. The NFL star became

viral with his stand against police brutality around 2016-18. Nike stood by the cause and dared to feature the star in its Just do it campaign series. The Dream Crazy Ad again featured athlete turned activist Kaepernick that showcased more local athletes across cities. Some part of the American customer base went uproar for featuring him, but support poured in from across the globe from athletes, actors, activists, and many of its customers making the cause and Nike resilient to the adverse impact.

This Ad generated an extra 170,000 social media followers and share prices have reached a record. It also earned \$163MM earned media, added \$6B in Brand value, and increased sales by 31%.

One of the best reasons for this to have worked out is its alignment with Nike’s history of purpose-driven campaigns which has built trust across the world that Nike will raise to the purpose, which also almost always resulted in customer support and a rise in sales.

Unilever’s Sustainability and Brand Trust

Unilever and many of its brands are known to apply strong sustainability standards and Dove as a brand is most rooted to operate under stringent sustainability principles, reducing CO2 emissions, respecting workers’ rights, and promoting positive body confidence. one of Dove’s biggest phenomena in its purpose-led campaigns is the Self-Esteem program launched in 2004. Since its inception, it has promoted self-confidence and positive body image for women across the globe. When the pandemic hit, it swiftly shifted to run the program virtually enabling the download of 2 million of its confidence kits in 2020. Unilever as its parent company, lend the expertise and supply chain towards the donation of food, soaps, and sanitizers across communities and suppliers.

Carol A Massar (2020), quoted Alan Jope CEO of Unilever from their interview where the CEO of the global consumer brand shared three beliefs of the brand where brands with purpose grow, companies with purpose last, and people with purpose will thrive. He also stated live examples of their categories under hand hygiene, surface hygiene, and in-home eating being resilient to the pandemic.

Laura Kelly (2021), states that Unilever is a good example of a company that prioritizes sustainability can outperform the market during a crisis or with an increasing global need of building better with sustainability. Lifebuoy, Dove and Knorr, outperformed the rest of its portfolio by 69% and accounted for 75% of the company’s overall growth. In 2020 the company made profits of 9.7 billion dollars on a turnover of \$59 billion.

Unilever was able to maintain its resilience due to the trust it has established with its consumer base through its sustainability approaches and purpose-led branding and communications.

Mondelez India's Stand for Hyper Localization

Mondelez International has been talking about making snacking right and “Humaning” their marketing approach, making sure that they will cultivate a meaningful relationship with society and the retail ecosystem. Amid the COVID-19 pandemic, Mondelez India has launched a data and AI-driven campaign whilst ensuring the most human approach. This campaign launched by the brand during Diwali was called “Not Just a Cadbury Ad” which intended to provide a helping hand to small and local businesses that were struggling during the COVID-19 pandemic. This data-driven campaign created advertisements that doubled as ads for Cadbury and thousands of local businesses depending on where the consumer or audience was located, they would see an advertisement of a local store or business that they could try to support. The marketing technology-driven campaign helped Mondelez India connect consumers to more than 1,800 retail stores across 8 cities and 270 location pin codes. This in turn doubled the sales of retail businesses featured in the campaign's localized custom advertisements.

The brand tapped into the changing purchase behavior of purchasing from and supporting local businesses. But, instead of falling into a multitude of cause-driven campaigns, Cadbury along with the Ogilvy group launched this campaign. This helped the brand in reaching around 100M users, an 85% increase in positive brand mentions, 25% transaction growth on brand business. What worked well for this successful campaign was the brand's humanly support to the retail ecosystem and its unique leverage of technology to strengthen its marketing and branding.

Airtel's Support towards Telecom Ecosystem

One thing that became very clear during the pandemic was the need for connectivity and digitization of various processes, services, and working models. Work from home became common in industries that could not have dreamt of it, office meetings and calls shifted to online video meets. While most telecom operators have stepped up to support the increasing need for data and internet connectivity, Airtel seems to have done something interesting to become more resilient to the pandemic as per Preeti Reddy (2020). The brand gave ₹10 credit for some 8-crore customers and also paid salaries for 30,000 employees of their partners. They also tied up with health care and hospital networks to enable onlinedoctor visits. Airtel during this period added customers with a higher average revenue per unit, which means they charged a bit more but managed to hold on to their customers. That has helped Airtel hold on to its valuation from last year and also stood in the top 10 raisers in brand value in Kantar's BrandZ report featuring the top 75 most valuable Indian brands in 2020.

Lego's Re-Organization to Align with Purpose

It would be very hard to believe that a company like Lego was once on a verge of bankruptcy in 2004. The company was

facing a loss of sales and also not much value in its portfolio. The group had diversified into a large non-profitable portfolio and overstretched itself forgetting its purpose and straying from listening to the core voice of the customer. Lego's then CEO Jorgen Vig Knudstorp identified the problem that they have to align the entire organization with the purpose to 'Inspire and develop the builders of tomorrow'. What followed was an entire re-organization of the company aligning every aspect of it with the purpose and developing a new portfolio with incremental changes. The re-alignment with purpose was driven across the organization globally. This dramatic turnaround plan was a mix of cost-cutting, philosophical renewal, touch & feel, and back-to-basics simplicity.

The result of this realignment with purpose was a global shocker. A group that was about to go bankrupt, became the world's most powerful brand in 2015, beating the like of Ferrari, and their revenue more than doubled between 2010 and 2020. The re-alignment with its core purpose enabled the group in becoming the largest toymaker by sales.

Many such brands ranging from FMCG and Retail to Technology have risen to the occasion throughout history and most notably during the COVID-19 pandemic because of the increase in digital media presence and changing consumer behavior and expectations towards brands to do good and put purpose before profit.

What Nike has done could have backfired and could have not been limited to outrage for a small duration. But as an organization, it understood Nike can only stand strong with its stance unless the organization itself is seen as living by that stance. Their CEO in a statement mentioned that they have stepped up their own efforts in diversity and inclusion and made a \$40 million financial pledge to support black communities. This came from the fact that less than 10% of its 300+ global VPs were black.

If organizations do not live by their purpose and build it from within or simply use purpose washing, consumers have always lashed back at the brands.

BRAND MESSAGING GONE WRONG!

Two of the appropriate examples of messaging gone wrong though the brands had best of their intentions can be seen from Pepsi and Mastercard. Though there have been other brands that have faced consumer's outcry, such global brands cause more uproar when they miss the fine line and fall on the wrong side of interpretations. What can be seen in these cases is there has been an insensitivity observed in the communications.

1.1. Pepsi's ad with Kendall Jenner on Black Lives Matter has resulted in an outcry and pulled it off the air by the brand. The company apologized and asserted that the brand did not intend to show the cause on a lighter note in contrast to how it was being perceived and condemned by the audience.

- 1.2. Mastercard launched a campaign to donate the equivalent of 10,000 meals to the World Food Programme for Latin American children for each goal scored by Lionel Messi and Neymar. This rather showed the brand in a bad light among the audience and they have condemned that the brand is trying to capitalize over starving children and should rather donate meals irrespective of goals. The brand later changed the campaign and pledged to donate a million meals in 2018.
- 1.3. Gillette’s “best a man can be” campaign against toxic masculinity took a strong hit and heat as the message

was interpreted as the brand was calling their male consumer base to be imperfect or showing most men in a bad light. There has been a mixed reaction across the globe with both positive and negative comments on the campaign, but overall it is being considered as a strategy gone wrong or botched communication.

By the observations of successful and negatively impactful purpose-led marketing strategies and approaches, the below conceptual model shows a checklist that brands can use to make sure their purpose-driven strategies can build resilience for their brands.

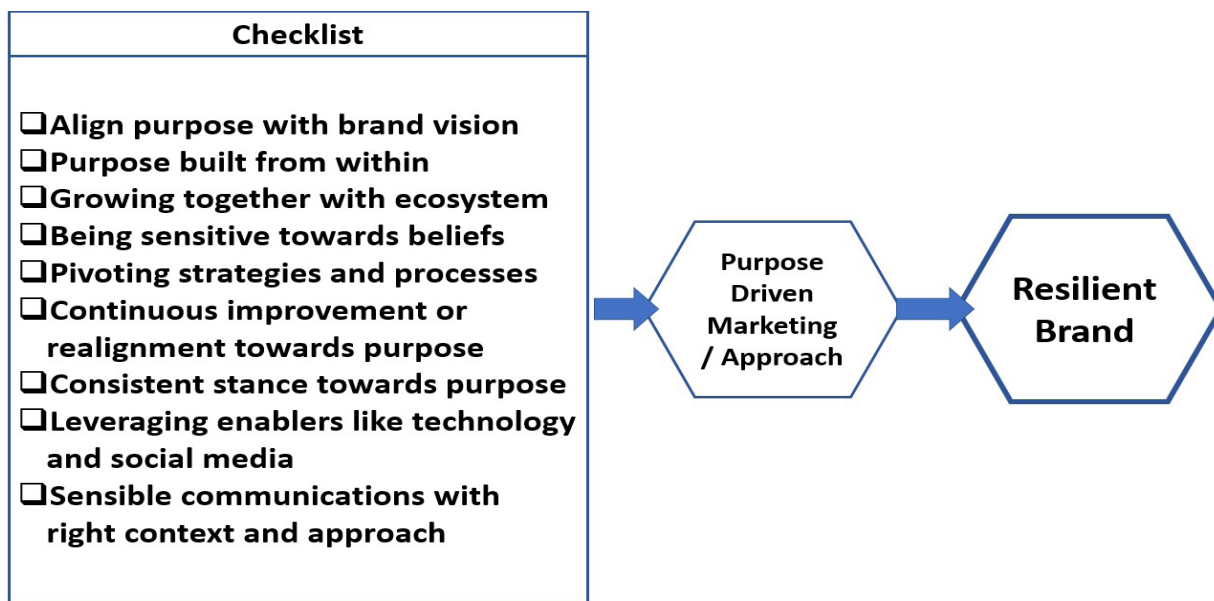


Figure 1. Proposed conceptual checklist model for purpose-driven approach/marketing to build resilient brands

Source: Image by author

CONCLUSION

Many organizations and marketing experts are reiterating that purpose-driven marketing is here to stay but brands have to tread carefully whilst implementing these approaches. In the long run, brands that have had a history of standing by a purpose or have been building their processes and approaches around causes such as sustainability, diversity, inclusion, and equality have built a certain amount of trust among consumers and they can focus on aligning their branding communications keeping the current market sentiments and values in mind. Brands that are repurposing or realigning their approaches or trying to build a purpose-driven approach need to ensure it is built from within in terms of their processes, policies, and how they treat their customers, employees, and all the stakeholders across their values chain. One important aspect to be kept in mind is that the brand should not come out as purpose washing just for the sake of doing it. By such purpose-led and meaningful strategies, organizations can build resilient brands.

REFERENCES

1. Maya Kosoff. (2021). The power of purpose-driven

marketing. Retrieved from <https://www.epsilon.com/us/insights/core-content/the-power-of-purpose>

2. Unveiling The 2020 Zeno Strength of Purpose Study. (2020). Retrieved from <https://www.zenogroup.com/insights/2020-zeno-strength-purpose>
3. American Psychological Association. resilience. Retrieved from <https://dictionary.apa.org/resilience>
4. Martin Reeves, Kevin Whitaker. (2020). A Guide to Building a More Resilient Business. Retrieved from <https://hbr.org/2020/07/a-guide-to-building-a-more-resilient-business>
5. David Armano, Allison Cirullo. (2020). Brand Resilience Building Future Ready Brands Covid19 Context. Retrieved from <https://www.edelman.com/insights/brand-resilience-building-future-ready-brands-covid19-context>
6. Richard Edelman (2020). Trust Barometer Special Report: Brand Trust and The Coronavirus Pandemic. Retrieved from <https://www.edelman.com/research/covid-19-brand-trust-report>

7. Alain Sylvain (2019). Alain Sylvain - The Exploitation of Purpose | OnBrand '19. Retrieved from <https://video.onbrand.me/alain-sylvain-the-exploitation-of>
8. BrandZ™ Retail Ranking Shines Spotlight on Brands Most Resilient to Impacts of Coronavirus. (2020). Retrieved from <https://www.prnewswire.com/news-releases/brandz-retail-ranking-shines-spotlight-on-brands-most-resilient-to-impacts-of-coronavirus-301049567.html>
9. Shaun Morgan. (2020). COVID-19 is putting “Brand Purpose” to its true test: Here’s the do’s and don’ts. Retrieved from <https://www.bynder.com/en/blog/what-brand-purpose-means-in-covid-19-era/>
10. Nike - Dream Crazy (case study). (2019). Retrieved from <https://www.youtube.com/watch?v=A1hDscZfE2w>
11. Carol A Massar. (2020). Unilever CEO Sees Purpose-Led Businesses Only Gaining Relevance. Retrieved from <https://www.bloomberg.com/news/features/2020-05-12/unilever-ceo-on-coronavirus-pandemic-purpose-led-businesses>
12. Laura Kelly. (2021). Addressing the ‘triple crisis’ COVID-19, climate change and nature loss: a catalyst for business to increase its sustainability?. Retrieved from <https://www.iied.org/addressing-triple-crisis-covid-19-climate-change-nature-loss-catalyst-for-business-increase-its>
13. Not Just a Cadbury ad. (2021). Retrieved from <https://wavemakerglobal.com/our-work/growth-stories/not-just-a-cadbury-ad>
14. Preeti Reddy. (2020). Indian brands have been more resilient to COVID effects than global brands: Preeti Reddy. Retrieved from <https://www.adgully.com/indian-brands-have-been-more-resilient-to-covid-effects-than-global-brands-preeti-reddy-96747.html>
15. Barry Chandler. (2015). How Lego’s Purpose Made It the Most Powerful Brand in the World. Retrieved from <https://www.advisorpedia.com/advisor-tools/how-legos-purpose-made-it-the-most-powerful-brand-in-the-world/>
16. Lego Overtakes Ferrari as the World’s Most Powerful Brand. (2015). Retrieved from <https://brandfinance.com/press-releases/lego-overtakes-ferrari-as-the-worlds-most-powerful-brand>
17. Monica Hoyer. (2021). Purpose-Driven Marketing Campaigns: Balancing People with Profit. Retrieved from <https://emfluence.com/blog/purpose-driven-marketing-campaigns-balancing-people-with-profit#gref>
18. Alexander Smith. (2017). Pepsi Pulls Controversial Kendall Jenner Ad After Outcry. Retrieved from <https://www.nbcnews.com/news/nbcblk/pepsi-ad-kendall-jenner-echoes-black-lives-matter-sparks-anger-n742811>
19. Alissa Fleck. (2018). Mastercard Put Its Foot in Its Mouth With World Cup Children’s Meals Campaign. Retrieved from <https://www.adweek.com/brand-marketing/mastercard-put-its-foot-in-its-mouth-with-world-cup-childrens-meals-campaign/>
20. Tovia Smith. (2019). Backlash Erupts After Gillette Launches A New #MeToo-Inspired Ad Campaign. Retrieved from <https://www.npr.org/2019/01/17/685976624/backlash-erupts-after-gillette-launches-a-new-metoo-inspired-ad-campaign>

Citation: Kshemaindra Acharya Phaniharam, “A Study on Purpose-Driven Strategies by Organizations to Build Resilient Brands”, American Research Journal of Business and Management, Vol 8, no. 1, 2022, pp. 4-8.

Copyright © 2022 Kshemaindra Acharya Phaniharam, This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.