



MUTUALLY BENEFICIAL MARKETING TAKES FLIGHT

How companies, brands and consumers are elevating social purpose to build trust, good business and shared interests

New findings from the Year-3 (2009) Edelman goodpurpose study



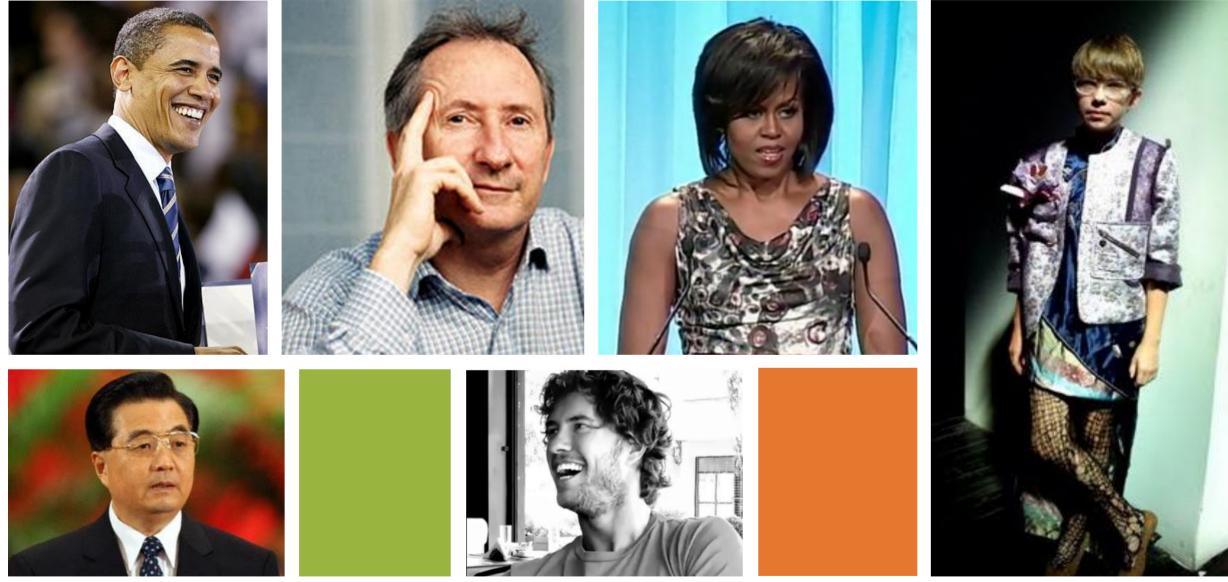


MOMENTUM GROWING FROM ALL CORNERS



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GLOBAL CALL FOR PUBLIC SERVICE AND SOCIAL PURPOSE



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GLOBAL CALL FOR PUBLIC SERVICE



OFFICE OF PUBLIC ENGAGEMENT CREATED

Our commitment to openness means more than simply informing the American people about how decisions are made. It means recognizing that government does not have all the answers, and that public officials need to draw on what citizens know.

President Obama, 1/21/09

We can no longer afford indifference to the suffering outside our borders, nor can we consume the world's resources without regard to effect. For the world has changed, and we must change with it...?

U.S. President Barack Obama

United States Government - www.whitehouse.gov



"It is in the interest of the enterprise to take care of the economic and social environment. To create value for shareholders but also to create value and wealth for customers, employees and regions where the companies operate because our company is an economic and social project."

Franck Riboud, CEO, Danone

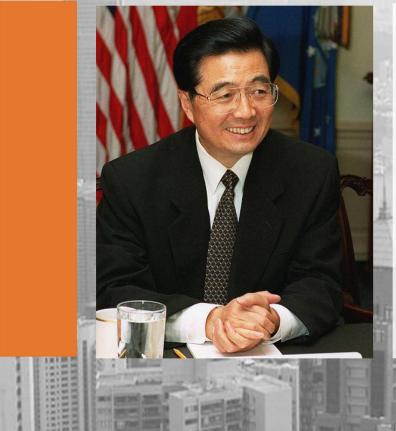
DANONE Abarrotes Aarol



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"By reducing energy intensity alone, China can save 620 million tons of standard coal in the five-year period (2005-2010), equivalent to cutting 1.5 billion tonnes of carbon dioxide emissions."... " We will vigorously develop renewable energy..."

Chinese President Hu Jintao

United States Department of Defence http://www.dodmedia.osd.mil/DVIC_View/Still_Details.cfm?SDAN=DFSD0407946&JPGPath=/Assets/2004/Air_Force/DF-SD-04-07946_JPG

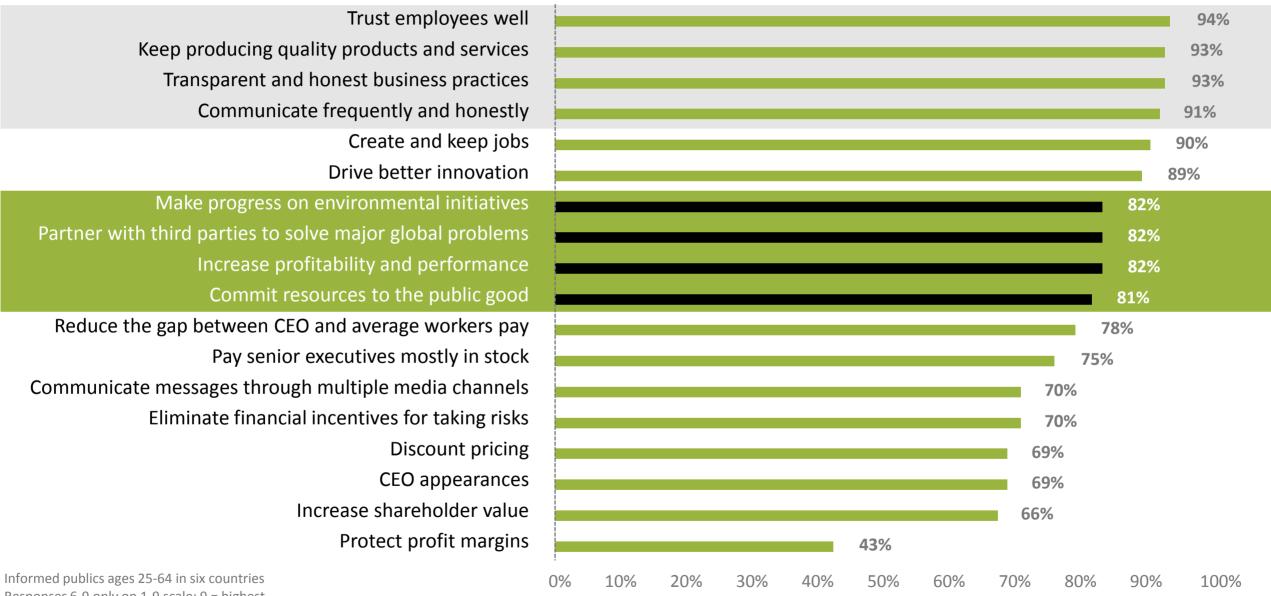




GOOD CITIZENSHIP CREATES TRUST



Question: Would trust a company more or less for taking each of the following actions?









SIGNIFICANT CHANGES AFOOT:



Brands are expected to play greater role in social issues and companies expected to devote equal attention to society and business needs



Consumer values shift: economic and values reset (less may really be more)

© 1979 Chuck Patch http://www.flickr.com/photos/65484951@N00/147942902 Social purpose is the new social status

Mutual Social Responsibility and Return on Involvement are shifting the CSR/Cause conversation







THE EVOLVING ENVIRONMENT...

	Working	
	Together	
Higher expectations: Companies,	to contribute to	Consumers desire to give more.
Brands & Government	the greater	comPASSION & community
	social good	
Using the global recession as an opportunity		Purchase decisions beyond price





WHAT DO CONSUMERS SAY, DO AND DEMAND OF BRANDS

a mainsprau what

Survey says...

anne

GOOD DURDOSE 3RD ANNUAL GLOBAL CONSUMER STUDY OCTOBER 2009



StrategyOne surveyed 6,000+ consumers across ten countries, aged 18-64

2009 GOODPURPOSE STUDY AREAS

Most important changes from last year

Social purpose is the new social status

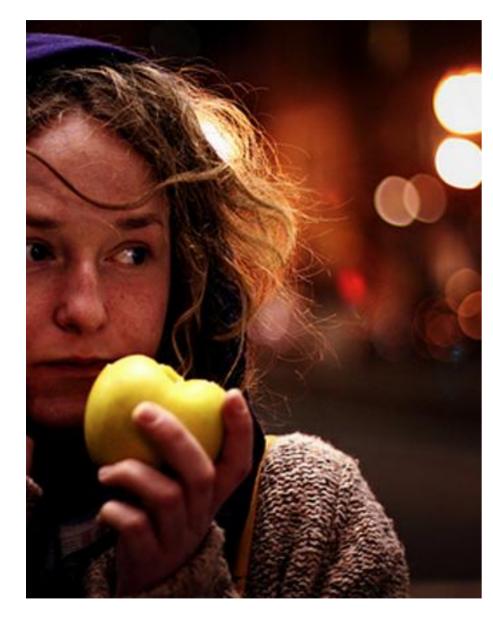
Overcoming Obstacles: Global Recession

Higher expectations from government, companies & brands Compassion Rising: Consumers want to contribute more





WHY ITS MORE IMPORTANT THAN EVER TO PUT MEANING INTO MARKETING



Only **16%** of people find contentment from the shopping experience (last year it was 25%)

71% think brands/companies spend too much on advertising and marketing and should put more into good causes – last year 62% did

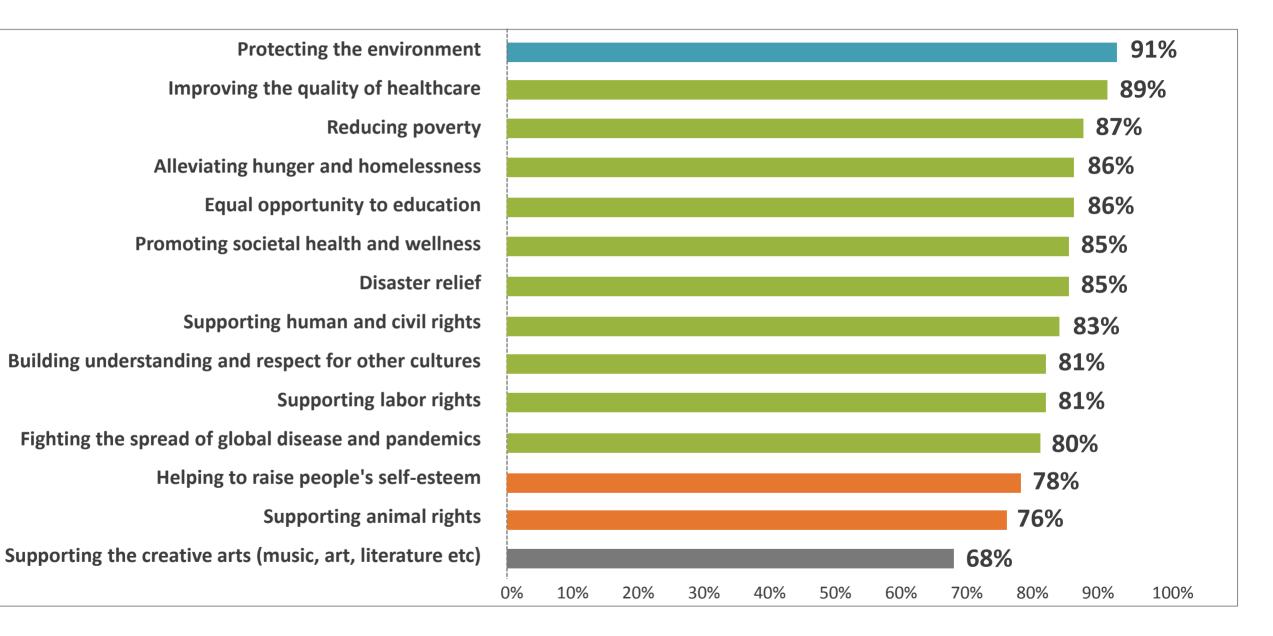
64% of consumers would **recommend** a brand that supports a good cause – up from 52% last year (up 26% in Germany, 10% in the UK)

59% of consumers would help a brand **promote** its products if there was a good cause behind it (up from 53% last year)





WHAT CAUSES DO CONSUMERS PERSONALLY CARE ABOUT?

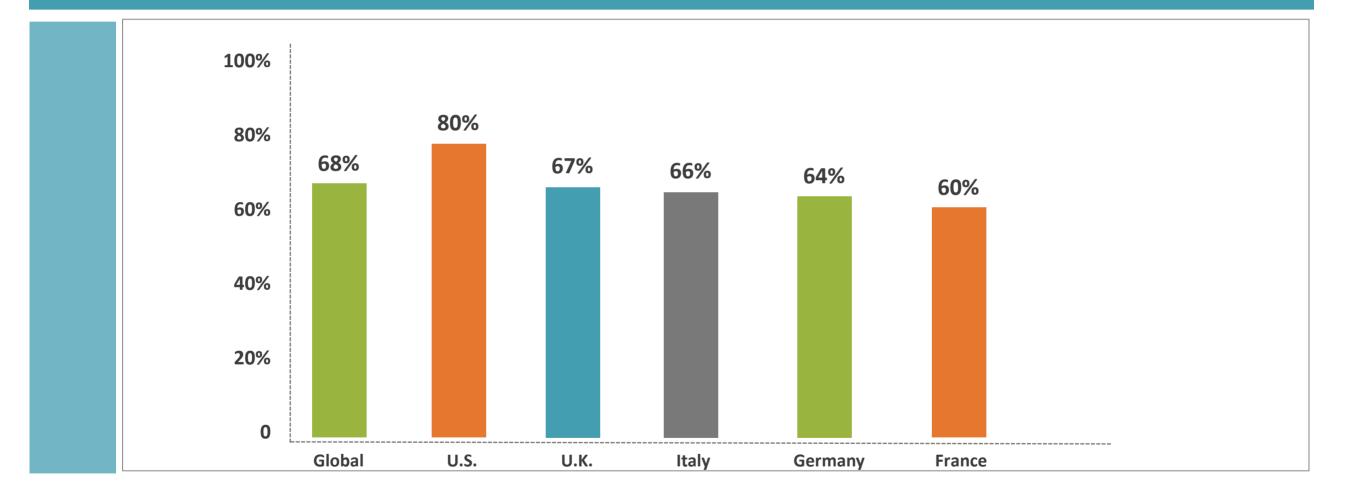






MAKE MONEY AND DO GOOD IS A WIN-WIN

68% of consumers globally are fine with brands that support good causes and make money too







A NEW VALUE PROPOSITION: CONSISTENT FOR 2-YEARS RUNNING

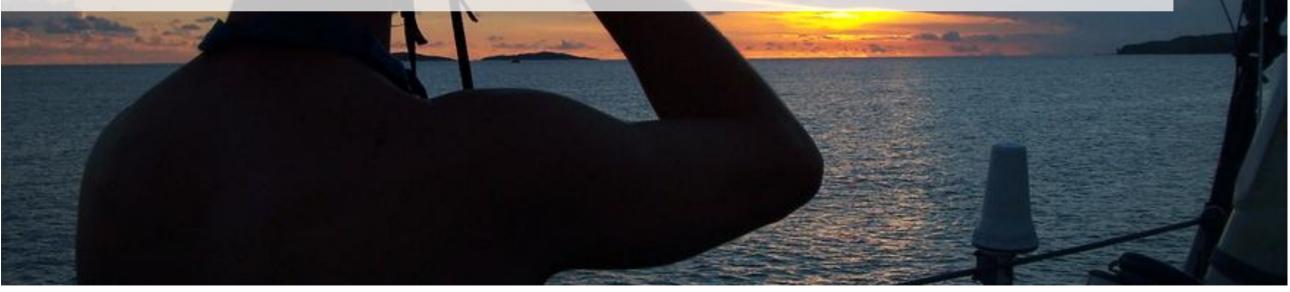
When choosing between two brands of similar quality & price, a social purpose ranks highest at **43%** and is placed higher in order of importance above design & innovation (34%) and brand loyalty (24%)





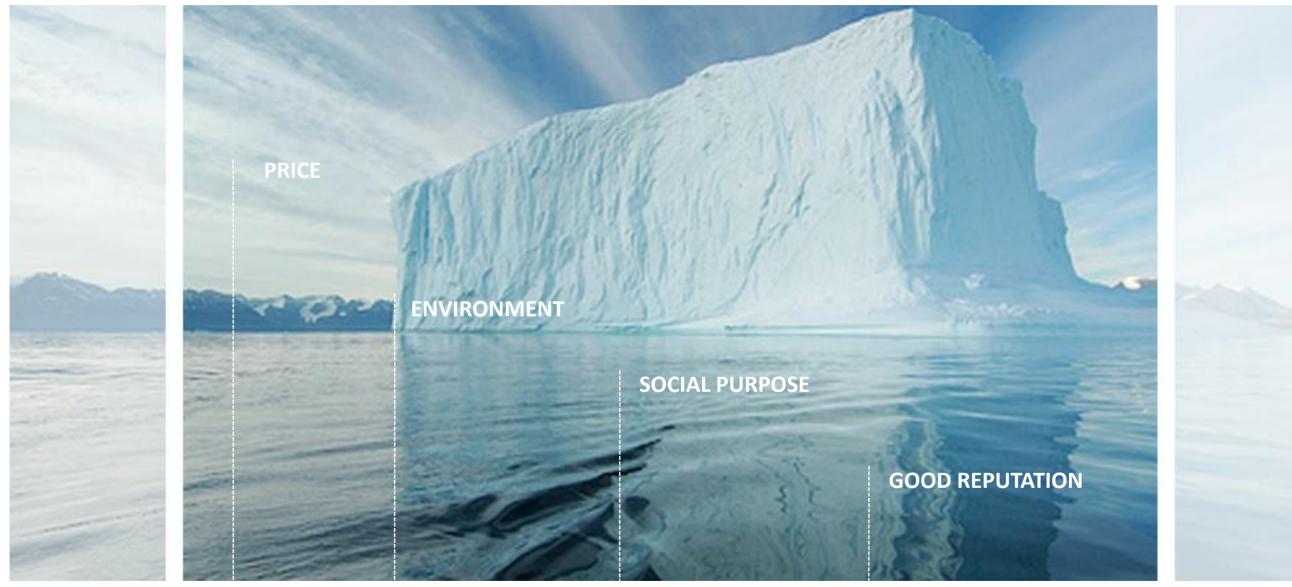


BRAND NEW FINDINGS/NEW QUESTIONS



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PRICE IS ONLY THE TIP OF THE ICEBERG



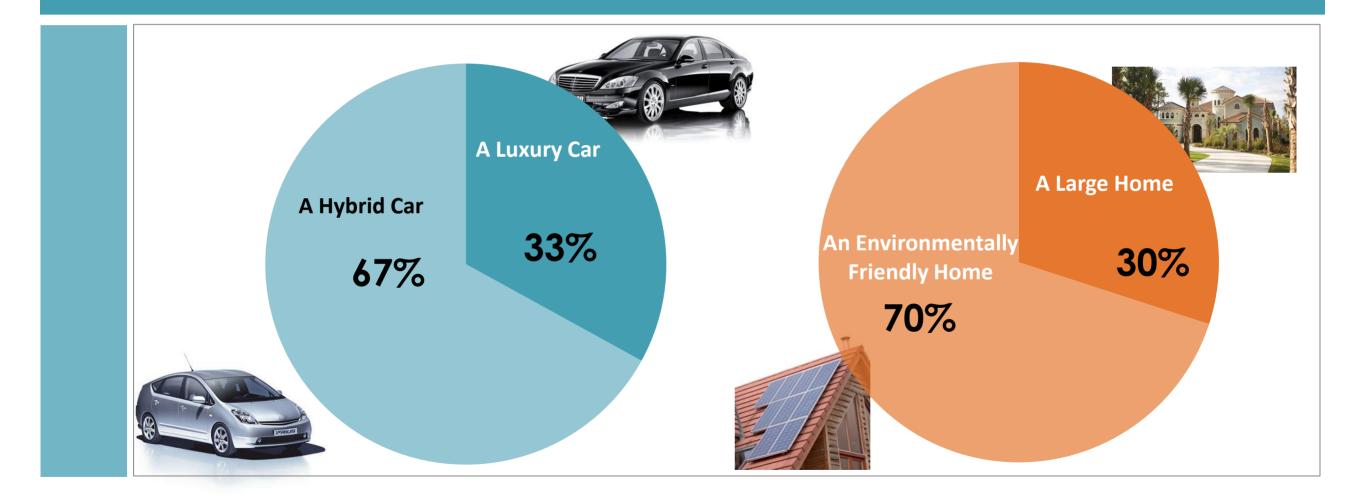
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SOCIAL PURPOSE IS NEW SOCIAL STATUS

If cost were not a factor, which of the following would you prefer to have?

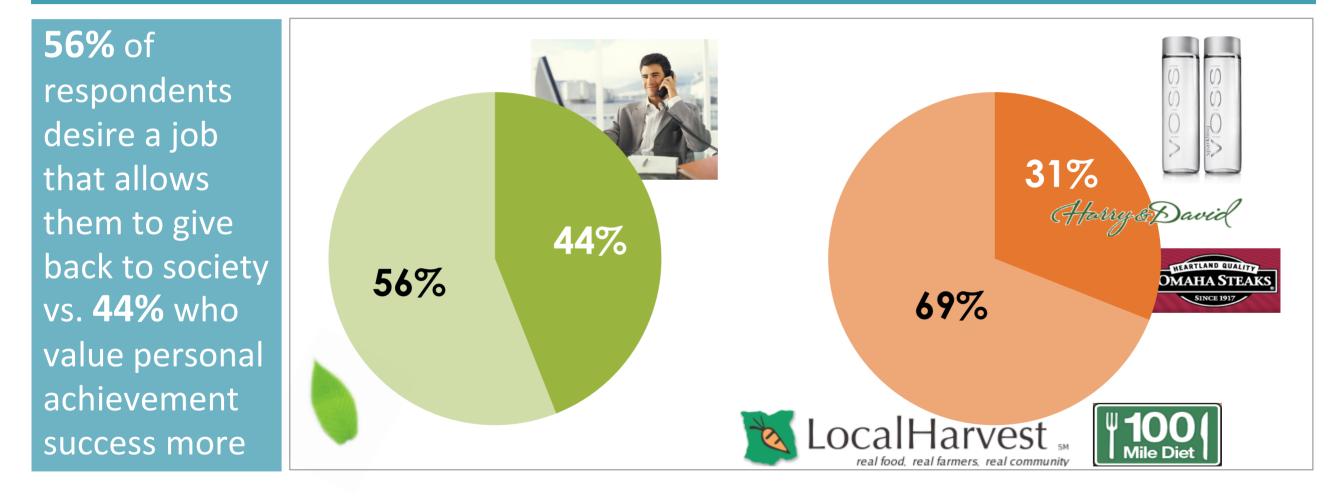






SOCIAL PURPOSE IS THE NEW SOCIAL STATUS

If cost were not a factor, which of the following items would you prefer to have? Designer brand (**31%**) vs. a brand that supports the livelihood of local producers (**69%**):



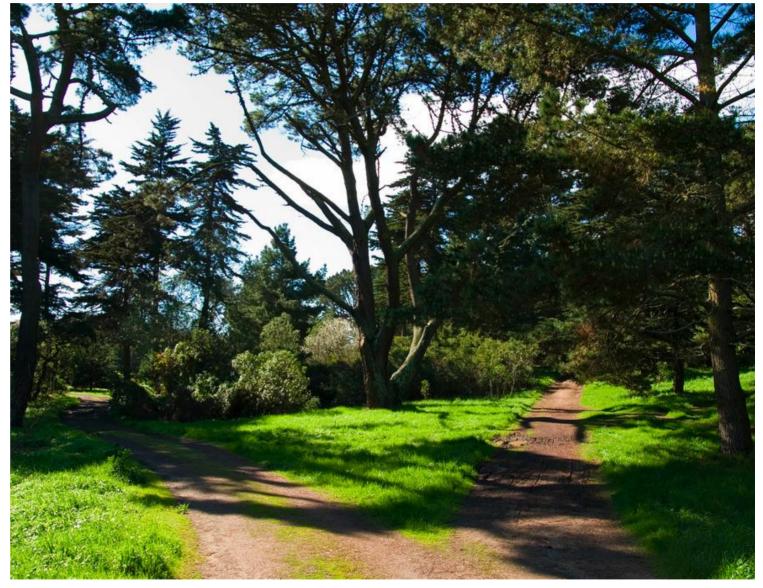




SOCIAL PURPOSE IS THE NEW SOCIAL STATUS

68% of people feel it is becoming more unacceptable in their local community not to:

- Make efforts to show concern for their environment
- Make efforts to live a healthy lifestyle



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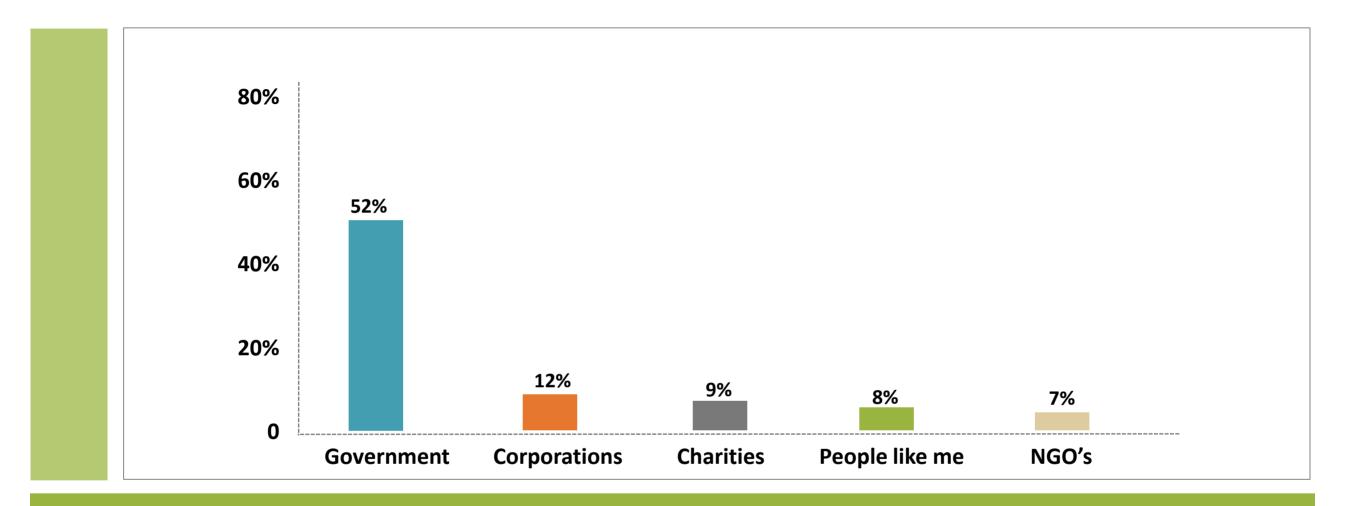


CONSUMERS ARE SETTING HIGHER EXPECTATIONS ON GOVERNMENT, COMPANIES, AND BRANDS



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WHICH ENTITY SHOULD BE DOING THE MOST TO SUPPORT GOOD CAUSES?







COMPANIES EXPECTED TO DO MORE....

A shift from a shareholder to **stakeholder society** is apparent

Over half of consumers (56%) believe the interests of society and the interests of businesses should have equal weight in business decisions

66% of people globally (67% in the U.S., Canada, France and 69% India) believe it is no longer enough for corporations to simply give money away to a good cause; they need to integrate good causes into their day-to-day business



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AND THE REWARDS?



59% of people globally (61% in the U.S., 51% in Germany, 58% in Italy, 64% in India, 65% in China, 52% in Japan) have a better opinion of corporations that integrate good causes into their business, regardless of the reasons why they do so

Nearly two thirds of people (65%) have more trust in a brand that is ethically and socially responsible

During this recession, **57% of consumers believe a** company or brand has earned their business because they have been doing their part to support good causes

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EXPECTATIONS ON BRANDS ARE HIGH



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Nearly *six out of ten* consumers (**58%**) are looking for **brands to do more for them** than just provide them with a product or service

64% of consumers say they expect brands today to do something to support a good cause





SWITCH STRATEGY?

63% of consumers want brands to *make it easier* for them to make a positive difference in the world

Two out of three people (67%) would switch brands if a different brand of similar quality supported a good cause

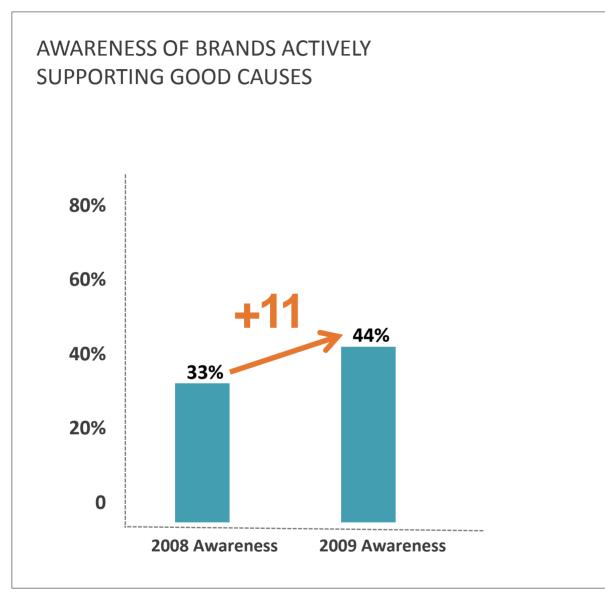


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INCREASED AWARENESS OF BRANDS CONTRIBUTION TO GOOD CAUSES



60% of people believe that product brands actively support good causes

44% of people are aware of brands that actively support good causes through their products and services, up from33% in 2008







N: 80150

OVERCOMING OBSTACLES...

Global recession

N 6

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THE GLOBAL RECESSION IS CREATING LIMITATIONS...



© 2008 by Stefan Jansson http://www.flickr.com/photos/steffe/473337417 **70%** agree their ability to give money to community causes has been limited to the current state of the economy

33% of people have **given less financial support** due to the current economic down turn.

This rises to **51% among U.S.** respondents.

Of the 15% of people less involved in good causes this year, the effects of the global economic crisis is the leading reason to be less involved with **51% stating not having enough money**





HOWEVER, PEOPLE ARE STILL GIVING...

31% of people are more involved in good causes than a year ago

53% of people have given more time in support of good causes this year because they have not been able to give as much money

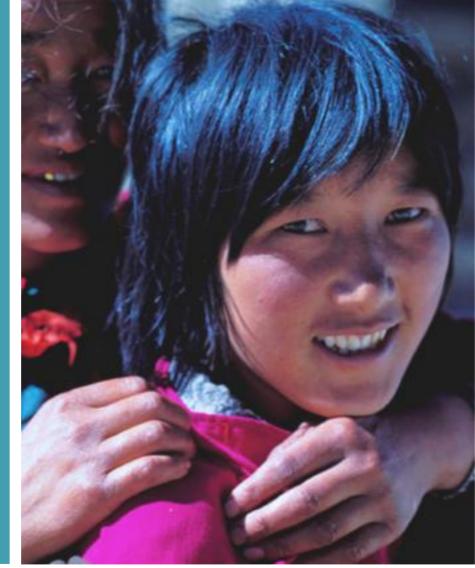
56% of people have tried to do more to support good causes in the past year because charities and other non-profit organizations have suffered in this economic environment





BRANDS ARE PROVIDING PEOPLE WITH AN OPPORTUNITY TO CONTINUE GIVING

In the past year, six out of ten consumers (61%) have bought a brand that supports a good cause even if it was not the cheapest brand.



GAINING MORE THAN JUST PROFITS...

During the recession, 65% of people have remained loyal to a brand or company because it supports a good cause

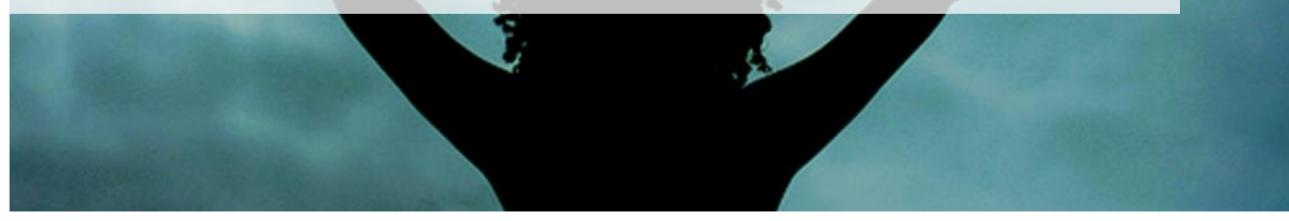
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CONSUMERS WANT TO CONTRIBUTE MORE TO THE GREATER SOCIAL GOOD



EXPECTATIONS ON ONESELF

Eight out of ten people

Are willing to change their consumption habits if it can help make tomorrow's world a better place to live (83%)

Believe supporting a good cause makes them feel better about themselves (82%)





MOTIVATIONS BEHIND SUPPORTING A GOOD CAUSE



52% of people are personally involved in supporting a good cause

People sited the following reasons for becoming more involved in a good cause this past year:

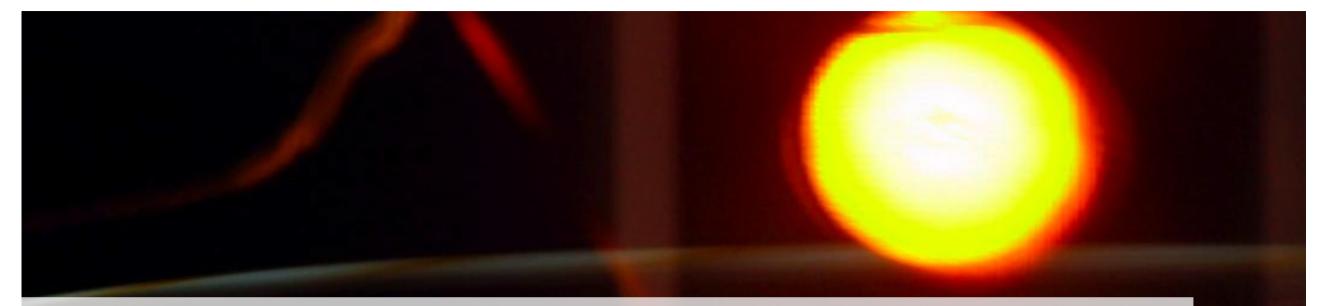
44% wanted to make a difference30% found a good cause they liked a great deal

Eight in ten feel **they can personally make a difference** by supporting a good cause (80%)

comPASSION







CHANGING LANDSCAPE: NEW TERMS AND APPROACHES



PUSH THE RESET BUTTON...



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IN THE ERA OF TOP-DOWN-COMMUNICATIONS

CSR WAS ALL ABOUT

Effective messages to external stakeholders like NGOs

Defending the corporation, earning trust Corporate behavior

BRAND MARKETING WAS ALL ABOUT

Building brand/product awareness and preference with consumers – based on relevant brand positioning Communicating brand DNA Brand is the hero but brand is static

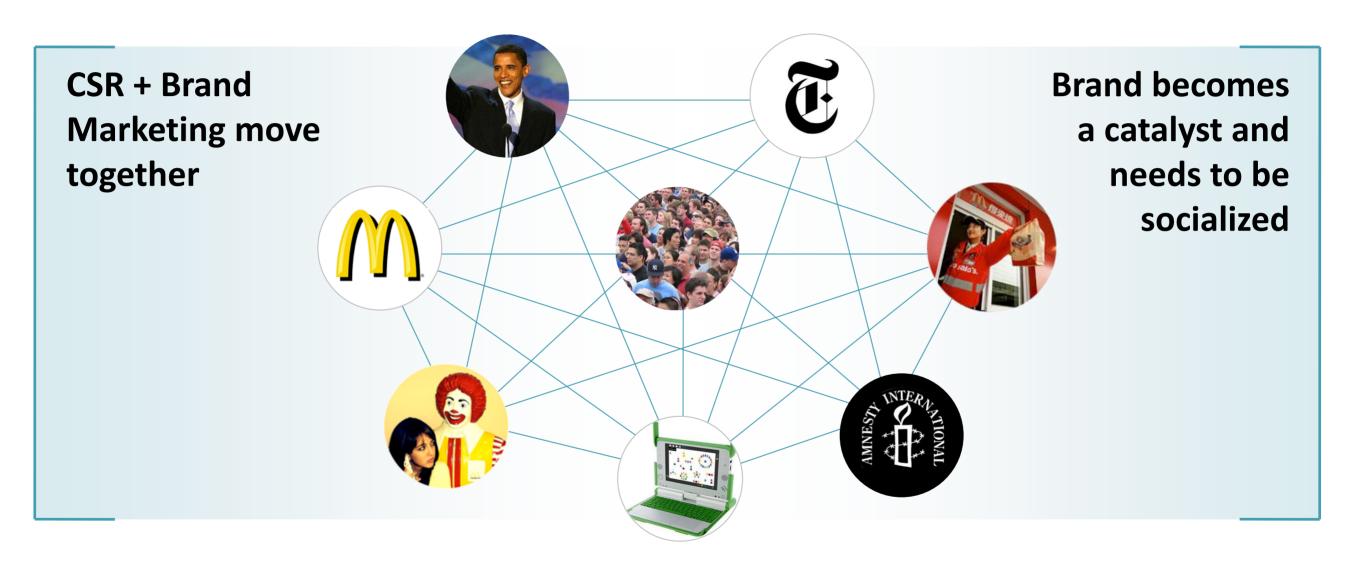
AUDIENCE

WIDGET CO.





IN THE ERA OF THE CROSS-INFLUENCING ENVIRONMENT: ENTER THE SOCIALIZED BRAND

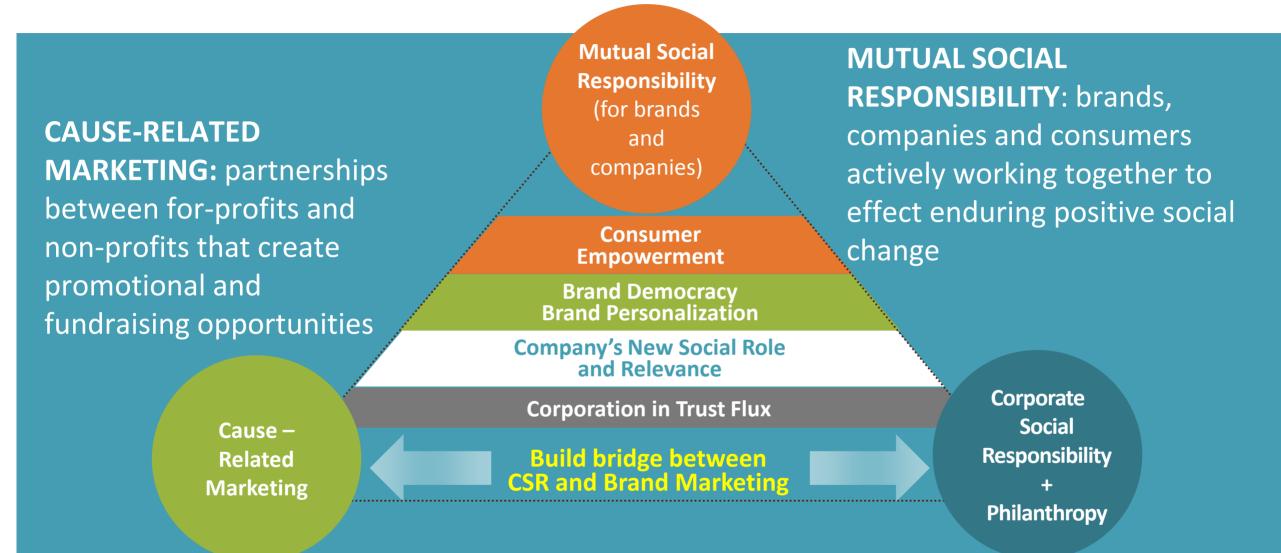


It is all about mutual benefit and mutual purpose





TIME FOR A NEW SOCIAL PURPOSE BUSINESS PARADIGM



CORPORATE SOCIAL RESPONSIBILITY: a commitment by business to mitigate risk, bolster reputation and create opportunities by being a good (corporate) citizen. Includes compliance, environment, health and safety policies, as well as corporate philanthropy to societal well-being





A MUTUAL SOCIAL RESPONSIBILITY INITIATIVE



goodpurpose =

Helping brands and companies put purpose closer to their core proposition

People, companies and brands working together to take action and effect positive social change for mutual benefit





POINT OF VIEW

(good**purpose**)

Return on Involvement

Foster Emotional Bond

Engage Public

Öwnable Idea

Mutual Social Responsibility

Purpose Driven

Build Mutual Trust & Mutual Benefit Build brand loyalty / Sustain Relationship

Profit Meets Purpose





NEW R.O.I.?

Financial: reason to buy and profit incentive

Brand differentiation + stakeholder engagement

Halo effect and pride

Brand catalyst for consumers

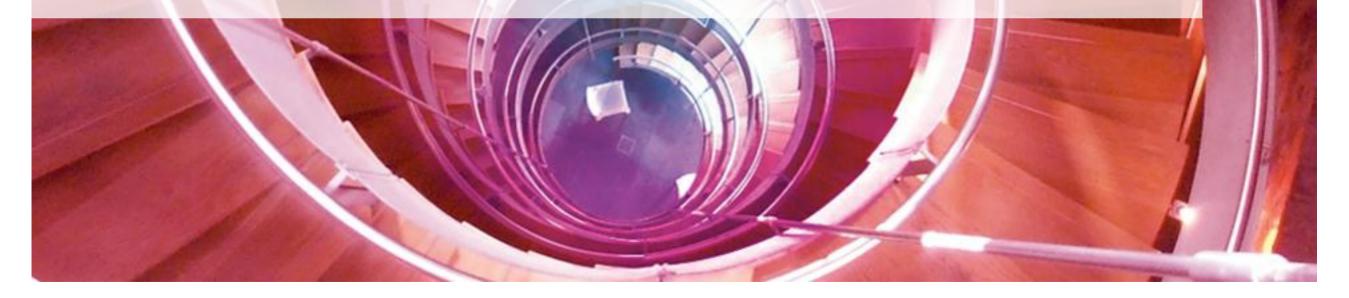
Why not "Return On Involvement?"

ROI metric: conversation, interaction, co-creation, involvement, membership, brand loyalty, purchase and re-purchase





BRANDS ARE STEPPING IN AND STEPPING IT UP



BRANDS AND COMPANIES WEIGHING IN MANY DIFFERENT WAYS...







FIVE KEY CONCLUSIONS

1 Consumers want brands to pay equal attention to both social and business concerns

2 Social purpose can be a key driver in energizing consumers to recommend and promote a brand

3 Social purpose platform must be authentic and reflect core brand purpose and premise (rational and/or emotional)

4 MSR is the new CSR for brands: Partnership and Participation

5 Return on Involvement must be credible and measurable

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WE CANNOT AFFORD TO WAIT





-KENNETH COLE NEW YORK

MEN WOMEN SHOES ACCESSORIES CLOTHING SALE



AWEARNESS GET THE LATEST ABOUT US FIND A STORE GIFT CARDS & CERTIFICATES

LIVE IT: SEE THE RESULTS

A single 140 character message on a January night sparks, 1,000 Twitterers to volunteer to organize local events and raise money for Charity Water. One month later, people from 202 cities around the world gather on a single night, online and off. \$250K dollars, 55 wells and 17,000 lives improved - all stemming from a single tweet and \$10 donations.



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