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**Marketing- & Salesmanagement**

**Purpose driven brands – from purpose to impact**  
**Success factors of purpose driven marketing**

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**Submitted by: Carina Timmel**

**Matriculation number: 01254451**

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**Supervisor: Dr. Stefan Bauer**

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## **Abstract (English)**

This master's thesis provides an overview of the concept of purpose driven brands and focuses in particular on purpose driven marketing. It examines what different success factors exist for purpose driven marketing, as well as which advantages and risks relate to the concept. In addition, this thesis explores how a purpose driven brand can be built. In order to address these topics, a literature review and a qualitative empirical study with semi-structured expert and consumer interviews were conducted. Consequently, a number of essential success factors for the concept of purpose driven marketing can be derived. These include, among other things, a 360-degree execution through the whole business, the existence of a clear and strong purpose statement, the formation of partnerships and authenticity. However, it is also imperative to mention that purpose driven marketing may also entail certain risks, including the risk of mismatch between the brand purpose and the values of consumers and the risk of purpose washing. Purpose branding guidelines, derived from the results of the literature review and the empirical research, are introduced which aim to provide guidance for brands that want to build a purpose brand.

## **Abstract (German)**

Diese Masterarbeit gibt einen Überblick über das Konzept von Purpose Driven Brands und insbesondere Purpose Driven Marketing. Es wird untersucht, welche Erfolgsfaktoren für Purpose Driven Marketing bestehen und welche Vorteile und Risiken mit dem Konzept verbunden sind. Darüber hinaus wird in dieser Arbeit untersucht, wie eine Purpose Driven Brand aufgebaut werden kann. Zur Bearbeitung dieser Themen wurden eine Literaturrecherche und eine qualitative empirische Studie mit halbstrukturierten ExpertInnen- und KonsumentInneninterviews durchgeführt. Zusammenfassend lassen sich eine Reihe von wesentlichen Erfolgsfaktoren für das Konzept des Purpose Driven Marketing ableiten. Dazu gehören unter anderem eine 360-Grad-Ausführung durch das gesamte Unternehmen, das Vorhandensein einer klaren und starken Zweckerklärung, die Bildung von Partnerschaften und Authentizität. Es ist jedoch auch wichtig zu erwähnen, dass Purpose Driven Marketing auch gewisse Risiken mit sich bringen kann, einschließlich des Risikos der fehlenden Übereinstimmung des Zwecks mit den Konsumenten und des Risikos von Purpose Washing. Es werden Leitlinien für Purpose Branding vorgestellt, die aus den Ergebnissen der Literaturrecherche und der empirischen Forschung abgeleitet wurden und die Marken, die eine Purpose Brand aufbauen wollen, als Orientierungshilfe dienen sollen.

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## **List of Abbreviation**

CSR	Corporate Social Responsibility
Ed.	Editor
et al.	and others
FMCG	Fast moving consumer goods
n.d.	no date
np.	no page

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# **1 Introduction**

The following chapter introduces the thesis by describing the problem statement, the objective of the thesis and the research questions. Moreover, it discusses the research method and gives an overview on the structure of the thesis.

## **1.1 Problem statement**

*“Purpose is the reason a brand exists – it is the positive impact a brand makes in people’s lives and the world they live in”* (Kantar, 2019, p. 5).

Purpose driven brands have become increasingly present in the global economy. Nowadays many consumers expect brands to deliver more than just great products and services to affordable prices. Especially the younger generation desires to make a difference and they want brands to use their power to do the same (Hsu, 2017, p. 373). Consumers often expect brands to have a purpose which indicates the positive change a brand wants to have on people’s lives and the world (Kantar, 2019, p. 2). Therefore, it can be essential for brands to develop a purpose driven marketing strategy to satisfy their consumers’ needs.

In a world where consumers are faced with almost infinite choices, the concept of brand purpose can help brands to build a stronger connection to the consumers through representing their values (McColl, Ritch & Hamilton, 2021, p. 145). Although purpose driven marketing is becoming increasingly important, there is only scarce academic research about this concept. This shows the need to examine this topic in more detail in order to illustrate the success factors, the benefits and risks of purpose driven marketing.

## **1.2 Objective of thesis and research questions**

The goal of this thesis is to investigate how companies can build a purpose brand. The thesis aims to provide guidelines on how to create a purpose brand by highlighting the success factors of purpose driven marketing. Therefore, the following main research question is composed:

***What are the success factors of purpose driven marketing?***

To be able to answer this research question, this thesis will take a closer look at both the companies' perspective and the consumers' perspective. The research question will be answered through findings of the literature review and the empirical study.

In addition to highlighting the success factors of purpose driven marketing, the paper will also take a critical view and shed light on possible risks of purpose driven marketing. Special attention will be paid to the risk of mismatch and purpose washing. Hence, the main research question is complemented by two sub-questions, which will be answered through empirical research:

*What are the benefits and risks of purpose driven marketing?*

*How can companies build a purpose driven brand?*

The last sub-question yields in a practical guide how companies might put these findings into practice.

### **1.3 Research method**

This master thesis is structured in a theoretical literature review and an empirical study. The literature review aims to provide an insight on the concept of purpose driven brands and shall provide a sound basis for further research. The literature review will be based on scientific databases and will include a comprehensive review of studies published in the scientific literature. During the empirical study several semi-structured interviews will be conducted in order to gain additional insights. Therefore, leading marketing experts (group 1) will be asked for their assessment of the success factors, the benefits, and the risks of purpose driven marketing. In addition, interviews will be conducted with selected consumers (group 2) to confirm or critically examine the findings from the literature review and expert interviews.

Figure 1 illustrates the research process. At the beginning of the empirical research process the guidelines for the semi-structured interviews with the marketing experts (group 1) will be defined. Next, the interview partners will be selected. Before conducting the interviews, the guidelines will be checked beforehand by means of a pre-test to identify possibilities for improvement. Then the interviews with group 1 will be conducted (approximately five interviews). In the next step, the guide for the interviews with the consumers (group 2) will be created. This interview guideline should incorporate the insights gained from the interviews

with the marketing experts of group 1. Next, interview partners for group 2 will be selected and a pre-test will be carried out. After conducting the interviews with group 2 (five interviews), the results of both groups will be analysed and compared. The insights gained from the interviews will then be used in combination with the literature review to answer the research questions and to provide guidelines for implementing purpose driven marketing. The conclusion will illustrate the findings, limitations, and possible further research.

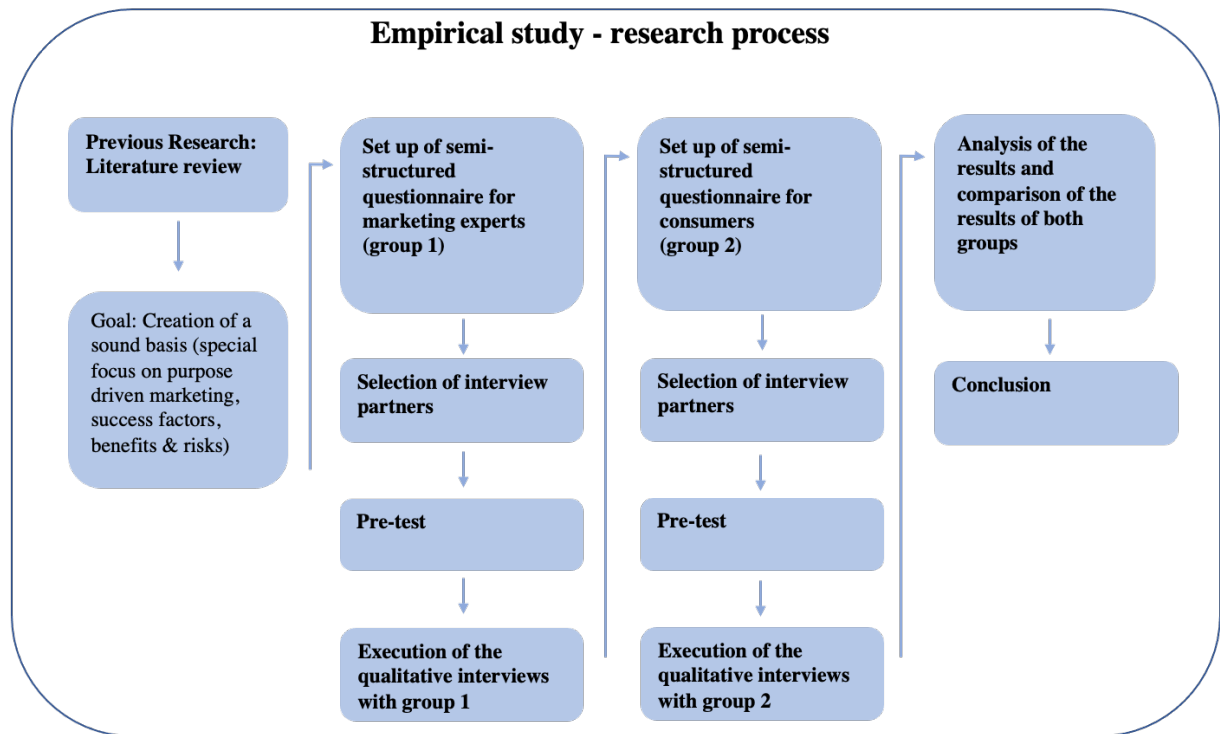


Figure 1 Empirical study - research process

## 1.4 Structure of the thesis

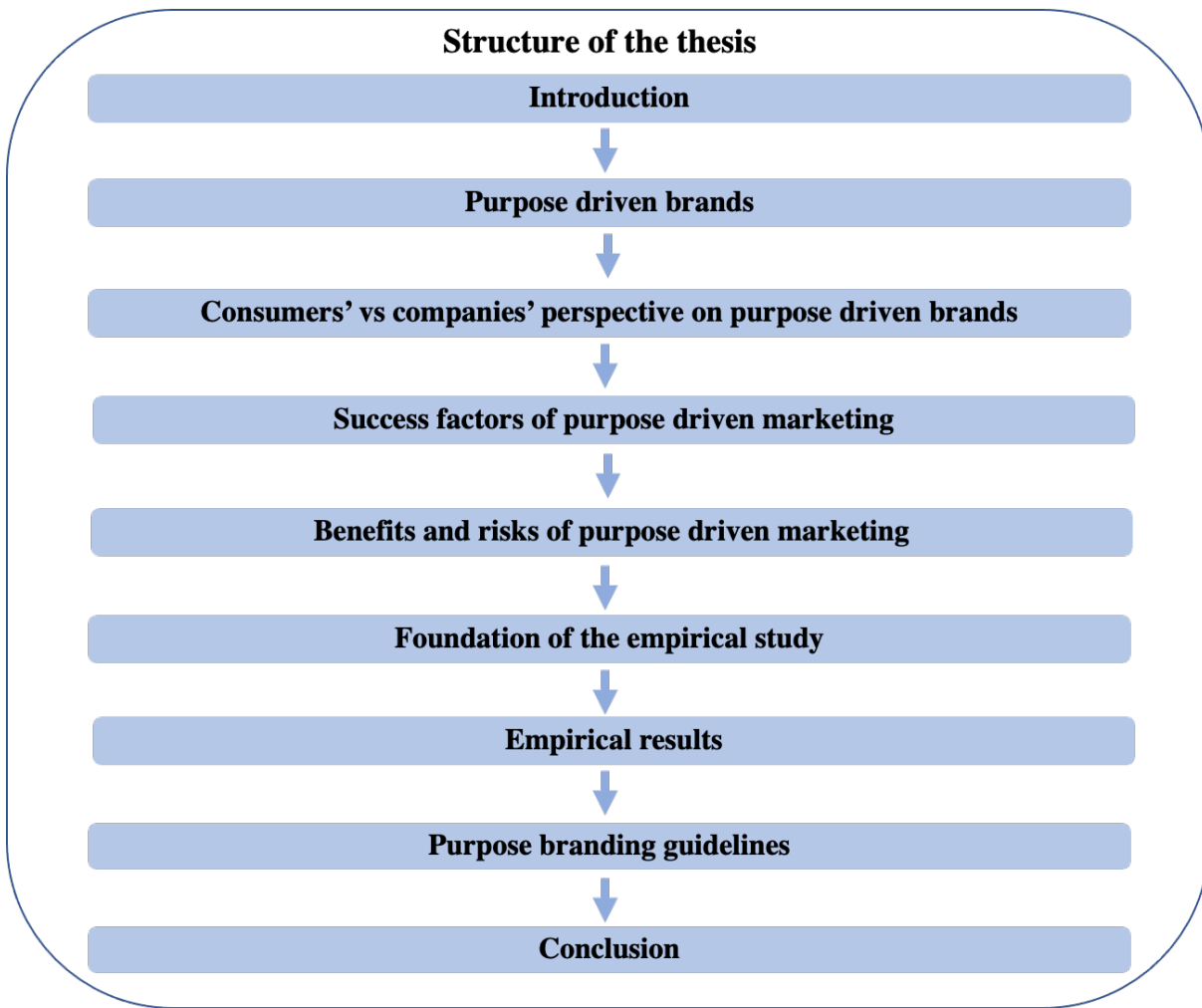


Figure 2 Structure of the thesis

As illustrated in the figure above, the thesis will be divided into nine chapters, namely introduction, purpose driven brands, consumers' vs companies' perspective on purpose driven brands, success factors of purpose driven marketing, benefits and risks of purpose driven marketing, empirical study, empirical results, purpose branding guidelines and conclusion.

The thesis starts with an introduction of the problem statement, the objective, and the research questions. Further, the research method and the structure of the thesis are elaborated.

This section is followed by a theoretical discussion of existing literature. Chapter 2 will cover the definition and the delimitation of purpose driven brands. Moreover, the characteristics and the development stages of purpose driven brands will be described.



Chapter 3 then moves on to consider consumers' and companies' perspectives on purpose driven brands. On the one hand, this chapter aims to outline consumers' expectations of purpose driven brands. A special focus will be placed on generation Z, as members of this generation are especially relevant for the following empirical research. On the other hand, the chapter will explore companies' motives for the development of purpose brands and will discuss objectives and desired benefits from a company's perspective.

Next, several success factors for purpose driven marketing will be illustrated. In chapter 4 special attention will be paid to the aspect of purpose-brand fit, resonance with consumers, clear purpose statement, 360-degree execution, authenticity, long-term commitment, partnerships, and communication.

Chapter 5 will provide a critical assessment of potential benefits and risks of purpose driven marketing. It will discuss the potential positive impact of purpose driven marketing on connection with consumers, brand reputation, motivation, and business performance. Moreover, the risk of mismatch and purpose washing will be presented in more details.

As part of the empirical study in chapter 6, several semi-structured interviews will be conducted in order to gain additional insights. This chapter will describe the objective of the empirical study as well as the research design and the data collection.

In chapter 7 the empirical results will be analysed. The findings from the interviews with experts and the interview with consumers will be compared and potential differences and commonalities will be discussed.

Finally, chapter 8 will offer some recommendations for action and will outline purpose branding guidelines and their constraints. Therefore, the insights gained from the interviews will be used in combination with the findings from the literature review. This chapter aims to provide specific measures and recommendations for action for companies that want to build a purpose brand.

In the concluding chapter the results of the thesis will be discussed. Furthermore, limitations and suggestions for further research will be presented.

## 2 Purpose driven brands

The following chapter provides a definition for the term purpose driven brands and makes a distinction of similar terms and concepts. Moreover, it highlights the characteristics of purpose brands. Finally, the chapter describes the development stages of purpose driven brands and the relevance of purpose driven brands in marketing.

### 2.1 Definition and delimitation of purpose driven brands

In literature there are numerous definitions for brand purpose, with two slightly different approaches. These two approaches get discussed in more detail below.

One approach defines brand purpose as the basis for the existence of a brand or a company and puts the values behind the brand's product or services in focus. For example, Accenture defines purpose as *"The reason why something exists. It is the foundation of every experience. It is the underlying essence that makes a brand relevant and necessary"* (Accenture, 2018, p. 6). This approach focuses on showing why a brand was created through the purpose.

The second approach does *"not primarily address company products or services, but the entirety of the environmental and social consequences of its actions"* (Ahsen & Gauch, 2021). In the context of purpose driven brands Spence and Rushing (2009, p.21) define purpose as *"a definitive statement about the difference you are trying to make in the world"*. In their understanding purpose is a key driver and an organization's fundamental reason for being that goes far beyond generating profits (Spence & Rushing, 2009, p.21). According to Stengel, the former Global Marketing Officer at Procter & Gamble, the purpose of a brand describes the reason a brand prevails and the impact it aims to make in the world (Stengel, 2011, p. 141). Kantar uses a very similar definition and describes purpose as *"the reason a brand exists – it is the positive impact a brand makes in people's lives and the world they live in"* (Kantar, 2019, p. 5).

All the definitions given above define purpose as being located at the core of the brand. This paper follows the second approach and defines brand purpose as the reason a brand exists, and a statement about the impact a brand seeks to have. Therefore, purpose driven brands can be defined as brands which *"do not exclusively pursue profit-oriented goals, but also orient their actions towards a higher purpose"* (Ahsen & Gauch, 2021). Brand purpose can be seen as a

guide for brands to conduct their business in a way that makes a positive contribution to society (Narayanan & Das, 2021, np.).

This definition of purpose driven brands can be considered to link to the concept of Corporate Social Responsibility (CSR). CSR is described as *“the responsibility of enterprises for their impacts on society”* (European Commission, 2011, p. 6). However, the concept of purpose driven brands should not get confused with the concept of Corporate Social Responsibility (CSR) (Kantar Consulting, 2019, p.3) or cause related marketing initiatives (Bianchi, Daponte. & Canziani, 2020, p. 9). At first, the concepts seem very similar. However, while CSR activities are typically *“siloeed initiatives that are completely separate from a company’s business focus, product development, marketing, etc”* (Weber, 2019, p. 18) purpose should be at the core of the brand and should ideally form the fundament for all its activities and decisions (Hsu, 2017, p. 374/ Narayanan & Das, 2021, np.). Cause related marketing tends to be more short-term oriented, whereas the concept of purpose driven brands follows a long-term approach and is integrated in all business activities (Bianchi, Daponte & Canziani, 2020, p.9/ McColl, Ritch & Hamilton, 2021, p.145/ Narayanan & Das, 2021, np.).

The difference between cause-related marketing and the concept of purpose driven brands can be well illustrated by the following examples. Coca-Cola had a partnership with WWF about saving polar bears. As a result, for the duration of the cause-related marketing campaign, polar bears were printed on Coca-Cola cans and people were asked to make a financial contribution, which was matched dollar-for-dollar by Coca-Cola. This is to be understood as cause-related marketing (WWF, 2012). Patagonia, on the other hand, can be mentioned as a good example of a purpose driven brand. Patagonia continuously donates 1% of its sales revenue to environmental protection and lives its purpose through many other actions. For example, Patagonia buys back old clothes and resells them to prevent waste. In addition, they support environmental activists and various environmental movements that are relevant to their underlying purpose. Moreover, they have launched a Black Friday advertisement communicating the message *“Don’t buy this jacket”* with the goal to reduce wasteful consumer behaviour. For these reasons, Patagonia is known for promoting fair trade and advocating sustainability and transparency and can be considered to be a purpose driven brand (Rogers, 2018).

Despite the differences between the concept of Corporate Social Responsibility and purpose driven brands, CSR initiatives can be seen as the first stage in the development of a purpose

driven brand. See chapter 2.3 for a more detailed discussion of the different development stages of purpose driven brands.

The term purpose is often used in combination with the terms mission, vision, values, and actions. These terms are related, but should be distinguished in terms of their definition and their impact. Figure 3 shows the levels of organisational identity described by Haski-Leventhal (2020, p. 16). According to the authors, the founding philosophy and the purpose can be defined as the reasons for being. They ask the “Why” question. The vision represents the ideal outcome that an organization wants to achieve (Where? question). Mission is described as a written statement that indicates what the organization does (What? question). Values are understood as motivating goals, which should be closely linked to the purpose (How? question). The actions show how the organization lives up to its purpose, mission, vision, and values. According to this concept the purpose “*activates the mission, values and actions, and the actions confirm the mission and the purpose*” (Haski-Leventhal, 2020, p. 16).

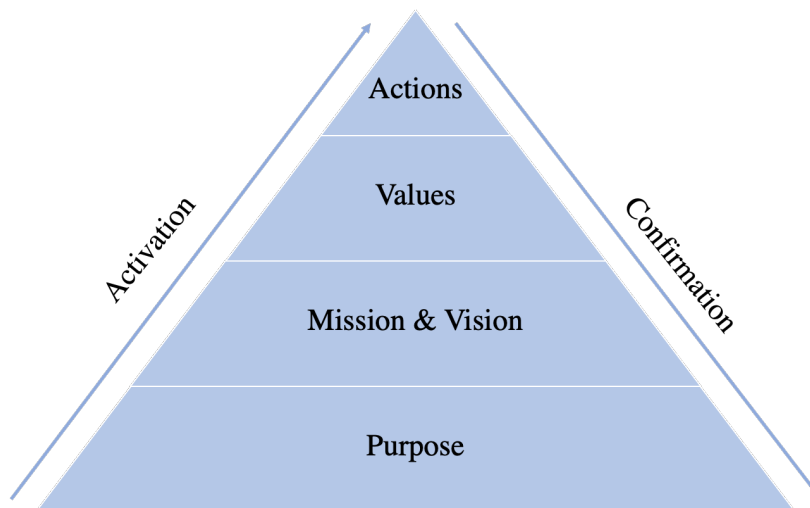


Figure 3 Levels of Organisational Identity (Haski-Leventhal, 2020, p. 16)

The framework of Haski-Leventhal (2020, p. 16) is now applied to the example of the "Lego" brand. Their purpose is to “inspire and develop the builder of tomorrow”. The brand defines their vision with the following statement “A global force for Learning-through-Play”. Their vision answers the “Where” question for the brand. The “How” question gets answered through their brand values which are Imagination, Fun, Creativity, Caring, Learning and Quality. Lego is a great example of a brand that aligns their purpose, vision and values (Lego, 2022).

The term brand activism is also often linked to the concept of purpose driven brands. An activist brand can be described as a brand that seeks to stand out by taking public stance on social or

political topics (Vredenburg, Kapitan, Spry & Kemper, 2020, p.444). Purpose driven brands can also be described as activist brands if they address controversial or polarizing social or political issues and take a public stance in this regard.

## **2.2 Characteristics of purpose driven brands**

The following chapter describes the characteristics of purpose driven brands. It is important to note that the characteristics highlighted below are only intended to be a guideline and that purpose driven brands do not have to fulfil all of the characteristics listed.

As indicated in chapter 2.1, purpose should be at the core of a brand and should be the fundament for all its activities. Purpose aims to go beyond economic profits and should reflect the brand's values and the values of the consumers that the brand wants to address (Accenture, 2018, np.). Moreover, purpose statements are most of the time not only internally focused, but externally focused as well (Hajdas & Kłeczek, 2021, p. 2).

Brands are increasingly using social issues to embody the brand and communicate with their consumers. This is intended to foster consumer loyalty and can strengthen the brand image

(McColl, Ritch & Hamilton, 2021, p. 147). Most common topics brands engage in are social, environmental, or political concerns. For example, these include health, safety, education, the environment (Kotler, Hessekiel & Lee, 2012, p. 6). According to McColl, Ritch & Hamilton (2021, p. 150), there is a tendency for consumers to feel more positive about marketing activities that deal with social issues than campaigns that deal with political issues.

Forty-four percent of corporate purposes focus their actions on improving the world in some way. Ideally, brands link their purpose to their products and services (Revolt, n.d., p. 24). For start-ups, the definition of purpose is often directly linked to the process of establishing the company and therefore exist from the beginning (Rode & Vallaster, 2005, p. 132). In contrast, long-established companies often try to return to the goals they pursued when they were founded (Oechsle & Henderson, 2000, p. 76).

To define the purpose more precisely and commit to specific goals, it can be helpful to utilise frameworks to provide structure. For example, the UN's Sustainable Development Goals can be used to define a purpose for a brand. The SDGs cover 17 global issues with tangible goals for 2030.

A purpose is usually supported by one or more mission statements that indicate what the brand does to live up to its purpose. Mission statements are about *"pro-actively making a difference on the issues closest to your purpose"* (Revolt, n.d., p. 54). Most companies find their mission statements in one or more of the three sub-areas, which can also be described as pillars: People, Planet and Society (Revolt, n.d., p. 50). Figure 4 illustrates these sub-areas. The category "people" focuses on topics like security, equality, or the economy. The category "society" deals with the development and the support of different social issues for consumers and non-consumers. For example, this sub-area is concerned with poverty, education, or health. Topics in the category "planet" aim to work towards a healthy relationship with our planet for example climate change, environment, or resources. Many brands decide to focus on 3-4 sub-pillars in their purpose driven strategy. For example, the car manufacturer Ford focuses on three pillars. The brand states that their purpose is *"to help build a better world, where every person is free to move and pursue their dreams"* (Ford, 2022). In this regard they focus on the pillars *better life, stronger communities* and *healthier planet*. Another example is the snack brand KIND. Their purpose statement is *"to build a kinder world"* (KIND, 2022). In this context, the brand focuses on the three pillars *"kinder to our bodies, kinder to our communities* and *kinder to our planet"*.



Figure 4 Sub-areas planet, people, society (Revolt, n.d., p. 50)

There are topics that appeal to a large group of people, as well as topics that relate to a subgroup. Depending on the brand, it can be different whether it is better to address a broad topic or rather a more specific one. For example, topics that have a wider impact are cyber-crime, mental health, the refugee crisis, fake news and hate, racial injustice, or climate change. Topics that matter more to a specific subgroup are single parents, LGBTQ, or inclusion. Of course, there are countless topics that are suitable in this context (Revolt, n.d., p. 58).

In the course of characterising purpose driven brands, the concept of brand architecture should be mentioned. Brand architecture can be described as “*an organizing structure of the brand portfolio that specifies brand roles and the nature of relationship between brands*” (Aaker & Joachimsthaler, 2000, p. 8). In literature there are several different approaches to brand architecture. As figure 5 indicates, in the context of purpose driven brands three architecture types can be described. The purpose architectures vary in their level of autonomy of the sub-sections in relation to the overarching business purpose. Next, the three types of purpose architecture will be described in more detail.

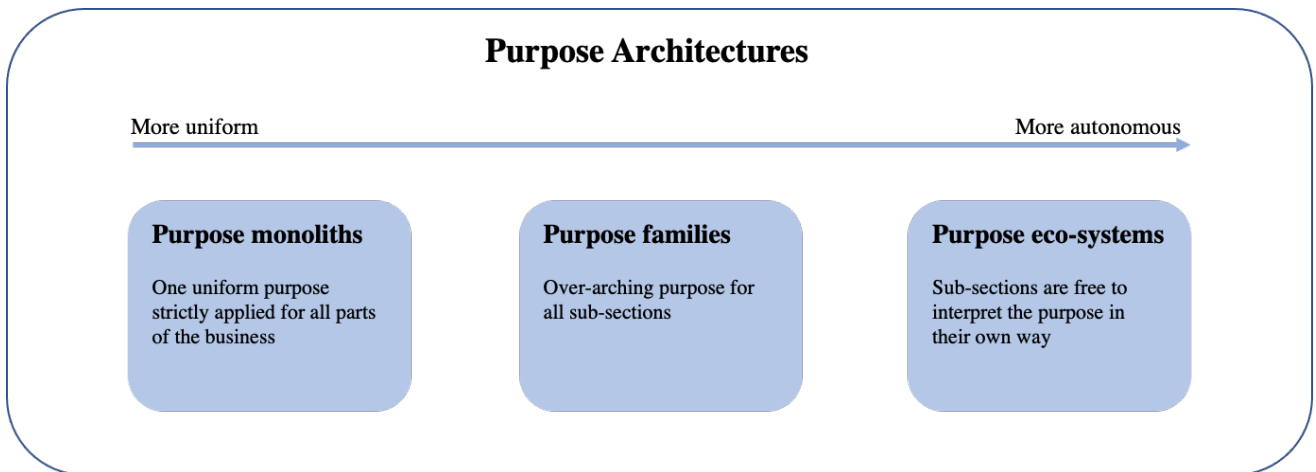


Figure 5 Purpose Architectures (Revolt, n.d., p. 27)

The purpose architecture type with the least level of autonomy of the sub-sections/sub-brands is the purpose monolith. This architecture type represents approximately 17% of purpose architectures. All parts of the business have one uniform purpose which needs to be applied strictly and consistently. This architecture type has a consistent narrative, but one of the challenges could be that individual sub-sections do not embrace the uniform purpose as their own (Revolt, n.d., p. 27). One example for a purpose monolith is FedEx with their brand purpose *“to connect people with goods, services and idea”* (FedEx, 2022). All of their sub-brands like FedEx Freight and FedEx Ground strictly adhere to this uniform brand purpose.

Purpose families can be described as a purpose architecture type with a medium level of autonomy of the sub-sections. 47% of purpose architectures can be attributed as purpose families. In a purpose family the sub-sections of the business usually serve the overarching business purpose. This purpose architecture type allows sub-sections some freedom to slightly adapt the purpose. A challenge of this architecture type might be that it can be time-consuming to align the components of the sub-sections so that they support one another (Revolt, n.d., p. 27). An example for this architecture type is Adidas with their overarching purpose *“Through sport we have the power to change lives”* (Adidas, 2022). The sub-section Adidas Core describes their purpose as *“Changing lives through accessible sportswear for all”*, while Adidas Originals’ purpose is *“Changing lives through the creativity of sports culture”*. Still, both purposes serve the overarching purpose of the Adidas (Revolt, n.d., p. 27).

The purpose architecture type with the highest level of autonomy for the sub-sections can be described as purpose ecosystems. Approximately 36% of businesses with a purpose can be categorised as purpose eco-systems. This type of architecture allows the sub-sections to



interpret the purpose in their own way. This allows the sub-sections to adapt the purpose to their needs and allows them to build their own momentum. The challenge for this purpose archetype is that it can be more difficult to create a halo effect across the whole business (Revolt, n.d., p. 27). One example of this architecture type is Unilever with its brand Dove. Unilever’s purpose is “to make sustainable living commonplace” (Unilever, 2022). Their brand Dove has interpreted this purpose in their own way and defines their purpose as follows: “To help women everywhere develop a positive relationship with the way they look, helping them raise their self-esteem and realise their full potential” (Dove, 2021).

### 2.3 Development stages of purpose driven brands

In literature there are different frameworks for the development stages of purpose driven brands described. Two of these frameworks are especially relevant and hence discussed.

Kantar (Kantar Consulting, 2019, p. 4) defines four different development stages to becoming a purpose driven brand. According to this framework “purpose begins as an isolated tactic that, properly shepherded, grows into a promise, then a strategy, and only then becomes a business-led movement” (Kantar Consulting, 2019, p. 4). Figure 6 shows the four different steps.

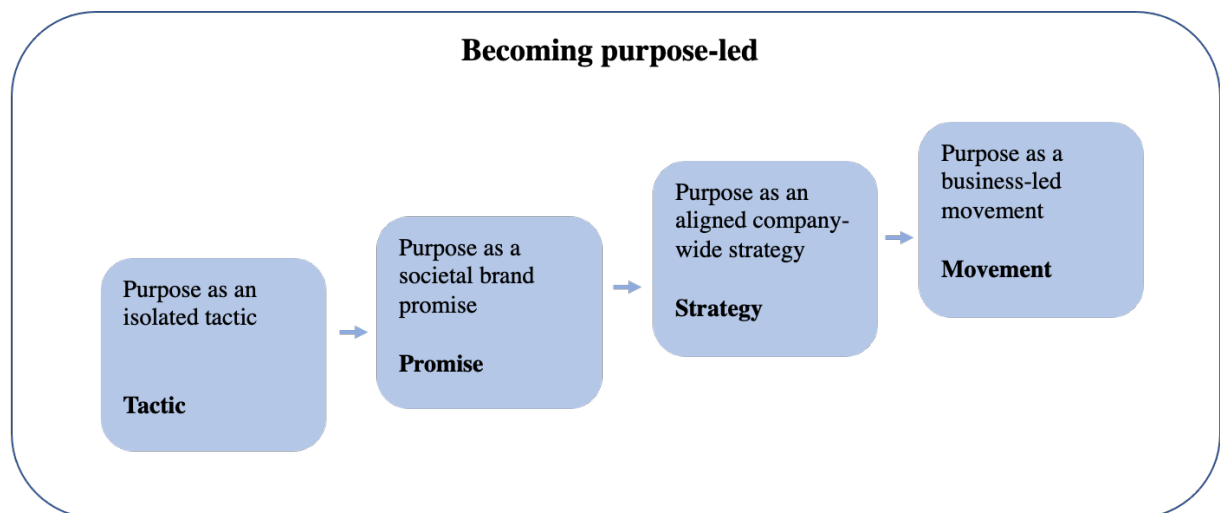


Figure 6 Becoming purpose-led (Kantar Consulting, 2019, p. 4)

According to the framework short-term initiatives from the marketing or CSR department are the starting point for purpose driven brands in many cases. The first step of the development can be described as purpose as an isolated tactic. As Kantar Consulting (2019, p. 4) has noted, this step is followed by the next phase which is characterised by a longer-term commitment.

Through articulation of the purpose the tactic develops to a promise. In this step, the benefits of the brand are highlighted, and promises are made. These promises aim to improve the brand's reputation. In the third step purpose can be seen as a company-wide strategy. Through infusion the promise becomes a strategy. In this step the purpose statement of the brand goes beyond the marketing unit and serves as guidance for the entire business. Lastly, purpose can be described as a movement. In this step the strategy develops to a movement and the business becomes fully purpose driven. In the context of this framework, it is important to note that businesses and brands can start at different development stages. Some brands are even born with a purpose and can be described as purpose driven from the very start (Kantar Consulting, 2019, p. 4).

As figure 7 illustrates, Revolt (n.d., p. 4) groups the development of purpose driven brands in four eras.

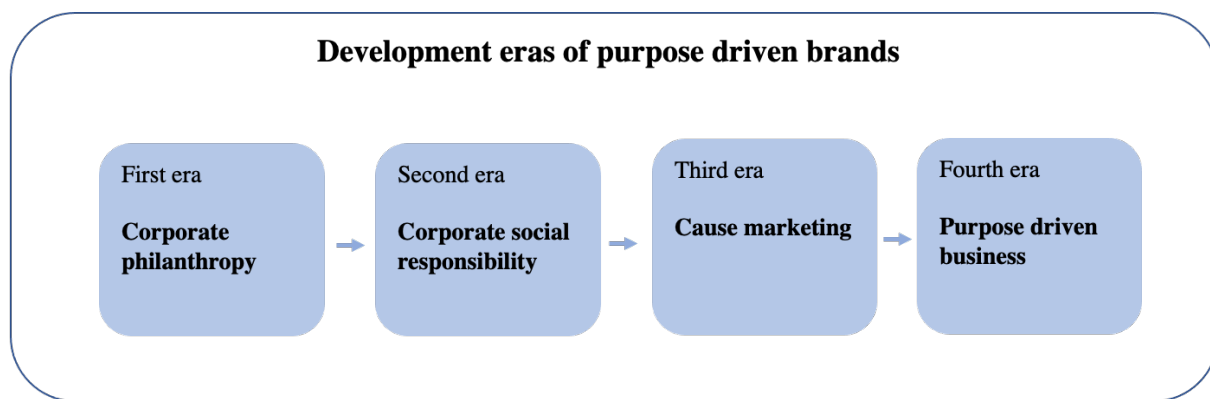


Figure 7 Development eras of purpose driven brands (Revolt, n.d., p. 4)

The first era is called corporate philanthropy. This era is characterized by charity and voluntary work. The second era is described as corporate social responsibility. This era is linked to siloed initiatives which are not linked to the strategy in most cases. The third era is called cause marketing. In this era brands are trying to tackle different social or environmental issues. In this era purpose is a solely marketing led initiative. In the fourth era, named purpose driven business, purpose is at the core and is the DNA of the business (Revolt, n.d., p. 4).

In the context of the development phases, it is important to distinguish between purpose-driven brands and purpose-oriented brands. While in purpose-driven brands the purpose is part of the marketing approach, purpose-oriented brands go a step further and their purpose guides all activities of the brand (Revolt, n.d., p. 68). In a purpose-driven organisation, all facets of the business work towards the purpose (Revolt, n.d., p. 42).

## 2.4 Relevance of purpose driven brands in marketing

Nowadays consumers not only expect brands to deliver great products and services, but they also expect brands to have a purpose which indicates the positive change a brand wants to have on people's lives and the world (Hsu, 2017, p. 373/ Alcañiz, Cáceres & Pérez, 2010, p. 169/ Kantar Consulting, 2019, p. 2). As consumers tend to be drawn to purposeful brands, more and more brands try to incorporate the concept purpose in their communication with consumers (Hsu, 2017, p. 373).

Purpose driven marketing can be described as a strategy to connect a brand with the needs and interests of its consumers by having a strong brand purpose. In most cases the connection is about social, environmental, or political issues. The goal of purpose driven marketing is to create a deeper connection with the consumers (Bianchi, Daponte & Canziani, 2020, p. 11). The communication measures for purpose driven marketing should be aligned with the brand's purpose at various points in the customer journey. The concept of purpose driven marketing aims to positively influence consumer behaviour (Goodson & Walker ,2021, p. 55).

While a large proportion of consumers state that it is important to them that companies, they engage with show a strong purpose, only about half of them find that today's companies actually have a strong purpose. According to Revolt (n.d., p. 2), this deviation can be defined as a purpose gap. Consumers perceive the existence of a purpose as essential, while they can only recognize a clear purpose in some companies. Therefore, it can be fundamental for brands to develop a strong purpose to satisfy their consumers' needs (Chahal, 2015, p. 6/ Narayanan & Das, 2021, np.).

Many people no longer rely on governments and state institutions alone to solve current problems such as the climate crisis, health issues and poverty. Instead, people often expect the private sector to tackle these problems and find solutions (Weber, 2019, p. 25/ Sarkar & Kotler, 2020, p. 11). According to Sarkar & Kotler (2020, p. 11) "*business is now expected to be an agent for change*". Following Kotler, Kartajaya, and Setiawan (2010, p. 4) consumers want to engage with "*companies that address their deepest needs for social, economic, and environmental justice in their mission*". Consumers prefer brands that care and that address important social, economic, or political topics (Hsu, 2017, p. 374).

According to a global survey carried out by Accenture involving 30000 consumers (Accenture, 2018, p. 2) “62 percent of customers want companies to take a stand on current and broadly relevant issues like sustainability, transparency or fair employment practices”. Moreover, consumers expect brands to align with their own values. Many companies underestimate the impact and the negative effect of not taking a position on issues which are important to the consumers (Accenture, 2018, p. 2).

Especially the younger generation demands brands to take a stand. According to Kantar “over 60 percent of consumers under 30 prefer brands that have a point of view and stand for something, compared to less than half of consumers past middle age” (Accenture, 2018, p. 2).

If brands decide to create a purpose and “build a collective sense of brand belonging” (Accenture, 2018, p. 2), they have the chance to establish long-lasting relationships which are not based on just making money but arise from a common purpose. Hsu (2017, p. 373) states that this “trend has led more brands to embrace purpose in marketing their products to the target audience”.

### **3 Consumers' vs companies' perspective on purpose driven brands**

The following chapter considers consumers' and companies' perspectives on purpose driven brands. First, the consumers' perspective is discussed in more detail and then the company's perspective is examined.

#### **3.1 Consumers' perspective on purpose driven brands**

This chapter discusses consumers' expectation for purpose driven brands. Moreover, it will highlight the perspective of Generation Z on purpose driven brands.

##### **3.1.1 Expectations for purpose driven brands**

Consumers increasingly prefer to buy and recommend brands that have a purpose (Hsu, 2017, p. 373). They expect brands to not only meet their functional expectations but also to keep up with social, ethical and environmental issues (Narayanan & Das, 2021, np.). For the most part, consumers judge a company's social commitment not only by the impact of that commitment but moreover by the company's motivations for supporting the cause (Alcañiz, Cáceres & Pérez, 2010, p. 172).

Accenture (2018, p. 8) conducted a study to find out what attracts consumers to buy from a brand over others (beyond price and quality). According to this study 50% of consumers say that they would prefer a brand that *“supports and acts upon causes they have in common”*. More than half (52%) of participants prefer brands that *“stand for something bigger than just the products and services it sells”*. 62% say that they get attracted to buy from a brand that *“has a great culture – it does what it says it will do and delivers on its promises”*. These findings highlight that consumers prefer brands that stand for something and have a strong purpose.

Moreover, there is an expectation from consumers for brands to be transparent and to deliver on their promises (Chahal, 2015, p.3/ Goodson & Walker, 2021, p. 57). They want to be assured that companies do not use social initiatives to manipulate them and that companies do not exploit social causes for their interests (Alcañiz, Cáceres & Pérez, 2010, p. 170). *“Consumers [...] want companies that see social good as a necessity, not just a marketing strategy”* (Revolt, n.d., p. 56). If brands succeed in meeting these expectations, they can win the trust of consumers (Chahal, 2015, p. 3).

When asked, consumers often show a preference for brands that match their own attitudes and values. However, this preference is not always reflected in consumers' actual purchasing decisions (McColl, Ritch & Hamilton, 2021, p. 146/ Carrington, Neville & Whitwell, 2010, p. 139/ Cui, Trent, Sullivan & Matoru, 2003, p. 319). This deviation is often referred to as the attitude-behaviour gap. Some authors believe that this is due to consumers exaggerating their intention to act ethically when asked. This may be due to the fact that they feel obliged to give socially acceptable answers and do not want to appear uncaring (Nichols & Lee, 2006, p. 383). For this reason, the findings of consumer surveys must be critically reviewed. Even if consumers state that they prefer certain brands over others, this does not mean that this is reflected in their actual actions.

### **3.1.2 Perspective of Generation Z on purpose driven brands**

Generation Z can be considered a very interesting customer segment in terms of purpose driven marketing (McColl, Ritch & Hamilton, 2021, p. 146). This generation strives for a high degree of compatibility between their values, attitudes and behaviour and can therefore be considered as particularly receptive for purpose driven communication (Frohne, 2020, p. 32/ Narayanan & Das, 2021, np.).

Generation Z includes people who were born from 1995 through 2010. This generation is also often referred to as the digital natives (Seemiller & Grace, 2016, p. 26). Generation Z has grown up in a digital environment where the boundaries between online and offline often almost disappear. Due to the ever-present access to information, this generation is very educated and independent in their purchasing decisions (Cheung, Glass, Haller & Wong, 2018, p. 1). Generation Z consumers are usually well informed about brands and their backgrounds. If they lack information, it is easy for them to obtain the missing information to make a point of view. If a brand's advertising message and its actual actions do not match, this discrepancy is usually quickly uncovered (Francis & Hoefel, 2018).

Generation Z expects seamless interaction from brands. They want to have the opportunity to share their opinions, collaborate and co-create with brands. Furthermore, they demand brands to be authentic, trustworthy (Cheung, Glass, Haller & Wong, 2018, p. 1) and transparent about their actions (Fromm, 2021).

Generation Z is typically known to be a generation that identifies problems and tries to find solutions for it. They show a strong desire to make the world a better place (Seemiller & Grace, 2016, p. 97) and expect brands to take a stand on societal issues. For them it is no option that brands stay neutral out of fear of offending some customers (Fromm, 2021). According to research conducted by Accenture (2018, p. 9) “*approximately 60 percent of Gen Zers and Millennials believe it’s important for companies to take a stand on issues such as human right, race relations or LGBTQ equality.*” This is not necessarily about taking a politically correct position on all issues. Generation Z demands brands to take a position on specific topics that correspond to the brand. Generation Z also does not differentiate between the ethical standards of a brand, the parent company, and its network of suppliers, etc. To meet the expectations of this demanding consumer group, companies must be consistent in their values. For this reason, it is important for companies to ensure that all participants in the value chain meet the same values and ethical standards (Francis & Hoefel, 2018).

Consumers of this generation are initially critical of brands that have not met consumers' ethical standards in the past when they start to communicate a purpose statement. A study by McColl, Ritch & Hamilton (2021, p. 150) focusing on the perception of Generation Z participants of purpose campaigns, showed that consumers who have the impression that a brand did not act in an ethical manner in the past, tend to ignore new messages that contain ethical messages. The reason for this is that consumers feel that social concerns are not the focus of that brand. For this reason, it is important that brands root their purpose in their DNA and make sure to communicate it authentically and not to use their purpose as a mere marketing tool.

Some companies are trying to win over this customer segment with woke branding campaigns and are increasingly focusing on communicating their brand purpose (McColl, Ritch & Hamilton, 2021, p. 146). For example, the brand “The Bodyshop” has a strong purpose driven strategy. They define their purpose as follows “*We exist to fight for a fairer, more beautiful world*” (The Body Shop, 2022). The brand states that they “believe that business can drive positive change in the world”. They support different causes and engage in the Community Fair Trade program which has the aim to bring employment to communities all around the globe. The brand also supports various sustainability initiatives and fights against animal testing. In this regard, they have launched a global campaign against animal testing and have taken a clear stance on the issue. They have also launched a petition asking their consumers to support them in the fight against animal testing. This allows the brand to engage directly with consumers.

In summary, Generation Z is a very interesting customer segment with great buying power (Fleming, 2019). This generation expects brands to be committed to social, political, or environmental issues and to have a purpose that is authentic and in line with the brand (Cheung, Glass, Haller & Wong, 2018, p. 1/ Fromm, 2021). Therefore, it can be advantageous for brands to use the concept of purpose driven brands in order to be relevant for Generation Z.

## **3.2 Companies' perspective on purpose driven brands**

This chapter explores companies' motives for the development of purpose brands and the objectives and desired benefits from a company's perspective.

### **3.2.1 Motives for the development of purpose brands**

The following chapter attempts to highlight the motives of companies and brands for using the concept of purpose driven brands.

More and more brands put their brand purpose in the focus of their communication with consumers (McColl, Ritch & Hamilton, 2021, p. 147). This raises the question of what companies expect from this strategy and what their motives are. It should be noted that it is very difficult to uncover the true motives of companies, as they usually try to meet the consumers' needs and would not make a public statement that their focus on purpose is only to increase their performance.

From a consumer's point of view, there are mainly two types of motives that companies pursue with a purpose driven strategy. On the one hand, the motives can be described as altruistic. In this case, the company or brand strives to make a difference and contribute to making the world a better place without primarily pursuing its own goals. On the other hand, there can also be egoistic goals behind such a strategy. In this case the company uses the concept of purpose driven brands only to benefit the company's performance (Alcañiz, Cáceres & Pérez, 2010, p. 172). In many cases, it will probably be a combination of the two motives just listed.

In the course of this thesis, an empirical study is carried out in which expert interviews are conducted. In these interviews, an attempt is made to find out more about the motives of companies for implementing the concept of purpose driven brands.



### 3.2.2 Objectives and desired benefits of purpose driven marketing

The following chapter explores the questions of what goals companies pursue that use a purpose driven strategy and what benefits they expect from it. The literature lists a number of possible objectives. However, since the insights from the literature review are scarce, the empirical study of this thesis attempts to identify other possible objectives of companies.

On the one hand, purpose can be described as a useful motivational tool. Many brands use the concept of brand purpose with the goal of being more attractive to their investors and employees (Revolt, n.d., p. 5). Having a brand purpose can help brands to unite their employees by giving them the opportunity to work with a sense of meaning (Hsu, 2017, p. 375). Nowadays, the majority of employees desire to work for “*companies that have a clear, unequivocal and positive impact of on the world*” (Revolt, n.d., p. 2). Moreover, having a strong purpose can make employees more passionate about their work and boost their motivation. “*At companies that have clear Purposes, 63% of employees say they’re motivated (versus 31% at others) and 65% are passionate about their work (versus 32%)*” (Revolt, n.d., p. 66). The use of brand purpose as a motivational tool for employees can be seen as a key objective of many companies.

On the other hand, the concept of brand purpose can be also seen as a marketing tool. Nowadays many brands are starting to communicate their purpose externally by using paid media and PR to build reputation and attract consumers (Revolt, n.d., p. 38). Brands desire benefits like for example growth and a deeper connection with consumers (Bianchi, Daponte & Canziani, 2020, p. 8). Since consumers are often faced an infinite choice of products and services, having a strong purpose can help brands to build a stronger connection to consumers if they are successful in representing the values of their consumers. Many brands also expect the concept of purpose driven brands to help them differentiate from their competitors and provide long-term benefits (McColl, Ritch & Hamilton, 2021, p. 145/ Alcañiz, Cáceres & Pérez, 2010, p. 172). Brands are increasingly using social issues to embody the brand and communicate with consumers. This is intended to foster consumer loyalty and can strengthen the brand image (McColl, Ritch & Hamilton, 2021, p. 147). The use of the concept of brand purpose as a marketing strategy can be seen as another important key objective of many companies.

In summary, the use of purpose as a motivational tool and as a marketing tool can be seen as main objectives of companies. In the context of this thesis, the focus is on the concept of purpose

as marketing tool. The above-mentioned desired benefits can be understood as the essential goals of many brands that strive to implement the concept of purpose driven brands. Chapter 4 highlights the key success factors which are crucial for successfully implementing this concept.

## **4 Success factors of purpose driven marketing**

Chapter 4 illustrates several success factors for purpose driven marketing. This section pays special attention to the aspects of purpose-brand fit, resonance with consumers, clear purpose statement, 360-degree execution, authenticity, long-term commitment, partnerships, and communication.

### **4.1 Purpose-Brand fit**

The fit between the purpose and the brand can be described as one of the most relevant key success factors for purpose driven marketing (Frohne, 2020, p. 31/ McColl, Ritch & Hamilton, 2021, p. 150/ Alcañiz, Cáceres & Pérez, 2010, p. 171).

Alcañiz, Cáceres & Pérez (2010, p. 171) have studied cause related marketing campaigns and investigated the alliance between a brand and the social cause the brand is engaging with. Their study refers to the concept of cause-related marketing, which differs from the concept of purpose driven brands, as already discussed in chapter 2.1. Nevertheless, the findings can be used to draw conclusions about the purpose-brand fit. Alcañiz, Cáceres & Pérez (2010, p. 171) suggest that the fit between the brand and the social cause is a very important success factor. According to the authors there are two different types of brand-cause fit. On the one hand, there is the functional fit between a brand and the supported cause. The functional fit refers to the fit of the attributes of the product category with the social cause. For example, the fit between a snack brand and the fight against hunger. On the other hand, the authors describe the concept of image fit, which refers to the fit between the brand associations and the image of an NGO which embodies the social cause. For example, the fit between WWF and a Coca Cola. The authors indicate that the higher the fit between the brand and the cause, the less likely it is that consumers will react sceptically to cause related communication of the brand. This highlights the importance of having a strong brand-cause fit.

Following the research from Alcañiz, Cáceres & Pérez (2010, p. 171), the purpose-brand fit can also be seen from a functional and an image perspective. In the case of the purpose-brand fit, the functional fit accordingly refers to the relationship between the chosen purpose and the brand's products or product category. It is much easier to communicate a brand purpose if there is a logical link between the purpose and the functional aspects of a brand (Frohne, 2020, p. 31). An example of a good functional fit between a brand and its purpose is Pampers with their

purpose statement *“At Pampers, our responsibility and passion is simple: to serve families and their little ones. We remain committed to ensure that babies have the brightest beginnings”* (Pampers, 2022). For consumers it is easy to understand why the diaper brand Pampers supports the vaccination of babies in the third world (Frohne, 2020, p. 31). Some brands worry that their product category is too functional to find a purpose. However, even brands in a very functional category can find a brand purpose that fits their products. For example, the brand Dulux *“went from selling cans of paint to selling cans of optimism through its purpose of adding color to people’s lives. Through its involvement in local communities, it proved it could leverage colors to influence the ways in which people feel about and engage with their communities”* (Kantar Consulting, 2019, p. 5). On the other hand, the brand-purpose fit can also be seen from the image fit perspective. In this case, it is less about whether a product fits the purpose, but more about whether the associations consumers have with the brand are compatible with the purpose.

If the concept of brand-cause fit from Alcañiz, Cáceres & Pérez (2010, p. 171) is applied to the concept of purpose-brand fit, it can accordingly be assumed that the best possible fit can be seen as a success factor.

However, it is critical to note that congruent relationships often receive less attention than comparatively incongruent relationships. If something is incongruent, this may lead to increased scrutiny due to the incongruence. Vredenburg, Kapitan, Spry & Kemper (2020, p. 452) state that a very high congruence between the brand and the cause can lead to consumers not engaging with it strongly. However, if there is a very high incongruence, it can lead to the relationship no longer making sense to consumers. According to the authors, moderate incongruence can be seen as beneficial because it is perceived as interesting by consumers, but at the same time does not confuse them. Relating these findings to the concept of purpose-brand fit, moderate congruence between purpose and brand can be seen as beneficial.

## **4.2 Resonance of purpose with consumers**

Another essential aspect related to the concept of a purpose driven brands is how the purpose resonates with consumers.

In order to pursue the most effective purpose driven marketing strategy, the purpose of a brand should resonate well with consumers and provide them with added value (Frohne, 2020, p. 31/ Narayanan & Das, 2021, np./ Shaw, 2015). This can be achieved by making consumers feel

that the brand not only connects with consumers through its products and services, but also has a strong purpose and that this purpose is an important matter to the brand (McColl, Ritch & Hamilton, 2021, p. 151). For the purpose to resonate with consumers, it should be as meaningful and relevant to them as possible. This can be achieved by *"tapping into a social tension that is greater than the functional and emotional benefits"* (Kantar Consulting, 2019, p. 5). Ideally, a brand's purpose appeals to the ethical ideals of its target customers, creating a connection with consumers. The brand should make consumers feel that it understands and cares about their values and beliefs (McColl, Ritch & Hamilton, 2021, p. 151). The concept of purpose driven brands represents a well-suited method in this regard. If the purpose of a brand resonates with the values and concerns of consumers, a connection to consumers can be built that goes beyond the products (Shaw, 2015).

### **4.3 Clear and strong purpose statement**

Having a clear definition of the purpose is very important for both, internal as well as external communication and can be therefore considered to be a key success factor for purpose driven brands.

Once a brand has chosen a purpose, they are passionate about, it is important to have a clear and strong purpose statement. In order to define one's own purpose statement accurately, it is critical to pay close attention to how the purpose is formulated. Since purpose is especially about doing something and thereby having an impact, the chosen verb in the purpose statement is of great importance in this context. Revolt (n.d., p. 17) has analysed more than 100 purpose statements of different companies. Their research shows that some verbs are used by many brands, while others are hardly used at all. To make one's purpose as accurate as possible, the verb should be chosen to support the purpose in the best possible way. Figure 8 shows the results:

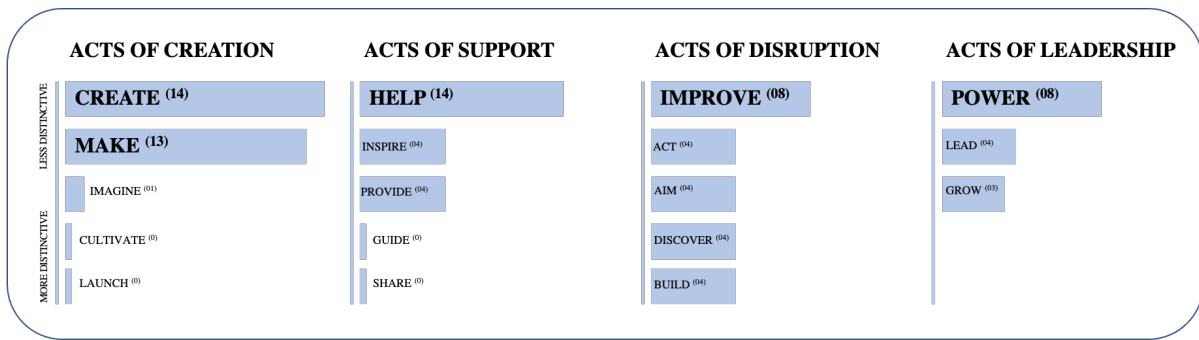


Figure 8 Verbs for purpose statements (Revolt, n.d., p. 17)

According to these results the verbs create, make, help, inspire, provide, improve, act, aim, discover, build, power, lead, and grow are the most commonly used for purpose statements. These verbs are very suitable for purpose statements. However, it can also be advantageous to choose verbs that are used less frequently in order to stand out from the crowd.

Three different archetypes of purpose statements can be defined in literature. The descriptive purpose statement archetype illustrates the brand’s existing activities, its products, and services with a positive connotation. For example: To produce high quality sustainable cat food. The second archetype is characterised by a statement based on the values the brand stands for. For example: To improve the life of cats. The third archetype is called meaningful challenge archetype. Purpose statements of this type define the target group and specifically describe what the change for this target group should be. For example: To reduce the number of homeless cats (El Ouarazi & Colin-Jones, 2021). The third archetype can be described as the form that most clearly defines the purpose statement.

When formulating the purpose, it is important to ensure that the message is communicated in a comprehensible manner. For this reason, ambiguities and long-winded formulations should be avoided. The average length of purpose statements is ten words. When formulating the purpose statement, the following three principles should be considered: simplify, intensify, and magnify. Simplifying the purpose statement is all about trying to say more with less. It is important to identify which words outline the future a brand seeks to create. *“Most commonly used words in purpose statements: World, people, better, create, make, lives, every, technology, improve”* (Revolt, n.d., p. 19). Ikea's purpose statement, *“To create a better everyday life for many people”* (Ikea, 2022), can be cited as an example of a simplified purpose statement. Intensifying the statement is all about considering how alliterations or repetitions can help to emphasise the most relevant aspects of the purpose. To magnify the purpose statement, it is essential to

consider if category specific language can help to deepen the memorability and the sense of meaning of the purpose (Revolt, n.d., p. 18). One example of a magnified purpose statement is the brand Lego. They use the statement “*Inspire and develop the builders of tomorrow*” (Lego, 2022). In this statement the word “builders” refers to their product and can therefore help to deepen the memorability of the purpose.

Table 1 shows various examples of purpose statements of brands from different industries and with different thematic focuses. Many of these statements contain verbs, which are described in figure 8.

Table 1 Purpose statement examples

<b>Brand/Company</b>	<b>Purpose statement</b>
Adidas	<i>“Through sport we have the power to change lives”</i> (Adidas, 2022)
Dove	<i>“To help women everywhere develop a positive relationship with the way they look, helping them raise their self-esteem and realise their full potential”</i> (Dove, 2022)
FedEx	<i>“To connect people with goods, services and idea”</i> (FedEx, 2022)
Ford	<i>“To help build a better world, where every person is free to move and pursue their dreams”</i> (Ford, 2022)
Ikea	<i>“To create a better everyday life for the many people”</i> (Ikea, 2022)
KIND	<i>„To build a kinder world”</i> (KIND, 2022)
Lego	<i>“Inspire and develop the builders of tomorrow”</i> (Lego, 2022)
Mars	<i>“The world we want tomorrow starts with how we do business today”</i> (Mars, 2022)
Nike	<i>“Move the world forward through the power of sport – breaking barriers and building community to change the game for all”</i> (Nike, 2022)
Pampers	<i>“To serve families and their little ones. We remain committed to ensure that babies have the brightest beginnings”</i> (Pampers, 2022)
Patagonia	<i>“We are in business to save our home planet”</i> (Patagonia, 2022)
Philips	<i>“To improve people’s health and well-being through meaningful innovation. We aim to improve 2.5 billion lives per year by 2030, including 400 million in underserved communities.”</i> (Philips, 2022)
Tesla	<i>“To accelerate the world’s transition to sustainable energy”</i> (Tesla, 2022)
The Body Shop	<i>“We exist to fight for a fairer, more beautiful world”</i> (The Body Shop, 2022)
Unilever	<i>“To make sustainable living commonplace”</i> (Unilever, 2022)



#### 4.4 360-degree execution

A 360-degree execution of the purpose can be identified as another important aspect when trying to successfully implement a purpose driven marketing strategy.

Consumers demand brands to have a purpose that is deeply rooted in the company's DNA (Weber, 2019, p. 26/ Revolt, n.d., p. 6). Many consumers identify especially those marketing campaigns as successful "*which build brand purpose into their DNA, through every aspect of their supply chain, to brand image and communications, product and corporate brand campaigns*" (McColl, Ritch & Hamilton, 2021, p. 151). This statement highlights the importance of a 360-degree execution of the brand purpose.

Brands must consider that all aspects of their value chain can be evaluated and judged by consumers (Francis & Hoefel, 2018/ Frohne, 2020, p. 31). If one part of a company's supply chain, for example the production, does not live up to the specified purpose, the brand can face the risk of losing credibility. A mismatch between the brand purpose and a part of the supply chain could be perceived as fake purpose or purpose washing and could harm the brand. An example of a mismatch of a brand purpose and a part of the company's supply chain is the fashion retailer H&M. The company has long sought to communicate its initiatives regarding sustainability and promoted its "conscious" product line. However, there have been repeated reports of poor production conditions and unfair wages for their production workers (Frohne, 2020, p. 31). Here, the fit between the brand and the purpose did not match for many consumers. It is therefore very important to consider the entire value chain and to define the purpose as the foundation for all activities in order to be perceived as authentic by consumers.

A 360-degree execution of the purpose can help brands to successfully implement a purpose driven marketing strategy. Ideally, the purpose of a brand should be reflected in all aspects of a company (Frohne, 2020, p. 34)/ Sinek, 2009, p. 74). "*Purpose must be aligned not only with the brand but with the company as a whole*" (Kantar Consulting, 2019, p. 5).

## 4.5 Authenticity

Authenticity in relation to the brand purpose is another important key success factor.

Consumers want brands not to capitalise social initiatives. However, some brands tend to instrumentalise their purpose as marketing strategy (Alcañiz, Cáceres & Pérez, 2010, p. 170). This can lead to consumers perceiving brands as not being authentic about their purpose.

In order to be perceived as authentic as possible by consumers, it is important for brands to ensure that they have credibility in relation to their brand purpose (Shaw, 2015). *“Purpose must be true to a brand’s character by moving only into territories where a brand has the credibility to do so. This can be treacherous if a brand is not careful. Many brands have failed by trivializing serious issues or by over-commercializing social problems”* (Kantar Consulting, 2019, p. 5).

It is also important for companies to clearly define which social, political, or environmental issues they want to take a stand on and to choose the brand purpose wisely (Francis & Hoefel, 2018). *“Standing for everything means standing for nothing”* (Accenture, 2018, p.11). For this reason, it is important to clearly define the purpose statement.

To not jeopardize the credibility, it is important that brands only communicate promises that they can keep (Kotler, Kartajaya, & Setiawan, 2010, p. 34). If the brand's communication does not match the brand's actions, this can negatively affect the brand's overall credibility (Alcañiz, Cáceres & Pérez, 2010, p. 182). *“When it comes to their purpose, smart companies speak because they have something to say, others simply because they have to say something”* (Revolt, n.d., p. 38). If consumers perceive a large gap between the company's intentionality and their actions, there is a risk that the brand will be perceived as inauthentic. Therefore, it is important that the cause is embedded in the corporate culture (Alcañiz, Cáceres & Pérez, 2010, p. 182).

In addition to choosing the brand purpose wisely and paying attention to the purpose-brand fit, third-party certifications and the establishment of partnerships can help brands to improve their authenticity. Moreover, the communication of specific benchmarks can improve the trust of consumers in brands and their promises (Vredenburg, Kapitan, Spry & Kemper, 2020, p. 454).

Another important aspect regarding the authenticity of a brand’s purpose is the willingness of brands to apologise for wrong behaviour. When a brand loses consumer trust due to misconduct, it is important for the brand to recognize the misconduct, reflect on it, comment on it, apologize

when appropriate, and take necessary actions to rebuild consumer trust in the brand (Accenture, 2018, p. 11/ Francis & Hoefel, 2018).

#### **4.6 Long-term commitment**

Making a long-term commitment to the brand purpose can be an essential factor for the success of purpose driven marketing.

The decision to create and define a purpose should be a long-term commitment for a company (Frohne, 2020, p. 34/ Kramer, 2017, np.). This lies in the very definition of the term purpose which is explained in more detail in chapter 2.1. Purpose can be defined as “*the reason a brand exists – it is the positive impact a brand makes in people’s lives and the world they live in*” (Kantar Consulting, 2019, p. 5). Accordingly, the purpose should be deeply rooted in the culture of a company and emerge from the company’s DNA (Revolt, n.d., p. 6). A long-term commitment is essential. It also serves to lend credibility to the purpose and to be able to achieve the impact intended by the purpose statement (Alcañiz, Cáceres & Pérez, 2010, p. 170). Establishing a brand purpose at all levels and communicating it both internally and externally can take some time. Therefore, brands that want to use the concept of brand purpose should be patient and integrate the purpose into the company in the long-term to successfully implement the concept (Vredenburg, Spry, Kemper & Kapitan, 2018).

#### **4.7 Partnerships**

The establishment of strong partnerships can be a success factor for building a purpose driven brand.

To ensure that the purpose is not just implemented as a marketing strategy and to give the purpose more authenticity and credibility, various forms of partnerships can be helpful (Ahsen & Gauch, 2021). Collaborating with other companies, NGOs, or brand ambassadors can help brands achieve greater impact (Deloitte, 2017, p. 7). Partnerships can help gain insight and expertise in focus areas with which the brand is not very familiar. Particularly in the beginning, partnerships can help brands build their expertise in their purpose area (Revolt, n.d., p. 69). For example, some NGOs advise companies on how best to implement their purpose. Wide-ranging partnerships between companies, NGOs and other actors with the aim of pursuing the brand purpose can also be described as "purpose ecosystems". These ecosystems can help brands to

advance their purpose and their communication (Ahsen & Gauch, 2021). In addition, building strong partnerships can improve the credibility of the brand's purpose statement (Revolt, n.d., p. 69). As mentioned in chapter 4.4 it is very important be careful about choosing partners that align with the values and the purpose of the company to ensure a 360-degree commitment.

In addition, third-party certifications can also be seen as a great opportunity for brands to show that they meet standards and deliver on their promises (Deloitte, 2017, p. 22/ Narayanan & Das, 2021, np.). For example, brands can collaborate with the Rainforest Alliance, the Fairtrade Foundation, or B Corporation Movement.

## **4.8 Communication**

Another important key success factor for purpose driven marketing is the communication of the brand purpose with the goal to engage with consumers.

When communicating the purpose, special care must be taken to ensure that the brand only communicates what it can deliver in order to be perceived as authentic and credible by its consumers (Ahsen & Gauch, 2021). To achieve this, the actions of a company and their purpose driven communication need to align (Narayanan & Das, 2021, np.).

When communicating the brand purpose, the use of storytelling can be considered a very useful tool. The concept of storytelling has become a commonly used technique to connect advertising messages to the audience on an emotional level (Mishra, 2020, p. 101). According to various authors (Green & Brook 2000, p. 701/ Escalas, 1998, p. 282/ Thier 2006, p. 2), the use of stories in conveying a marketing message can lead to recipients being more emotionally moved. Moreover, they then perceive the message as more interesting and entertaining. In addition, people tend to retain information better that has been conveyed in the form of stories and stories enable consumers to relate to their own experiences. Due to the advantages of the storytelling method just mentioned, the use of stories can be very beneficial in terms of communicating the brand purpose.

## **5 Benefits and risks of purpose driven marketing**

Chapter 5 provides a critical assessment of potential benefits and risks of purpose driven marketing. First, the benefits are discussed, and then possible risks are examined in detail.

### **5.1 Potential benefits of purpose driven marketing**

This chapter considers the potential positive impact of purpose driven marketing on differentiation, connection with consumers, brand reputation, motivation, and business performance.

#### **5.1.1 Differentiation**

One potential benefit of purpose driven marketing is that a brand purpose can help brands stand out from their competitors. This is particularly relevant as today's consumers mostly have a very wide choice of brands (McColl, Ritch & Hamilton, 2021, p. 145). The emphasis on brand purpose in the communication can offer a further argument for the decision in favour of a brand and can thus serve as an additional differentiator to stand out from the mass of suppliers (Frohne, 2020, p. 29). This benefit is especially likely if the brand purpose resonates with consumers and is unique (Narayanan & Das, 2021, np./ Deloitte, 2017, p. 10).

In the Marketing 2020 study by Kantar Consulting (2019, p.3), interviews were conducted with 600 CMOs (Chief marketing officers) and 15,000 consumers. The study showed that "purposeful positioning" can be seen as a key factor for marketing success. Having a clear brand purpose which is relevant to the consumers can improve the competitiveness of a brand (Accenture, 2018, p. 11).

#### **5.1.2 Brand reputation**

The pursuit of a purpose driven strategy can also improve the reputation of the brand and the company and thus can be stated as a benefit of purpose driven marketing (Oechsle, 2002, p. 181/ Ahsen & Gauch, 2021). *"When a brand is perceived as acting in a manner that is ethical and true to its values, these positive associations likewise become linked with the brand as part of the knowledge structure that consumers hold of the particular brand"* (Vredenburg, Kapitan, Spry & Kemper, 2020, p. 451). This can lead to increased customer loyalty in addition to an

increase in brand reputation. In the long run, this benefit can contribute to the financial success of a brand (Ahsen & Gauch, 2021).

### **5.1.3 Motivation**

Purpose can be considered as a useful tool to motivate consumers, investors, and employees when implemented successfully (Revolt, n.d., p. 5/ Spence & Rushing,, 2009, p. 303).

Advantages in terms of motivation can be seen above all in the form of employee motivation. This is not discussed as much in this paper, as the focus of the thesis is set on the external communication of the brand purpose. For the sake of completeness, however, employee motivation will be briefly mentioned here. As already mentioned in chapter 3.2.2, companies that state a clear purpose and act according to this purpose are more likely to have a higher employee retention and more motivated employees. Another study found that less than a third of employees surveyed felt connected to the company's purpose. This highlights a potential untapped opportunity for companies (Revolt, n.d., p. 66).

In summary, it can be said that if the concept of purpose driven brands is successfully implemented, the existence of a clear purpose can have a positive effect on employee motivation and thus represent a relevant benefit (Revolt, n.d., p. 66/ Spence & Rushing, 2009, p. 303).

### **5.1.4 Connection to consumers**

As consumers are faced with seemingly endless choices of products and services, having a strong connection to your consumers can be an important factor for success for brands (McColl, Ritch & Hamilton, 2021, p. 145).

Purpose driven brands show the potential to build a deeper connection with consumers (Kantar Consulting, 2019, p. 2/ Accenture, 2018, p.10.). This can lead to greater customer lifetime value. A study shows that consumers are four to six times more likely to buy, support, trust and recommend a brand that has a purpose. These findings support the assumption, that brand purpose can help to create an emotional connection to the consumers (Aziz, 2020).

In addition, the communication of the brand purpose can also motivate consumers to engage with the brand (Frohne, 2020, p. 29). The brand purpose can help to create enthusiasm for the

brand. In the best case, it motivates people to join and share the brand purpose. If this succeeds, a sense of bonding can arise (Shaw, 2015). Brands are increasingly using social issues to embody the brand and communicate with consumers. This is intended to foster consumer loyalty and can strengthen the brand image (McColl, Ritch & Hamilton, 2021, p. 147).

Furthermore, a purpose can also strengthen the trust of consumers in a brand, which can be a great advantage. *“Defining and activating a meaningful purpose can potentially mitigate the damage a trust event might have on a customer relationship (and sales) by giving consumers another reason to believe in the companies with which they do business. At a minimum, a meaningful and relevant purpose can increase the likelihood that customers will give companies a second chance if trust is otherwise tarnished”* (Accenture, 2018, p. 10).

When using successfully, the concept of purpose driven marketing can connect the purpose of a brand with the values of the consumers. Ideally, communicating the brand purpose to consumers can help to assure them that the brand understands what is important to them and build trust (McColl, Ritch & Hamilton, 2021, p. 145/ Accenture, 2018, p. 10).

### **5.1.5 Impact on business performance**

Purpose driven marketing can have a positive impact on business performance. Companies that have the ideals to improve the lives of people tend to outperform the market (Stengel, 2011, p. 11). Several authors show a possible connection between brand purpose and growth (Unilever, 2019/ Stengel, 2011, p. 11/ Deloitte, 2014, p. 5/ Serafeim & Gartenberg, 2016).

Unilever CEO, Alan Jope, stated: *“We believe the evidence is clear and compelling that brands with purpose grow. Purpose creates relevance for a brand, it drives talkability, builds penetration and reduces price elasticity. In fact, we believe this so strongly that we are prepared to commit that in the future, every Unilever brand will be a brand with purpose”* (Unilever, 2019). Moreover, Unilever revealed that *“that its purpose-led, Sustainable Living Brands are growing 69% faster than the rest of the business and delivering 75% of the company’s growth”* (Unilever, 2019). Unilever's Sustainable Living brands are brands that have a strong environmental or social purpose and whose products contribute to the company's goal of halving its footprint. Seven out of Unilever’s top ten brands like for example Dove, Knorr or Persil, can be categorised as Sustainable Living brands (Unilever, 2019).

Dove can be cited as a great example of brand purpose. Dove's brand purpose is to make people embrace what makes them unique. Dove believes that *“beauty should be a source of confidence, and not anxiety. That’s why we are here to help women everywhere develop a positive relationship with the way they look, helping them raise their self-esteem and realise their full potential”* (Dove, 2021). In their campaign "Real Beauty" in 2004, Dove challenged the traditional image of beauty and outdated social norms. They created ads that featured real women to convey a broader image of beauty and to expand the concept of attractiveness. Dove's goal is to boost the self-esteem of women, especially the next generation. Dove has also made a promise not to digitally manipulate their images and to help young people improve their self-esteem. That's why the Dove Self Esteem Project (DSEP) was initiated. According to the brand *“the Dove Self-Esteem Project was created from a vision where beauty is a source of confidence, not anxiety. We’ve reached over 60 million young people with self-esteem education, and by 2030, we’re aiming to have helped ¼ billion build their positive body image”* (Dove, 2021).

In a study, Deloitte (2014, p. 5) investigated managers' assessment of the relevance of a purpose to financial success. The study surveyed 1000 managers and employees. One part of the respondents worked in a company with a clear purpose and the other part in companies without a purpose. It was found that people who worked in a company with a clear purpose were significantly more optimistic about the growth of the company. *“82% of participants working for an organization with a strong purpose said they were confident that their organization would grow that year, compared to only 48% of respondents from companies without such a purpose”* (Deloitte, 2014, p. 5.). This highlights the relevance of the success factors communication and clear/strong purpose statement cited in chapter 4.

In-depth empirical research from Harvard Business School professors Serafeim and Gartenberg (2016) suggests that having a purpose can link to higher financials rewards for companies. However, this only seems to be true if the purpose is communicated clear and concise from top management to the middle layer of the company.

In addition to the studies cited above, Narayanan & Das (2021, np.) indicates that *“The growth of brands with purpose is a clear indication of purpose being a stronger driving force in the minds of the consumer who are willing to be loyal, pay more and support organizations whose purpose they support”*.



In summary, it can be assumed that purpose driven marketing can have a positive impact on business performance if the concept is implemented correctly.

## **5.2 Potential risks of purpose driven marketing**

In addition to the benefits listed in chapter 5.1, there may also be risks associated with purpose driven marketing. The following chapter elaborates these risks and focuses on the risk of mismatch and the risk of purpose washing.

### **5.2.1 Risk of mismatch**

The risk of mismatch can refer to two different forms. On the one hand, there may be a mismatch between the purpose and the brand, and on the other hand, there may also be a mismatch between the purpose and the values of consumers.

The risk of a mismatch between the purpose and the brand refers to the risk that consumers perceive an unclear connection between the brand and its purpose. If the consumer cannot link the brand and the purpose, there is a higher risk that the brand purpose is perceived as being inauthentic. In relation to this risk, the concept of purpose-brand fit mentioned in chapter 4.1 may be relevant (Frohne, 2020, p. 31/ Alcañiz, Cáceres & Pérez, 2010, p. 171). To limit the risk of a mismatch between purpose and brand, it is important to ensure that the chosen purpose fits the brand and that this connection is also clearly communicated to consumers.

The second form of mismatch refers to the risk that the purpose does not match the values of the consumers. Even if the purpose of a brand is chosen very broadly, it will not correspond to the values of all consumers. Therefore, there is a danger that some consumers might have objections regarding the brand purpose (Narayanan & Das, 2021, np.). If the mismatch is very strong and the consumers view the values of the brand as contrary to their own, there is a risk that consumers will boycott the brand (Revolt, n.d., p. 2). However, like already mentioned in chapter 3.1 the concept of brand purpose brands should not try to fit a “one size fits all” approach. Especially for consumers of the Generation Z staying neutral out of fear of offending some people is not considered to be an option for brands (Fromm, 2021). In this context, like already mentioned in chapter 4.2, it is important for brands to know their consumers and to try to resonate with the consumers through their purpose (Frohne, 2020, p. 31/ Narayanan & Das, 2021, np./ Shaw, 2015).

To summarise, in terms of purpose driven marketing, there can be a risk of mismatch between either the purpose and the brand or the purpose and the consumer's values. However, if a purpose-brand fit is considered when choosing the brand purpose, and if the brand knows the values of its own target group and tries to connect the purpose with them, these risks can be minimised.

### **5.2.2 Risk of mistrust and purpose washing**

With regard to the concept of purpose driven marketing, there is a risk of mistrust and purpose washing. If companies are inconsistent in their purpose communication and their actions, there is a risk that consumers get sceptical regarding the motives of the brand (Edelman, 2019, p. 14). Most consumers are well informed and critical about the motives of marketing campaigns. For this reason, it is important for brands to dedicate themselves to their purpose to avoid the risk of mistrust and purpose washing (Narayanan & Das, 2021, np.).

The term “purpose washing” can be described analogously to the term “green washing”. Baum (2012, p. 424) considers greenwashing “*the act of disseminating disinformation to consumers regarding the environmental practices of a company or the environmental benefits of a product or service*”. Purpose washing can therefore be described as not being true to the brand purpose but rather using the concept of purpose only to influence consumers without the actual aim to make a difference (Goodson & Walker, 2021, p. 20).

If consumers have the feeling that purpose washing is present, this can have a negative impact on brand reputation (Goodson & Walker, 2021, p. 20/ McColl, Ritch & Hamilton, 2021, p. 147) and can lead to unfavourable brand associations (Vredenburg, Kapitan, Spry & Kemper, 2020, p. 451). Furthermore, this can negatively affect a brand's credibility (Frohne, 2020, p. 31). If the credibility of a brand is rated low by consumers due to negative incidents in their past, the positive impact of brand purpose will be limited (Mañas-Viniegra, González-Villa & Llorente-Barroso, 2020, p. 1).

Unclear language in marketing messages and incomprehensible relationships to NGOs and partners can increase the risk of mistrust (Vredenburg, Kapitan, Spry & Kemper, 2020, p. 455). Like mentioned in chapter 4.6 brands should be aware that all parts of their value chain and all partnerships are evaluated by consumers and that a mismatch can harm the brand (Francis & Hoefel, 2018/ Frohne, 2020, p. 31). Furthermore, disconnecting the message from its purpose,

values and practices can increase the probability for brands to be accused of purpose washing by their consumers (Vredenburg, Kapitan, Spry & Kemper, 2020, p. 444).

If consumers feel that a brand does not keep their promises, they tend to share their mistrust in social conversations (Biraghi, Gambetti & Quigley, 2020, p. 403). This poses a risk for brands, especially because most consumers are very well connected (Narayanan & Das, 2021, np./ Francis & Hoefel, 2018) and consumer decision-making is increasingly driven by word of mouth. Especially younger consumers tend to share positive and negative experiences about companies with friends and acquaintances via social media channels (Kotler, 2011, p. 133). When consumers get the impression that a brand is acting unethically and not living up to its promise, they tend “*to disregard the more recent ethical messages believing that it was evidence that the social cause was not central to the corporate brand philosophy*“ (McColl, Ritch & Hamilton, 2021, p. 150).

The above mentioned possible negative effects of purpose washing on brands show how important it is for brands to prevent this risk.

## **6 Foundation of the empirical study**

In the course of the empirical study several semi-structured interviews were conducted in order to gain additional insights into the concept of purpose driven marketing. The following chapter describes the objective of the empirical study und discusses the selection of the empirical research method. Moreover, chapter 6 illustrates the research design and explains the evaluation method in detail.

### **6.1 Objective of empirical study**

After describing the most important theoretical aspects of the concept of purpose driven marketing in chapters 2 to 5, a qualitative empirical study provides further insights into the topic and aims to verify, complement, or refute the findings of the literature review. The literature review represents the underlying foundation for the qualitative empirical research design.

The findings of the empirical study are used in combination with the literature review to answer the research questions and to provide guidelines for the implementation of purpose driven marketing. During the empirical study a special focus is placed on the success factors for purpose driven marketing in order to answer the main research question:

***What are the success factors for purpose driven marketing?***

Furthermore, the empirical research aims to generate additional insights regarding the risks and benefits of purpose driven marketing as well as on how companies can build a purpose brand. The gained understandings are used to answer the two sub-questions:

***What are the benefits and risks of purpose driven marketing?***

***How can companies build a purpose brand?***

### **6.2 Research method**

The empirical research is exploratory in nature as it aims to provide a deeper understanding and insight into the motivations and perspectives of experts and consumers on the topic of purpose driven marketing.

Data collected to study a phenomenon can be divided into qualitative and quantitative information. In order to meet the exploratory purpose of this work, a qualitative approach was chosen, as qualitative data allows for the formation of different perspectives on the phenomenon in question. This is particularly important for the underlying thesis, as it can significantly deepen the understanding of how companies and consumers view purpose driven marketing.

Therefore, qualitative interviews were chosen as the data collection method. The aim of the interviews is to gain a comprehensive insight into the individual evaluation of a specific topic. This method offers the advantage that it strongly focused on the interviewees themselves and, thus, makes it possible to answer the research questions in a practical way. Since the research questions have a strong practical relevance, the use of qualitative interviews is very advantageous. Qualitative interviews provide opportunities for mutual discovery, understanding and can shed light on the subjective nature of experiences and perspectives. (Flick, von Kardorff & Steinke, 2013, p. 17) The topic of purpose driven brands shows a high tendency towards socially desirable answers, which do not correspond to actual attitudes of the respondents. By means of individual interviews, an attempt is made to create a familiar basis for discussion and, thus, to counteract the phenomenon of socially desirable answers. (Froschauer & Lueger, 2003, p. 57)

Qualitative interviews can be designed as structured interviews. This type of interview uses a list of predefined questions which are repeated in the same order and the exact same wording. The advantage of structured interviews is that they can be compared more easily and are therefore great for large samples. However, they show a lack of depth and flexibility. Qualitative interviews can also be unstructured. This type of interview offers more flexibility, encourages discussions, and offers the advantage that the interviewer can adapt to the circumstances. On the downside the collected data is more complex and difficult to compare. (Tracy, 2013, p. 139)

For this thesis, a mix of structured and unstructured interview types, referred to as semi-structured interview style, was chosen. On the one hand, this method offers enough flexibility and depth, and on the other hand, it also embodies a certain structure that makes it easier to compare the data. To ensure that all necessary topics and questions are covered in the interviews, an interview guide was used. The intention behind this is to provide structure, but

still offers enough flexibility for the interviewer and the interviewee. The structure of the interview guides is discussed in more detail in chapter 6.3.1.1.

As part of the qualitative empirical study, ten semi-structured interviews were conducted to gain additional insights. The interview questions were formulated based on the findings of the literature review. Aspects that have turned out to be relevant in the literature review should thus be reviewed. In addition, aspects that were not sufficiently described in literature should also be examined more closely in the interviews.

The semi-structured interviews were conducted with two groups. Firstly, leading marketing experts (group 1) were asked about their assessment of the success factors, benefits and risks of purpose driven marketing. Secondly, interviews were conducted with selected consumers (group 2) to confirm or critically question the findings from the literature review and the expert interviews. The aim of choosing these two groups is to shed light on the research topic from different perspectives. This should ultimately reveal similar perceptions but also work out different viewpoints between these two groups.

## **6.3 Research design**

The following chapter describes the research design in more detail. First, the preparation of the data collection is examined. Then, the data collection and the transcription process are outlined in more detail. Subsequently, the evaluation method is discussed and, finally, the quality criteria are highlighted.

### **6.3.1 Preparation of the data collection**

This chapter illustrates the preparation of the data collection method. First, the preparation of the semi-structured interview guidelines for both groups is described. Then, the selection of the interview partners is discussed.

#### ***6.3.1.1 Preparation of semi-structured interview guideline***

At the beginning of the empirical research process, the guidelines for the semi-structured interviews with the marketing experts was defined. This interview guideline refers to the findings from the literature review. The interview guide was created in such a way that it can contribute to answering the research question in addition to the findings from literature.

Before the interviews were conducted, the guide was checked in a pre-test to identify areas for improvement. In the pre-test, the interview questions were reviewed by a marketer. The aim was to check whether all questions were understandable, whether questions were missing and whether the time frame of the interview could be adhered to. After the pre-test, some interview questions were adapted to be easier to understand for the interview partners. In addition, one question was added to the interview guideline.

After the interviews with the leading marketing experts were conducted, the guide for the interviews with the consumers (group 2) was created. The findings from the interviews with the marketing experts were incorporated into the consumer interview guide. The interview guide for the consumers was pre-tested before starting the interviews with the actual consumers. After conducting the pre-test some interview questions were redefined.

For reasons of clarity, both interview guides were divided into individual thematic blocks. The thematic blocks of the two interview guides are very similar. This makes it easier to compare the two groups during the process of evaluation. The individual questions of each interview guide were formulated in detail. The questions are largely open-ended in order to obtain the most complex answers possible (Tracy, 2013, p. 144).

### **Structure interview guide for marketing experts**

The introduction of the interview guide for the group of experts includes a welcome, a short explanation of the situation and the framework of the interview. Furthermore, the interview partners were asked for their consent to record the interview. In addition to verbal consent, written consent for recording and using the data was obtained after the interview.

At the start the interview partners were given a uniform definition of the term purpose driven brands to provide a common basis of understanding and make the subsequently collected data more comparable.

The structure of the interview guide is based on the structure of the literature review. Table 2 shows an overview of the individual thematic blocks and their subtopics that were discussed with the interviewees. The interview guide can be examined in its full version in the appendices.

The first thematic block focuses on the characteristics of purpose driven brands followed by its relevance for company brands. Subsequently, the next block elaborates on the different

perspective of companies in comparison to the expectations of consumers. In this context, the experts are asked for their assessment of consumer expectations. The next thematic block deals with the success factors for purpose driven marketing. First, a general question inquires the importance of various success factors. Then, depending on the answer, the experts have to assess a list of success factors. The success factors on that list were derived from the results of the literature research. Then the interviewees are requested to state the benefits of these success factors. Here, certain benefits are dealt with in more detail. The next thematic block deals with possible risks of purpose driven marketing. The last block, called "creating a purpose driven brand", is intended to identify important aspects and watchouts for brands that want to start to build a purpose driven brand.

<b>Purpose driven brands – from purpose to impact</b>	
<b>group 1 (experts)</b>	
<b>Characteristics of purpose driven brands</b>	<ul style="list-style-type: none"> <li>- Main characteristics of purpose driven brands</li> <li>- Example of purpose driven brand</li> </ul>
<b>Relevance of purpose driven brands in marketing</b>	<ul style="list-style-type: none"> <li>- Definition of purpose driven marketing</li> <li>- Relevance of purpose driven brands in marketing</li> <li>- Purpose driven marketing as trend</li> </ul>
<b>Purpose driven marketing from a consumers' vs a companies' perspective</b>	<ul style="list-style-type: none"> <li>- Main motives for companies to implement a purpose driven marketing strategy</li> <li>- Expectations from consumers for purpose driven brands</li> <li>- Receptive consumer segments</li> </ul>
<b>Success factors for purpose driven marketing</b>	<ul style="list-style-type: none"> <li>- Main success factors</li> <li>- Special focus on               <ul style="list-style-type: none"> <li>○ Resonance with consumers</li> <li>○ Purpose-Brand fit</li> <li>○ Clear and strong purpose statement</li> <li>○ 360-degree execution</li> <li>○ Authenticity</li> <li>○ Long-term commitment</li> <li>○ Partnerships</li> </ul> </li> </ul>



	<ul style="list-style-type: none"> <li>○ Communication</li> </ul>
<b>Benefits of purpose driven marketing</b>	<ul style="list-style-type: none"> <li>- Key benefits for companies</li> <li>- Special focus on <ul style="list-style-type: none"> <li>○ Differentiation</li> <li>○ Brand reputation</li> <li>○ Motivation (employee)</li> <li>○ Connection to consumers</li> <li>○ Positive impact on business performance</li> </ul> </li> </ul>
<b>Risks of purpose driven marketing</b>	<ul style="list-style-type: none"> <li>- Risks for companies</li> <li>- Special focus on <ul style="list-style-type: none"> <li>○ Risk of mismatch</li> <li>○ Risk of mistrust &amp; purpose washing</li> </ul> </li> <li>- Negative impact on business performance</li> <li>- Option to course correct purpose strategy</li> </ul>
<b>Creating a purpose driven brand</b>	<ul style="list-style-type: none"> <li>- Relevant product categories</li> <li>- Important aspects when creating a purpose driven brand</li> <li>- Common mistakes of brands</li> <li>- Measurement of success of purpose driven strategy</li> </ul>

Table 2 Structure interview guide for experts

### Structure interview guide for consumers

The introduction of the interview guide for the group of consumers also includes a welcome, a short explanation of the situation and the framework of the interview. Furthermore, the interview partners were asked for their consent to record the interview. A written consent to record and use the data was also obtained after the interview.

In order to familiarise consumers with the topic and explain the concept of purpose driven brands, a definition was given to consumers at the beginning of the interview. Furthermore, practical examples were discussed with the consumers in the next step. At first the consumers were asked whether they knew one of the three brands Dove, Patagonia or The Body Shop. Depending on their answer the brand example, the interviewee was familiar with, was described. If the interviewee knew none of the mentioned brands, the interviewer described one of the brands in more details. If the interviewee knew more than one brand, all familiar brands

were discussed. This included an explanation of the values of the brands as well as the purpose statement.

The structure of the interview guide for the consumers is based on the structure of the interview guide for the experts in order to make it easier to compare the two groups in the analysis. Table 3 shows an overview of the individual thematic blocks and their subtopics that were discussed with the interviewees. The interview guide can be examined in its full version in the appendices.

First, the examples of purpose driven brands are discussed. Then the relevance of purpose driven brands is addressed. Subsequently, similar to the expert interview guide, the next section elaborates on the different perspective of companies in comparison to the expectations of consumers. The following thematic block addresses the success factors for purpose driven marketing. The success factors listed were derived from the results of the literature research and were supplemented with insights from the expert interviews. The next thematic block deals with possible risks of purpose driven marketing. The last block aims at insights that should be considered when building a purpose driven brand.

<b>Purpose driven brands – from purpose to impact</b>	
<b>group 2 (consumers)</b>	
<b>Examples of purpose driven brands</b>	<ul style="list-style-type: none"> <li>- Dove</li> <li>- Patagonia</li> <li>- The Body Shop</li> </ul>
<b>Relevance of purpose driven brands</b>	<ul style="list-style-type: none"> <li>- Shopping based on values</li> <li>- Relevance of purpose driven brands</li> <li>- Purpose driven marketing as trend</li> </ul>
<b>Purpose driven marketing from a consumers' vs a companies' perspective</b>	<ul style="list-style-type: none"> <li>- Main motives for companies to implement a purpose driven marketing strategy</li> <li>- Expectations for purpose driven brands</li> </ul>
<b>Success factors for purpose driven marketing</b>	<ul style="list-style-type: none"> <li>- Main success factors</li> <li>- Special focus on               <ul style="list-style-type: none"> <li>o Resonance with personal values</li> <li>o Purpose-Brand fit</li> <li>o Clear and strong purpose statement</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ 360-degree execution</li> <li>○ Authenticity</li> <li>○ Long-term commitment</li> <li>○ Partnerships</li> <li>○ Transparent communication</li> <li>○ Financial commitment of brands</li> </ul>
<b>Risks of purpose driven marketing</b>	<ul style="list-style-type: none"> <li>- Negative aspects of purpose driven brands</li> <li>- Special focus on <ul style="list-style-type: none"> <li>○ Risk of mismatch</li> <li>○ Risk of mistrust &amp; purpose washing</li> </ul> </li> </ul>
<b>Creating a purpose driven brand</b>	<ul style="list-style-type: none"> <li>- Relevant product categories</li> <li>- Most relevant type of purpose</li> <li>- Common mistakes of brands</li> <li>- Measurement of success of purpose driven strategy</li> </ul>

Table 3 Structure interview guide for consumers

### ***6.3.1.2 Selection of interview partners***

The following chapter describes the selection of the interview partners of both groups, the marketing experts, and the consumers. The method of selective sampling was used to choose the interview partners. The selection criteria for the interview partners are derived from the research needs and described in more detail below. Access to the research field is gained through personal contacts, internet research and the interview partners were contacted via e-mail or phone. The interview partners are then renamed in order to guarantee anonymity.

#### **Selection marketing experts**

Five marketing experts were selected for the semi-structured interviews. They had to meet several requirements to qualify as interview partners. As such those marketing experts were selected based on their professional experience and knowledge in purpose driven marketing. All selected experts speak English fluently and are located either in Europe or in the US. In order to look at the topic from as many different perspectives as possible, experts from different types of organizations were chosen. Three of the selected marketing experts work in agencies and two marketing experts work in companies that pursue a purpose strategy. Data was

collected over the month of February 2022. Table 4 provides an overview of the characteristics of the selected interview partners for the expert interviews.

Interviewee	Gender	Title	Industry
INTA	female	Global Director Brand & Purpose	FMCG
INTB	female	Brand Marketing Lead EMEA	Online communication
INTC	female	Founder	Purpose & sustainability consultancy
INTD	male	Strategy Director	Purpose consultancy
INTE	male	Global CEO	Consultancy

Table 4 Overview interview partners (group 1: marketing experts)

### Selection consumers

Five consumers were selected for the consumer interviews. The interviews focus on the perspective of the consumer segment of generation Z on purpose driven marketing, because this segment seems to be very receptive for purpose driven marketing (Frohne, 2020, p. 32/ Narayanan & Das, 2021, np.). Generation Z includes people who were born from 1995 through 2010 (Seemiller & Grace, 2016, p. 26). The consumers were selected with regard to their age. Only consumers who fulfilled the age criterion and could be assigned to Generation Z were approached. For the selection of the interview partners, equal distribution of female and male participants was considered. Moreover, all participants speak English fluently and are located in Europe. Table 5 provides an overview of the characteristics of the selected interview partners for the consumer interviews.

Interviewee	Gender	Age	Profession
INTF	female	24	Student
INTG	male	25	Intern in consultancy
INTH	male	19	Bartender

INTI	female	24	Student
INTJ	female	19	Student

Table 5 Overview interview partners (group 2: consumers)

### 6.3.2 Data collection and transcription

The interview questions were not sent to the interview partners beforehand. The average questioning time for the interviews with group 1, marketing experts, was about 50 minutes. The questioning time for the interviews with consumers was slightly shorter with an average time of 45 minutes.

The interviews were conducted and recorded via Microsoft Teams. Transcripts of the interview recordings are often used in qualitative research as source material for analysis (Dresing & Pehl, 2020, p.835). Transcription can be described as the process of creating a written record of audio recordings (Tracy, 2013, p.177). All conducted interviews of this empirical research are transcribed. During the transcription, the audio material was put in writing. For a scientifically transparent procedure, it is essential to make clear how the respective transcript was created, which elements were omitted, and which were taken into account (Dresing & Pehl, 2020, p. 838). The criteria for selection are summarised in so-called transcription rules. They are helpful during transcription as they provide guidelines as to which elements should (not) be considered (Dresing & Pehl, 2020, p. 842).

Non-verbal reactions were not taken into account. The video material was only used to check for ambiguities. In addition, the video material was used to have a backup recording available in case of a breakdown of the audio material.

The following aspects were considered during transcription:

- Care was taken to preserve the anonymity of the participants. The first interviewee was referred to as INTA. Interview partners INTA - INTE belong to the group of experts. Interview partners INTF-INTJ belong to the group of consumers.
- Incomprehensible statements or words were marked with ().
- Filler words such as hm, Mmh or similar were not transcribed.
- Longer pauses in speech were marked with "... "

### 6.3.3 Evaluation method

In order to be able to evaluate the interviews in a structured way, a content analysis according to Mayring was carried out. This method of content analysis can be described as a systematic approach which is rule guided. It aims to preserve the methodological strengths of quantitative content analysis (Mayring, 2015, p. 51).

Content analysis is not a standard instrument that always has to look the same, but the analysis should be adapted to the research context and the available material. The procedure can be defined in advance in a so-called process model. A process model defines the individual steps of the analysis and determines their sequence. A process model makes it possible for others to follow the analysis. This is also referred to as the intersubjectivity of the procedure. (Mayring, 2015, p. 51) The process model for the empirical research of this thesis is illustrated in figure 9.

Mayring (2015, p. 67) describes basic forms of interpreting. For the present thesis, the elemental form of summary was chosen. The aim of the summarising content analysis is to reduce the material in such a way that the essential content is retained. Through abstraction, a manageable content is created, which at the same time is still an image of the basic material.

In regard to the summarising content analysis according to Mayring it is essential that the material is analysed step by step. In doing so, procedural rules are followed which divide the material into content analytical units. A categorial system is at the centre of the analysis. The data is analysed through the development of various categories, which are carefully revised in the course of the analysis. (Mayring, 2015, p. 68)

There are two different approaches to the development of a category system.

On the one hand there is a deductive category definition which determines the evaluation instrument through theoretical considerations. In this approach categories are developed from preliminary studies, from the previous state of research, from newly developed theories or theoretical concepts (Mayring, 2015, p. 85)

An inductive category definition, on the other hand, derives the categories directly from the material without referring to previously formulated theoretical concepts. It aims to map the material as closely as possible to the subject matter without distortions due to the researcher's pre-assumptions. (Mayring, 2015, p. 85)

In relation to this empirical study, the formation of categories was a mix of deductive and inductive procedures. The category system is illustrated in figure 10 x and table 6. The interview guide was already structured into different thematic blocks based on the findings from the literature review. Accordingly, the elementary categories were initially formed based on the interview guide and the literature review and independently of the data material. This can be described as a deductive approach. In a further step, however, these categories were revised, refined, and expanded to include further categories arising from the transcribed interviews. This can be described as a form of inductive category formation. In addition, further sub-categories were formed for each category. This allowed for more in-depth coding. The overall process required several successive sorting runs.

MAXQDA was used as tool to analyse the interviews. The software allows to add memos and comments to text passages of the transcribed interviews, to paraphrase individual text passages and to create a code system.

Figure 9 describes the process model of the present empirical study. In a first step, important themes for the analysis were determined by reading the transcripts. Then a basic category system was developed. As already mentioned, this is based on the thematic blocks of the interview guide. Then the individual coding units were rewritten in a concise form, limited only to the content. This process is called paraphrasing. In this step, text components that are not content bearing were dropped. The paraphrases should be formulated on a uniform language level. In the next step, the level of abstraction was determined. All paraphrases that were below this level had to be generalised. In the next step called reduction generalized paraphrases with the same meaning within a case were deleted. Similarly, meaningless paraphrases were deleted. Moreover, several phrases that refer to each other and are often scattered throughout the material were combined and rendered by a new statement. At the end of the reduction phase, it had to be carefully checked whether the new statements still represent the original material. All original paraphrases must be included in the category system. Even more thorough is a back-check of the summary on the original material itself. (Mayring 2015, p. 71)

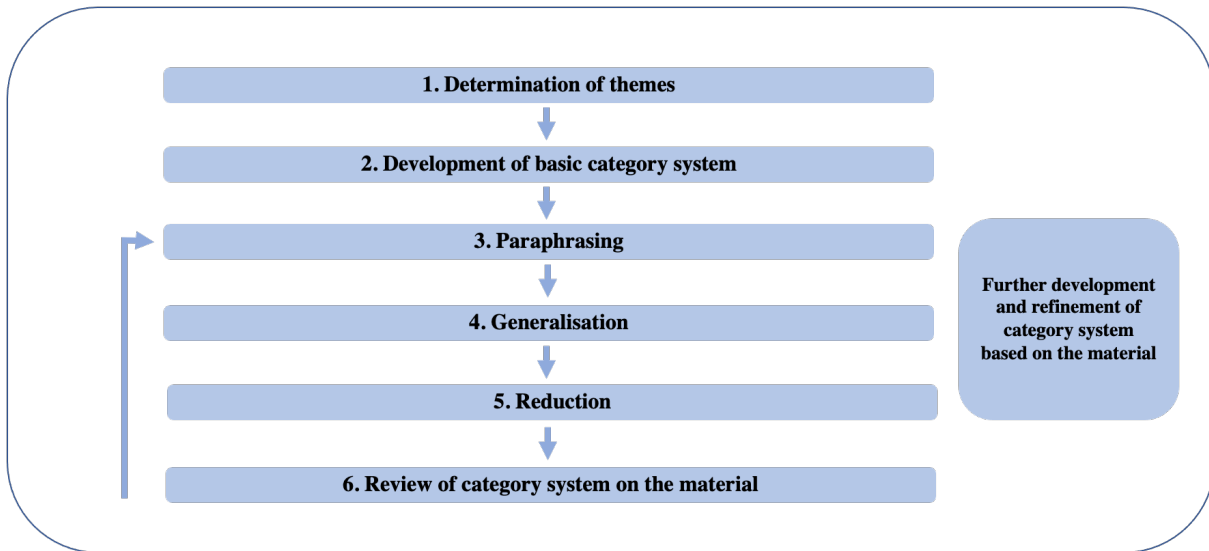


Figure 9 Process model

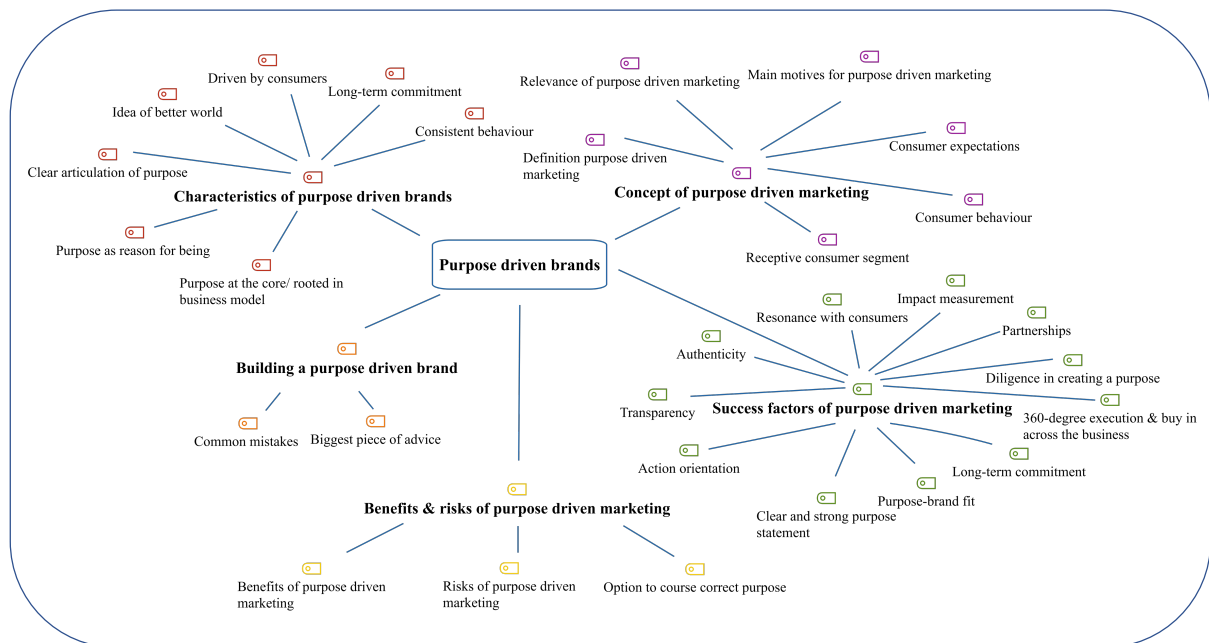


Figure 10 Categorical system (two levels)



## Category system

### 1 Characteristics of purpose driven brands

- 1.1 Purpose as reason for being
- 1.2 Purpose at the core/ rooted in business model
- 1.3 Clear articulation of purpose
- 1.4 Idea of better world
- 1.5 Driven by consumers
- 1.6 Long-term commitment
- 1.7 Consistent behaviour

### 2 Concept of purpose driven marketing

- 2.1 Definition purpose driven marketing
- 2.2 Relevance of purpose driven marketing
- 2.3 Main motives for purpose driven marketing
  - 2.3.1 Pressure to keep up with the trend
  - 2.3.2 Improve business performance
  - 2.3.3 Improve image
  - 2.3.4 Improve trust among stakeholders
  - 2.3.5 Connect to consumers
  - 2.3.6 Positive impact on people's lives and the world
  - 2.3.7 Avoid losing customers to competitors
  - 2.3.8 Attract new generation of consumers
  - 2.3.9 Increase employee motivation
  - 2.3.10 Attract talent
- 2.4 Consumer expectations
  - 2.4.1 Authenticity - brands to truly act on it
  - 2.4.2 Transparent communication
  - 2.4.3 Product to match purpose
  - 2.4.4 Brands to make the world better

2.4.5 Financial commitment

2.4.6 No expectations for brands to have purpose

### 2.5 Consumer behaviour

- 2.5.1 Research about brand purpose
- 2.5.2 Shopping based on values
- 2.5.3 Critical & demanding

### 2.6 Receptive consumer segment

- 2.6.1 All consumers
- 2.6.2 Younger generation

### 3 Success factors of purpose driven marketing

- 3.1 Diligence in creating a purpose
- 3.2 Purpose-brand fit
- 3.3 Authenticity
- 3.4 Action orientation
- 3.5 Transparency
- 3.6 360-degree execution & buy-in across the business
- 3.7 Impact measurement
  - 3.7.1 Approaches to impact measurement
    - 3.7.1.1 Measurement of purpose driven marketing
    - 3.7.1.2 Measurement of impact of purpose
- 3.8 Resonance with consumers
- 3.9 Clear and strong purpose statement
- 3.10 Partnerships
- 3.11 Long-term commitment

### 4 Benefits & risks of purpose driven marketing

- 4.1 Benefits of purpose driven marketing

<ul style="list-style-type: none"> <li>4.1.1 Drive change/ impact of purpose</li> <li>4.1.2 Differentiation</li> <li>4.1.3 Impact on brand metrics</li> <li>4.1.4 Motivation (employees &amp; business partners)</li> <li>4.1.5 Impact on business performance</li> <li>4.2 Risks of purpose driven marketing <ul style="list-style-type: none"> <li>4.2.1 Risk assessment</li> <li>4.2.2 Risk of mistrust and purpose washing</li> <li>4.2.3 Risk of mismatch</li> <li>4.2.4 Negative impact on business performance</li> <li>4.2.5 Option to course correct purpose <ul style="list-style-type: none"> <li>4.2.5.1 Totally changing purpose</li> <li>4.2.5.2 Finetuning purpose</li> </ul> </li> </ul> </li> </ul>	<p><b>5 Building a purpose driven brand</b></p> <ul style="list-style-type: none"> <li>5.1 Common mistakes <ul style="list-style-type: none"> <li>5.1.1 Short-term orientation</li> <li>5.1.2 Lack of substance</li> <li>5.1.3 Being too broad</li> <li>5.1.4 Communication on it before they are ready</li> <li>5.1.5 Make it about themselves rather than about the purpose</li> <li>5.1.6 Working in silos</li> <li>5.1.7 Doing it alone/no partnerships</li> </ul> </li> <li>5.2 Biggest piece of advice</li> </ul>
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Table 6 Categorial system (all levels) in table

### 6.3.4 Quality criteria

Qualitative research claims to fulfil certain quality criteria for the measurement and collection of data. According to Mayring (2015, p. 53), the quality criteria of objectivity, reliability and validity are particularly important in qualitative content analysis.

Objectivity can thus be seen as the basis for all research. It exists when different researchers arrive at the same results under the same conditions. (Lamnek & Krell, 2016, p. 160)

Reliability refers to the consistency of a researcher, research instrument or method over time. Reliable studies are those that can be repeated in exactly the same way, regardless of who is conducting the study. (Tracy, 2013, p. 228) In this study, certain procedures were followed and rules were established that make the empirical study more replicable.

Validity measures whether those characteristics are measured that are also intended to be collected in the study. To ensure validity, the field selection was made in such a way that only respondents who were suitable to answer the research question were selected. Similarly, only consumers who met the selection criteria and could therefore contribute to answering the

research question were selected. In addition, the interviews were conducted in the natural environment of the respondents in order to establish a close proximity to the topic. (Lamnek & Krell, 2016, p. 152)

The disadvantages of qualitative methods compared to quantitative methods in terms of reliability can be partially, fully or overcompensated by the advantages of validity (Lamnek & Krell, 2016, p. 169).

## 7 Empirical results

The following chapter describes the results of the empirical study. The results are divided into different thematic blocks in order to create a better overview. The first block of topics deals with the characteristics of purpose driven brands. The following block goes into more details of the concept of purpose driven marketing. Subsequently, possible success factors of purpose driven marketing are discussed, followed by potential benefits and risks. The last block of topics describes which essential aspects should be considered when building a purpose driven brand.

### 7.1 Characteristics of purpose driven brands

In general, the interviewed marketing experts identified seven main characteristics of purpose driven brands.

Two key aspects cited, first, that the purpose of a brand must be at the core of the brand and, second, that the brand purpose should be rooted in the business model. In this regard expert INTA (2022, L 273) emphasised that *“a purpose is at the heart of what the business is”*. Furthermore, it was stated by some experts that the purpose of a brand should be the reason for its existence and thus should form the foundation of the brand. Moreover, it appears that it is important that a purpose driven brand pursues the idea to make the world a better place. For example, expert INTD (2022, L 20-21) described that a purpose driven brand is *“a company that has a focus on wanting to do good in the world”*. Another characteristic mentioned by some of the interview partners was that a purpose driven brand was driven by consumers. Additionally, a clear formulation of the purpose was mentioned as another essential aspect of purpose driven brands. Furthermore, it seems that the existence of a long-term commitment for the brand’s purpose by a company can also be counted among the main characteristics. What is more, a consistent behaviour regarding their purposeful actions appears to be another essential characteristic of a purpose driven brand.

In summary, figure 11 lists all aspects that seem to be the main characteristics of purpose driven brands according to the results of this research.

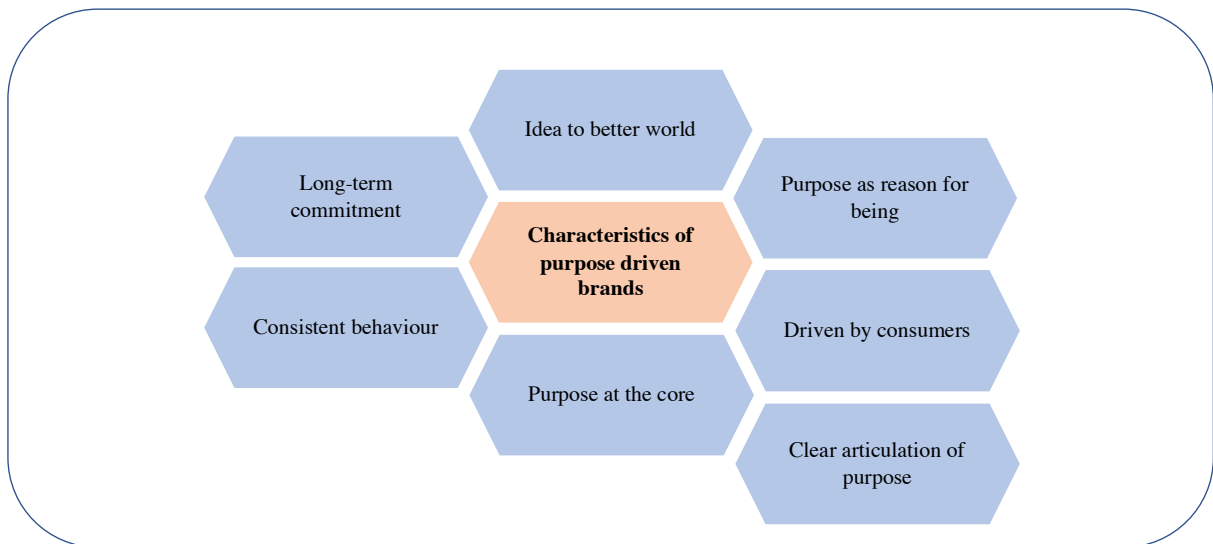


Figure 11 Main characteristics of purpose driven brands according to empirical research

## 7.2 Concept of purpose driven marketing

The following chapter describes the results of the empirical study with regard to various aspects of the concept of purpose driven marketing. In this context, the definition of purpose driven marketing is first discussed in more detail. Then, the topic of the relevance of purpose driven marketing is examined. Finally, the main motives of companies for purpose driven marketing are outlined and the consumer expectations for purpose driven brands are described. In addition, some aspects of consumer behaviour are examined in more detail and the question of whether there is a consumer segment that is particularly receptive to purpose driven marketing is explored.

### 7.2.1 Definition of purpose driven marketing

The marketing experts were asked about their definition of purpose driven marketing. The results of the empirical study suggest that purpose driven marketing can be understood as a concept that aims to talk to consumers about proof points which try to showcase the impact of the brand. In this context, experts cite the building of credibility as a goal of purpose driven marketing. For example, expert INTA (2022, L 183-186) mentioned that purpose driven marketing *“is about the proof of the work that you are doing. So really showcasing that and using that to build credibility”*.

However, the expert interviews also reveal a critical view of the concept of purpose driven marketing. For example, expert INTB (2022, L 30-31) stated *“If a brand is just going out with purpose driven campaigns, but they're not actually doing anything in real life, then it's just up front”*. It appears that purpose driven marketing sometimes gets associated with only doing marketing about the purpose without having an actual impact. Moreover, some experts are of the opinion that the concept of purpose driven marketing cannot exist on its own. Rather, some experts interviewed assume that the entire business must be purpose driven. In this context INTC claimed that *“purpose driven marketing cannot exist unless the company or the brand has a purpose”* (Expert INTC, 2022, L 96-97).

In summary, the results of the research suggest that purpose driven marketing can be understood as a tool to communicate with consumers and bring them closer to the brand's purpose and its impact. However, the concept of purpose driven marketing also seems to be viewed critically upon marketing experts.

### **7.2.2 Relevance of purpose driven marketing**

Regarding the relevance of the concept of purpose driven brands in marketing, the results of the interpretation of the interviews with both groups, experts and customers, suggest that purpose driven marketing can be seen as either a trend or a transformation.

There is a tendency for the consumer group to view the concept of purpose driven marketing as a trend. This trend is mostly perceived positively. It is seen in a positive light that this trend gets brands to contribute to making the world a better place. Moreover, it appears that for some consumers it is not an issue that some brands are being purpose driven only because they are pressured to follow the trend. For example, consumer INTI (2022, L 89-91) said in this regard *“I think that's not a problem. At least they do something. Sometimes brands or other people have to be pushed in the right direction.”*

The interpretation of the results also suggests that purpose driven marketing is mostly described as a trend by the interviewed marketing experts. Here, however, the assessment does not seem to be purely positive. The following statement of expert INTC (2022, L 106) highlights this aspect: *“It is a trend. It's really worrying sometimes.”*

Purpose driven marketing is not always described as a trend in the group of experts, but also as a transformation. In this context, it seems important to distinguish between the terms trend and

transformation. While a trend gets described as rather short-lived, transformation is described as a long-term process that makes purpose driven marketing the norm. *“I think there is a difference between a trend which is fleeting and a behaviour which is starting to take hold. Transformation is a good term for it. I do not think that purpose driven marketing is a trend in the traditional sense which is going to glow really bright and then disappears. I think it is more of a transformation where businesses are realising that they need to stand for more than just selling something.”* (Expert INTD, 2022, L 55-60) It can be assumed that the trend or the transformation towards purpose driven marketing is increasingly putting pressure on large companies to follow this trend. It seems that the trend towards purpose driven marketing is driven by brands that are already purpose driven to begin with.

In summary, it can be concluded that the concept of purpose driven marketing is becoming increasingly important. The results of the interpretation suggest that purpose driven marketing can be described as either a trend or a transformation. Overall, this seems to be evaluated positively by consumers.

### 7.2.3 Main motives of companies for purpose driven marketing

With regard to the assessment of the main motives for companies to use the concept of purpose driven marketing, there seem to be different perceptions between the experts and the consumers. Table 7 shows an overview of the main motives cited by each group.

Motive of companies for purpose driven marketing	Experts	Consumers
Improve business performance	X	
Attract new generation of consumers	X	X
Avoid losing customers to competitors		X
Connect to consumers		X
Positive impact on people’s lives and the world	X	X
Improve image		X

Pressure to keep up with the trend	X	X
Improve trust among stakeholders	X	
Increase employee motivation	X	
Talent attraction	X	

Table 7 Overview main motives of companies for purpose driven marketing according to empirical research

One main motive cited by both, experts and consumers, is that companies do purpose driven marketing to keep up with the trend. Like already mentioned in chapter 7.2.2, it can be assumed that the concept of purpose driven marketing is becoming increasingly important and can therefore put pressure on brands to keep up with it. Consumer INTG (2022, L 116-117) stated *“I would say 80% of companies are just doing it because they are pressured”*.

In addition, both groups mentioned that in their opinion one main motive for companies is that they want to have a positive impact on people's lives and the world. The two statements below indicate that experts and consumers assess this factor similarly. *“They want to do better and because they are aware of their power and they use this power for good”* (Consumer INTG, 2022, L 113-114). *“They want to have a proper impact and because they want to use their platform for good”* (Expert INTE, 2022, L 81-82).

Moreover, it seems that experts and consumers assess the attraction of a new generation of consumers to be a main motive for companies to do purpose driven marketing. This probably plays an important role, as it appears that the younger generation is perceived as more value driven. In this regard expert INTE (2022, L 77-78) stated *“they think that a new generation of consumers, or if it is B2B that decision makers, are more value driven. That’s one big reason why.”*

Furthermore, the results of the interpretation suggest that experts consider the improvement of business performance as a main motive for companies. In this regard, driving growth and increasing sales appear to be particularly relevant. *“If you are shifting towards purpose driven brand, you're doing it to drive growth ultimately and to increase sales of your product or increase usage of your product.”* (Expert INTB, 2022, L 65-68) Additionally, the group of



experts seems to see talent attraction, employee motivation and trust among stakeholders as important aspects.

Moreover, the results suggest that consumers assess the motive to improve the image of the brand and to connect to consumers as relevant. Additionally, it seems that consumers feel that companies do purpose driven marketing to avoid losing customers to brands that are purpose driven.

In summary, the results of the study indicate that the assessment of experts and consumers, regarding the motives for companies, differs to some extent. Experts and consumers rate some motives similarly, such as attracting new generation of consumers, desire to have a positive impact people's life and the world and the pressure to keep up with the trend. However, there are also differences, such as the assessment of the motives to improve business performance, to attract talent or to improve the brand image.

#### 7.2.4 Consumer expectations for purpose driven brands

Regarding the evaluation of consumers' expectations of purpose driven brands, it can be said that the opinions of experts and consumers tend to coincide. Table 8 gives an overview of the mentioned consumer expectations.

<b>Expectations of consumers for purpose driven brands</b>	<b>Experts</b>	<b>Consumers</b>
Authenticity/ brand to truly act on it	<b>x</b>	<b>x</b>
Brands to make the world better	<b>x</b>	<b>x</b>
Financial commitment	<b>x</b>	<b>x</b>
Transparency	<b>x</b>	<b>x</b>
Product to match purpose		<b>x</b>
Consumers have no expectations for brands to have a purpose	<b>x</b>	

Table 8 Overview expectations of consumers for purpose driven brands according to empirical research

It seems that both experts and consumers consider authenticity as a consumer expectation for purpose driven brands. For example, consumer INTJ (2022, L 128-129) stated *“I expect that their statements are not just a facade and that there's really something behind, so that they are doing what they are saying.”* The experts' assessment appears to be similar, as can be seen from the following statement: *“They expect you to truly be acting on it”* (INTD, 2022, L 115). Furthermore, the aspects of transparency and financial commitment are described to be consumer expectations from both groups. In addition, experts and consumers assume that consumers expect a purpose driven brand to help make the world a better place. The following statement of consumer INTG (2022, L 80-82) highlights this aspect: *“I think brands have responsibility of acting in a certain way because they consume so much resources from our world, so they kind of have to do something in return.”*

Consumers appear to expect the brand's product to align with their purpose. Experts, on the contrary, seem to think that consumers do not expect every brand to have a purpose. For example, expert INTD (2022, L 95-97) stated: *“I think for some brands consumers wouldn't expect to have a purpose. I don't know if a consumer would look at every single brand and think that it should be tackling a societal issue.”*

In summary, the results of the research suggest that authenticity, transparency, financial commitment, and a brands' contribution to making the world a better place can be cited as consumers' main expectations of purpose driven brands.

### **7.2.5 Consumer behaviour regarding purpose driven marketing**

The interpretation of the results shows the experts' assumption that consumers increasingly shop based on their values. In this regard expert INTB (2022, L 88-89) stated, that consumers are *“motivated by values and they want to align with, they want to shop with brands that align to their values”*. Many consumers also seem to be interested in shopping based on their values. However, it seems that some people do not always shop based on their values, although it still is quite important to them. Presumably, a limited budget plays an important role here. This was mentioned by some consumers. On the other hand, shopping based on their values appears to be not very important to some consumers. The following statement of consumer INTG (2022, L 87-89) highlights this aspect: *“I don't consider it as such an important point. It's always a plus, but it's not like a determinant point in my buying process.”* It seems that for these consumers the product and its quality is more relevant.

In summary, the experts' assessment seems to differ slightly from the actual behaviour of consumers. Basically, the results of the interpretation suggest that consumers increasingly shop based on their values, but this does not seem to hold true for all consumers.

### **7.2.6 Receptive consumer segment for purpose driven marketing**

The results of the interpretation show a different assessment of the experts regarding the question of whether there is a consumer segment that is particularly receptive to purpose driven marketing.

On the one hand, experts seem to believe all consumers are receptive to it and that purpose driven marketing can work for the broad masses. On the other hand, the young target group, in particular Gen Z, is portrayed as very receptive. It can be assumed that this target group expects brands to use their platform for good and is therefore more receptive to purpose driven marketing. The following statement from expert INTB (2022, L 85-89) highlights this aspect: *“I think as Gen Z gets more buying power and as they get older and they have higher income, I think Gen Z will start to be one of the most influential audiences when it comes to purpose driven marketing because they are very motivated by values and they want to align with, they want to shop with brands that align to their values.”*

In summary, it can be assumed that purpose driven marketing can basically work for the masses. However, Gen Z seems to be a particularly receptive audience for purpose driven marketing.

## **7.3 Success factors for purpose driven marketing**

This chapter describes the results of the empirical study regarding possible success factors for purpose driven marketing. In the following, each of the potential success factors gets discussed in more detail.

### **7.3.1 Diligence in creating a purpose**

The results of the interpretation suggest that diligence in creating a purpose is a success factor for purpose driven marketing. It can be assumed that the consideration of diligence creates a purpose that can be successful in the long-term. Here it appears to be vital to allocate enough time, do research, talk to as many stakeholders as possible, test the purpose with the audience and generate feedback. Expert INTB (2022, L 315-316) mentioned the following: *“Don't rush*

*it, spend time really thinking about it. Do the research with your audience, test it against your consumer.*” In summary, it can be assumed that diligence is a success factor.

### **7.3.2 Purpose-brand fit**

With regard to the evaluation of the importance of a purpose-brand fit, there seems to be different assessments between the experts and the consumers.

According to marketing experts a link between the purpose and the brand can be considered essential for the success of purpose driven marketing. It can be assumed that the link is important for consumers to understand the connection to the purpose. It seems that the link between purpose and brand could also be loose. Regarding the role of the product of a brand, it can be assumed that a link between product and brand can be beneficial, but that the product does not have to be the only solution for the realisation of the purpose. The following statement from expert INTB (2022, L 142-143) highlights this aspect: *“I think there needs to be a link between brand and purpose, but I think the product does not necessarily have to be the only solution for the purpose.”*

Consumers, in comparison, do not seem to rate the importance of the presence of a link between purpose and brand as high.

In summary, the results of the interpretation suggest that a link between purpose and brand is rated as more important by experts than by consumers.

### **7.3.3 Authenticity**

With regard to the results of the research, authenticity can be described as a success factor. Both experts and consumers seem to rate authenticity as very essential. It looks like having authenticity in the context of purpose driven marketing can minimise risks associated with this concept. To summarise, authenticity can be considered a success factor for purpose driven marketing.

### **7.3.4 Action orientation**

It seems that action orientation is a success factor of purpose driven marketing. Experts rate action orientation as important. For the success of purpose driven marketing, it seems to be important not only to communicate commitments but also to have appropriate actions in place.

Expert INTB (2022, L 111-112) described this as *"walking the walk and not just talking the talk"*. Perhaps it is particularly important for the experts that actions take place before a brand starts with purpose driven marketing. For example, expert INTD (2022, L 108-109) mentioned: *"There's a level of action needed to be taken within the business before you go out and vocalize what you're behind."* In summary, it can be arrived at the assumption that action orientation is a success factor.

### **7.3.5 Transparency**

With regard to the results of the research, transparency can also be described as a success factor. Both experts and consumers seem to rate transparency as very essential for purpose driven marketing. For example, expert INTA (2022, L 269-270) stated that *"you really need that transparency when it comes to purpose brands"*. In this context, it was also mentioned by experts that it is important for purpose driven brands to openly admit when they have not achieved something. Moreover, it seems to be important to have an information hub where consumers find all details about the brand, its purpose, and its achievements. To summarise transparency can be considered a success factor for purpose driven marketing.

### **7.3.6 360-degree execution and buy-in across business**

The results of the interpretation suggest that 360-degree execution and buy-in across business are essential aspects for purpose driven marketing.

It can be said that the opinions of experts and consumers tend to coincide in regard to 360-degree execution. Both groups agree concerning the significance of executing the purpose throughout the whole business. The results of the survey indicate that it is not enough to only do purpose driven marketing. Rather the purpose has to be rooted in the business strategy. In this regard INTE (2022, L 50-52) stated that *"if purpose is your marketing strategy, I think that is not a good strategy. It has to be a company-wide strategy"*. Expert INTC (2022, L 171-172) claimed that *"the silos of old school companies are dead and don't work for purpose driven marketing"*. Consumer INTH (2022, L 154-156) mentioned *"If you only do it for the marketing, it will be just a new kind of advertisement or just a way to make more profits"*.

From the results of the study, it can be assumed that buy-in across the business can also be seen as a success factor. In this context, expert INTB (2022, L 113-116) said that *"you need to get*

*buy-in behind your purpose across the business. It can't just be something that's driven by marketing, it needs to be something that's driven by the whole organization and by doing that it'll manifest in everything that you do".* Moreover, it seems that internal commitment is very essential for purpose driven marketing. On the one hand you need to have commitment at a leadership level and on the other hand it seems to be important that the employees believe in the purpose. In this regard expert INTC (2022, L 55-57) mentioned *"I think your employees have to believe in it. If it's not, if it doesn't ring true internally, it would definitely not ring true externally either"*.

In summary, it can be assumed that 360-degree execution and buy-in across the entire business are success factors for purpose driven marketing.

### **7.3.7 Impact measurement**

The data suggests that impact measurement is a further success factor of purpose driven marketing. Both groups, experts and consumers, seem to rate impact measurement as very essential for purpose driven marketing.

In this respect, it appears to be important to distinguish between measuring the impact of purpose and measuring the impact of purpose driven marketing. According to the results of the research both aspects can be considered relevant.

Measuring the impact of purpose driven marketing can be assumed to be very similar to measuring any other marketing campaigns. In this regard expert INTB (2022, L293-296) stated *"measure your purpose driven marketing like you would measure any other marketing. So I think you know you should be able to see an impact on your business growth. You should be able to see an impact on your marketing metrics"*.

The experts seem to agree that measuring the purpose itself is more complicated than measuring purpose driven marketing. According to expert INTB (2022, L 300-301) *"you have to work as a business to build out a supporting set of KPIs that ladder under that"*. Moreover, it appears that it is essential to think of how you will measure your impact before you start implementing your purpose driven strategy. In this regard expert INTC (2022, L 319-323) stated *"I think what I encourage is that impact measurement has to be part of the initial brief. Because if you can't measure the impact you've had, then the likelihood is that you're going to be purpose washing in some kind of way"*.

Overall, the measurement of purpose can be considered as an influential factor for both groups, experts and consumers. Expert INTA (2022, L 111-112) mentioned *“I think having goals and then reporting honestly and consistently against those goals is super important”*. This also appears to be relevant from a consumer standpoint. For example, consumer INTG (2022, L 214-218) stated that impact measurement is *“extremely important, because I, as a consumer, I wanna see what your impact is. So show me like facts, figures and data on your website or on your socials where you prove me what your impact is, how much money you donated, how much water you saved, how much trees you planted, how much prides you attended or whatever. But just show me some data”*. These statements highlight the importance of impact measurement.

In summary, impact measurement can be referred to as a success factor for purpose driven marketing.

### **7.3.8 Resonance of purpose with consumers**

With regard to the results of the research it seems to be important that the purpose of a brand resonates with the consumers. It appears to be essential to find a purpose that aligns with your target audience. In this regard expert INTB (2022, L 229-231) stated *“I think there's definitely an element where your purpose needs to align with your target audience and we need to make sure that you're not, um, picking a purpose that means a complete pivot from who you're currently speaking to”*. Moreover, it seems to be relevant that brands have a consumer-first approach and think about what purpose will benefit the lives of their consumers rather than only thinking about it from a brand outwards perspective.

To summarise, resonance of the purpose with consumers can be seen as a success factor for purpose driven marketing.

### **7.3.9 Clear and strong purpose statement**

It appears that having a clear and strong purpose statement is important for purpose driven marketing. The results of the research suggest that having a clear and strong statement can help brands to communicate their message internally as well as externally. In this regard it seems to be essential that the purpose statement can be understood by everyone. For example, expert INTC (2022, L 356) gave the advice to *“write a purpose that your grandma would understand”*. Moreover, it appears to be important that brands put enough effort into defining their purpose

statement and that they choose the words wisely. In this regard expert INTD (2022, L 182-187) stated that *“it is important to get that statement right. At its base level, it’s just a sentence, right? And you think, well, is it that important. But actually, it’s what everyone roots themselves around in the business. So I think even if it is a sentence with like 10 words or less I think those words are important because you don’t want it to become a strategy that sits in the deck and people don’t really understand or pay attention to”*. This statement highlights the relevance from a brand’s perspective. In addition, it seems that a strong and clear purpose statement can bring the advantage of being able to stand out better from other purpose driven brands.

Consumers seem to agree with the experts' assessment that a clear purpose statement is important so that they understand what the brand wants to achieve with its purpose. Consumers seem to perceive some purpose statements as too broad and often cannot draw conclusions about the brand's purpose from the statement.

In summary, the results of the interpretation suggest that a clear and strong purpose statement can be considered important for experts and consumers.

### **7.3.10 Partnerships**

The results of the research suggest that it can be relevant for brands to have partnerships in relation to their purpose. It seems that both experts and consumers value working with partners as positive.

It can be assumed that it is important for purpose driven marketing to be part of the ecosystem in which the purpose resides. The following statement from expert INTD (2022, 163-168) highlights this aspect: *“I think particularly when brands and businesses are kind of designing a new purpose or new strategy to get behind you need to make sure that you are part of the ecosystem and not coming in and trying to be the saviour. And there are so many people who already hold expertise, who have already tried things, learned from failures that you can learn from.”* This statement also indicates that working with experts can help to get the necessary expertise to make a difference. This also seems to be an valuable aspect for consumers. For example, consumer INTJ (2022, L 150) mentioned in relation to the aspect of partnerships: *“I think it’s a good thing because more people can have a bigger impact”*.

The results of the interpretation suggest that different types of partnerships can be beneficial in terms of purpose driven marketing. For example, there can be internal partnerships with other



departments, as well as partnerships with other brands to share best practice. Moreover, NGOs can be considered as an important partner for purpose driven brands to validate their purpose and to give advice.

The research indicates that having partnerships can increase the credibility of a purpose driven brand. In this regard consumer INTG (2022, L 153-158) stated: “ *I feel like the more they show me that they care in certain matters through partnerships, sponsorships, donations, whatever, the more I believe in what they do because those NGOs exist because they have a strong purpose in doing something good and if they are willing to partner with the company I'm willing to trust that company as well because I already have the trust in the NGO.* ” This statement highlights that having partnerships can be beneficial for a purpose driven brand.

In summary, the results of the interpretation suggest that having partnerships can help brands to gain expertise and build credibility. Therefore, it can be assumed that partnerships are a success factor for purpose driven marketing.

### **7.3.11 Long-term commitment**

Both experts and consumers seem to regard the aspect of long-term commitment as a critical factor. The results of the research suggest that purpose driven marketing should not be considered as a short-term approach, as purpose driven marketing requires a long-term investment to be successful. In this regard expert INTB (2022, L 117-124) mentioned that you “*have to be cognizant when you're planning to do purpose driven marketing that it's not one-off, small investment kind of approach. You need to have a more consistent approach over time. You need to make sure that you're investing regularly in speaking about your purpose, demonstrating your purpose, and so you can't just come at it from, you know a one-off campaign perspective, it needs to be something that you have long-term commitment from the business to actually invest in*”. Furthermore, there appears to be a risk of losing credibility with consumers if a brand changes its purpose often or only pursues it for a short period of time. Consumer INTF (2022, L 187-190) pointed out that “*If you really want to fight for something, you cannot just fight for three months and then you pick another topic. I feel like if you really want it, then you really have to do it in the long-term*”. In summary, it can be assumed that a long-term commitment approach can be decisive for the success of purpose driven marketing.

## 7.4 Benefits and risks of purpose driven marketing

This chapter describes the results of the empirical study regarding possible benefits and risks of purpose driven marketing. First, the benefits are worked out in more detail and then the risks are discussed. In addition, the topic of a possible course correction of the purpose is addressed.

### 7.4.1 Benefits of purpose driven marketing

The results of the interpretation suggest that purpose driven marketing can be beneficial. Figure 12 shows an overview of those benefits that are likely to play a role. These potential benefits are explained in more detail below.

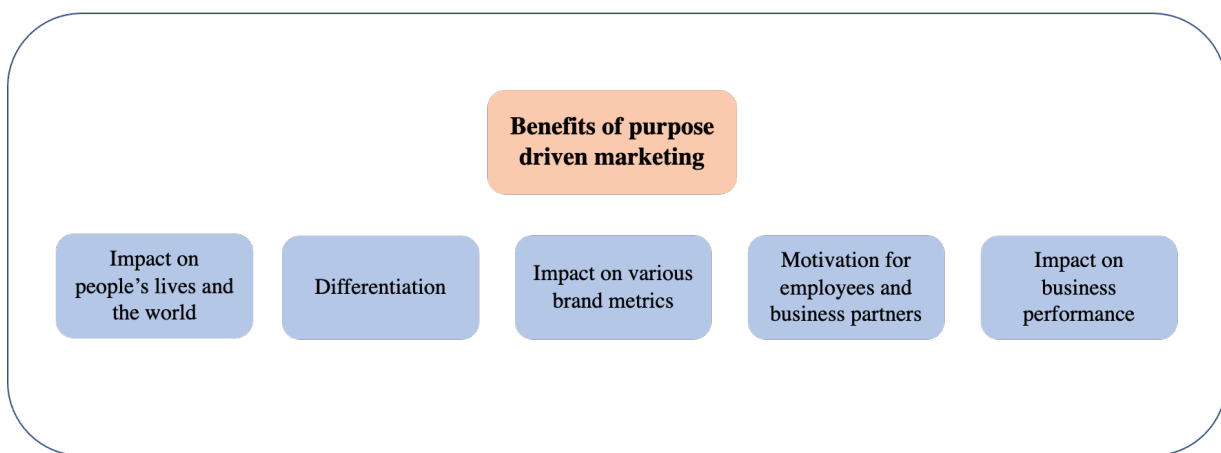


Figure 12 Benefits of purpose driven marketing according to empirical research

#### Impact on people's lives and the world

With regard to the results of the research it seems that purpose driven marketing can have a positive impact on people's lives and the world through driving change and impacting what the purpose is aimed at. This appears to be especially true, if the brand is really having an impact on wider societal or environmental issues.

#### Differentiation

It appears that being purpose driven can help brands to differentiate from their competitors. The results of the research suggest that this can be beneficial for brands, especially in a crowded marketplace. In this regard expert INTD (2022, L 265-266) mentioned: *"Purpose driven marketing can help to build differentiation from other brands. This is particularly important in a crowded marketplace."* However, it seems that consumers do not always perceive a brand's

purpose to be differentiating. Rather, it appears that consumers are used to a brand communicating about their positive impact on the world and therefore this does not seem to get their attention. For example, consumer INTI (2022, L 63-66) stated: *“I feel like you get so many ads you see all day long and a lot of them are about, I don't know, this is not tested on animals, or this is good for the environment. So I guess there are a lot of brands, but there is not one that really like grasps your attention.”* In summary, it can be assumed that purpose driven marketing can help brands to differentiate themselves, but it seems to be important to stand out clearly from the competition with a unique message.

### **Impact on various brand metrics**

The interpretation of the results shows that purpose driven marketing can impact brand metrics. In this regard expert INT B (2022, L174-180) stated that *“all of your brand metrics would be affected by having a purpose driven marketing approach because you're putting the consumer at the heart of it”*. It appears that brand metrics like brand reputation, brand awareness, brand affinity, positive sentiment towards the brand, trust in the brand, recall and consideration can be influenced by purpose driven marketing. The impact on brand metrics can be considered as a benefit.

### **Motivation for employees and business partners**

It appears that purpose driven marketing can influence the motivation of employees and business partners. On the one hand, the results of the research suggest that it can increase employee motivation and employee productivity and therefore seems to positively affect employee retention. On the other hand, having a purpose appears to be a motivation for investors. In this regard expert INTD (2022, L 246-247) stated that *“lot of investors are looking to invest in purposeful businesses. So I think that's an interesting and positive step”*. In summary, purpose driven marketing seems to influence the motivation of employees and attract investors.

### **Impact on business performance**

The results of the research suggest that purpose driven marketing can have a positive impact on business performance in terms of sales and growth. In this regard experts INTB (2022, L 70-72) stated: *“I think a lot of people think that purpose marketing is just saying nice things. But actually, it can have a really massive impact on growth if you do it properly.”*

#### **7.4.2 Risks of purpose driven marketing**

The evaluation of the results shows that some risks can go hand in hand with purpose driven marketing. For example, expert INTE (2022, L 210) stated that purpose driven marketing is *“hugely risky if you're not doing it right”*. The research indicates that there are also risks for brands decide to not have a brand purpose. These risks probably include the risk of losing market share, losing talent and not gaining investment. However, it appears that failing to perform on a brand purpose can have long-term negative impact for the brand. The two biggest

risks of purpose driven marketing, the risk of mistrust and purpose washing and the risk of mismatch, are examined in more detail below.

### **Risk of mistrust and purpose washing**

The results of the interpretation suggest that mistrust and purpose washing can be considered potential risks for purpose driven marketing. It seems that consumers notice if a brand is not acting on its purpose. It appears that there is a high risk of purpose washing if a brand is only doing purpose for its marketing instead of having purpose rooted in the whole business. Expert INTE (2022, L 219-222) mentioned that *“if you're taking a stand on an issue, and people who are actually affected by that issue realise you're not really doing it internally. If you're not walking the walk and you're just talking to talk is very dangerous”*. It seems that purpose washing can have a long-term negative impact for the brand. In this regard expert INTB (2022, L 213-216) stated that if you are purpose washing *“you can erode trust with your consumers because it makes you seem ungenune as a brand and that ultimately can have very long-term lasting impact if people don't trust you”*. This assessment seems to be in line with the consumers' perspective. It can be assumed that consumers tend to cancel brands that have been accused of purpose washing and that they perceive purpose washing very negatively. In this regard consumer INTG (2022, L 175-177) stated *“if the consumers are aware of you being a purpose washer and that you are not really standing up for what you preach, I would totally cancel it”*. In summary, it can be assumed that consumers' mistrust and purpose washing can represent a risk for purpose driven marketing.

### **Risk of mismatch**

Furthermore, can be assumed that a mismatch between the purpose of a brand and the values of consumers can represent a risk. The results suggest that purpose is often polarising. In this context, expert INTE (2022, L 286-289) stated: *“If you have a brand purpose, you're actively standing up for something which means you're actively standing against something. You have to realize the risks that come with it.”* This statement illustrates the risk involved in taking a stand on a particular issue. It seems that if you take a stand on an issue, you run the risk of no longer being in line with the values of some consumers and therefore losing them. Based on the results of the study, it can be assumed that consumers tend to avoid brands that do not correspond to their values. However, the experts' assessment suggests that many brands consciously choose their purpose in such a way that it is broad enough to not lose the masses.

One aspect that has emerged from the consumer perspective is that consumers seem to find it important for brands to take some risk. This refers to brands taking a stand on a polarising issue and accepting that they will lose customers. It seems that this behaviour gives consumers the feeling that the brand really believes in what they stand for, regardless of the risks this may pose to the brand. In the light of the research findings, mismatch can be seen as a risk for purpose driven marketing.

### **Option to course correct purpose**

With regard to the assessment of whether it is possible to make a course correction of the purpose, it can be assumed that this is possible. There seems to be a distinction between a complete course correction of the purpose and a finetuning. While the results suggest that both are possible, finetuning of purpose is much more common. The following statement of expert INTB (2022, L 251-255) highlights this aspect: *“I also think that you probably course correct more in how you articulate your purpose versus what your actual purpose is. So like a lot of brands will set their purpose and then how they say it to consumers might change because mindsets change, circumstances change, context changes.”* In summary, it can be assumed that there is an option to course correct the purpose if a brand feels that the purpose does not fit the brand or its target audience.

## **7.5 Building a purpose driven brand**

The following chapter looks at aspects that could be relevant for building of a purpose driven brand. First, the results of the study are discussed in relation to common mistakes of purpose brand. Then, experts' advice for purpose driven brands is examined and elaborated.

### **7.5.1 Common mistakes of purpose driven brands**

The results suggest that there are some mistakes that are often made by purpose driven brands. Figure 13 illustrates the results of the research in regard to the common mistakes of purpose driven brands. These mostly include a short-term orientation, a lack of substance, a lack of clarity and being too broad. Moreover, it appears that some brands are communicating about their purpose before acting on it and are making it about themselves rather than about the purpose. Finally, it seems that working in silos and not having partnerships in place can be considered common mistakes of purpose driven brands. These common mistakes are examined in more detail below.

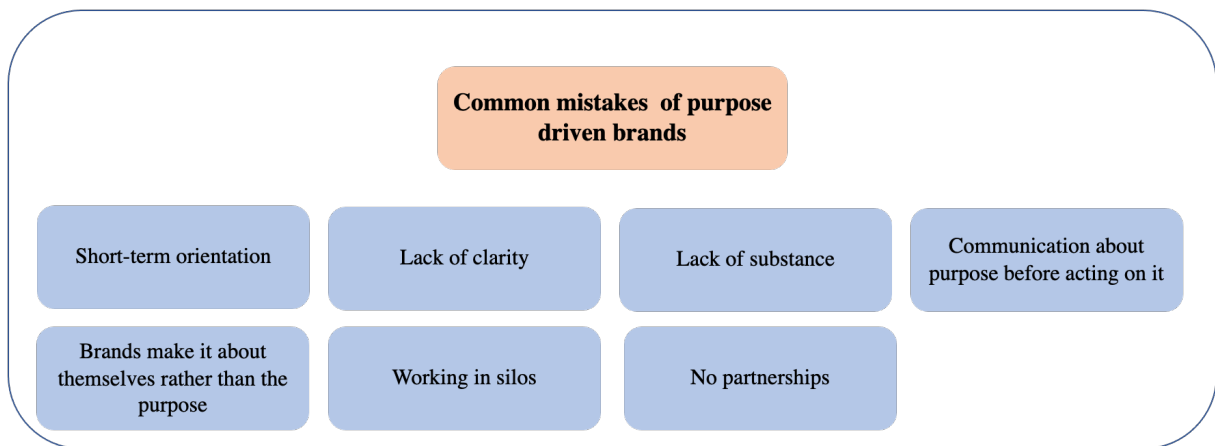


Figure 13 Common mistakes of purpose driven brands according to empirical research

It appears that short-term orientation can be considered as a common mistake of purpose driven brands. The results of the research suggest that brands often still think quarterly and decide on one purpose, only to move on to the next after a short time. It seems that a missing long-term commitment of brands is a challenge for purpose driven marketing. In this regard expert INTC (2022, L 274-276) stated: *“So what you get is marketing directors coming in and they want to, they feel like Magpies, they just want to go for the new shiny thing and flip flopping between purposes is kind of the worst as well.”* This statement gets supported by expert INTD (2022, L 141-146) who mentioned that *“the problem with brands and marketing is that you get a new brand director every few years or you get a new advertising agency, and everyone wants to do something new and shiny and change things and put their stamp on the world. And that can mean that activations or purpose can be to fleeting and that it kind of comes back to that point of it truly being at the heart of who you are”*. These two statements highlight the problem associated with having a short-term approach to purpose.

A lack of substance seems to be another common mistake of purpose driven brands. In this regard it appears that brands often do not take their purpose seriously enough and do not get the company in line with the purpose.

Another challenge for purpose driven brands appears to be a lack of clarity in their purpose. The results of the research suggest that some brands are being too broad or vague in the wording of their purpose. In this regard expert INTA (2022, L 380-381) stated that a common mistake of purpose driven brands is a *“lack of clarity on what it actually means and what the impact is that you are actually going to have.”*

A very important aspect appears to be that brands are often communicate their purpose before they have acted on it and before they are ready to go out. In this regards expert INTD (2022, L 345-348) stated: *“I would say though, the bigger issues that I see is that they are too keen to go out to the world and shout about what they're about, but they're not taking that position internally and they've not got their process set up to be able to do that.”*

The results of the research suggest that purpose driven brands are often making it about themselves rather than about the purpose. In this context, expert INTB (2022, L 288-290) stated that instead it should not be about the brand itself but rather about making the world a better place: *“It's not really about them like they can bring in their messages and bring in their proof points as part of that narrative. But they should be doing it for the greater good, not doing it to make themselves feel better.”* Additionally, according to expert INTD (2022, L 431-432) it appears that brands are *“getting a little bit over the top about what your product and what your brand can do”*. These statements illustrate that brands often make the mistake of foregrounding instead of pursuing the actual purpose.

Another mistake that appears to be common for purpose driven brands is working in silos. In this regard expert INTC (2022, L 59-63) claimed: *“I think what happens too often is that marketing departments take purpose and presume it's in their arena of control. When purpose cannot be and should not be within the control, not of the marketing department and not of the C-Suite, but instead of all the employees, right.”* This statement highlights the important of establishing and pursuing the purpose across the whole business.

Not having the right partnerships and therefore persuing purpose alone seems to be another common mistake of purpose driven brands.

In summary, it can be assumed that there are some mistakes that are common for purpose driven brands.

### **7.5.2 Advice from experts to brands that want to build a purpose driven brand**

At the end of the interviews, the experts were asked for their most critical piece of advice for brands that want to build a purpose brand. Below is a synopsis of the advice from the experts:

- Take your time to define your purpose.
- When defining a purpose, start with the history of the brand.



- Write a clear purpose statement.
- Find a purpose that everyone can deliver on.
- Get buy-in across the business.
- Live it internally before you start to communicate it externally.
- For the purpose strategy it is much more important that it gets used than for it to be perfect.

In summary, it can be assumed that it is essential for brands that want to build a purpose driven brand to take the time to find a purpose and define it. As already described in chapter 7.3.9, it seems to be important to define the statement as clearly as possible. Furthermore, it is emphasised that buy-in across the business is important and that the purpose should first be lived internally before being communicated externally.

## **8 Purpose branding guidelines**

In this chapter, an attempt is made to elaborate purpose branding guidelines. First, an outline of the guidelines is given and then their limitations are discussed.

### **8.1 Outline of the guidelines**

The guide aims to answer the question of how companies can build a purpose driven brand. In doing so, the attempt is made to give recommendations for action in practice. The guidelines should support companies in building a successful purpose driven brand. The purpose branding guidelines refer to findings that are evident in the literature review and the empirical research. In particular, the success factors identified in the present thesis are incorporated into the guidelines. In addition, risks associated with purpose driven marketing are considered and advice from experts, which was collected during the empirical study, is included in the guidelines.

Figure 14 shows the structure of the guidelines for building a purpose driven brand. The individual points are described in more detail below.

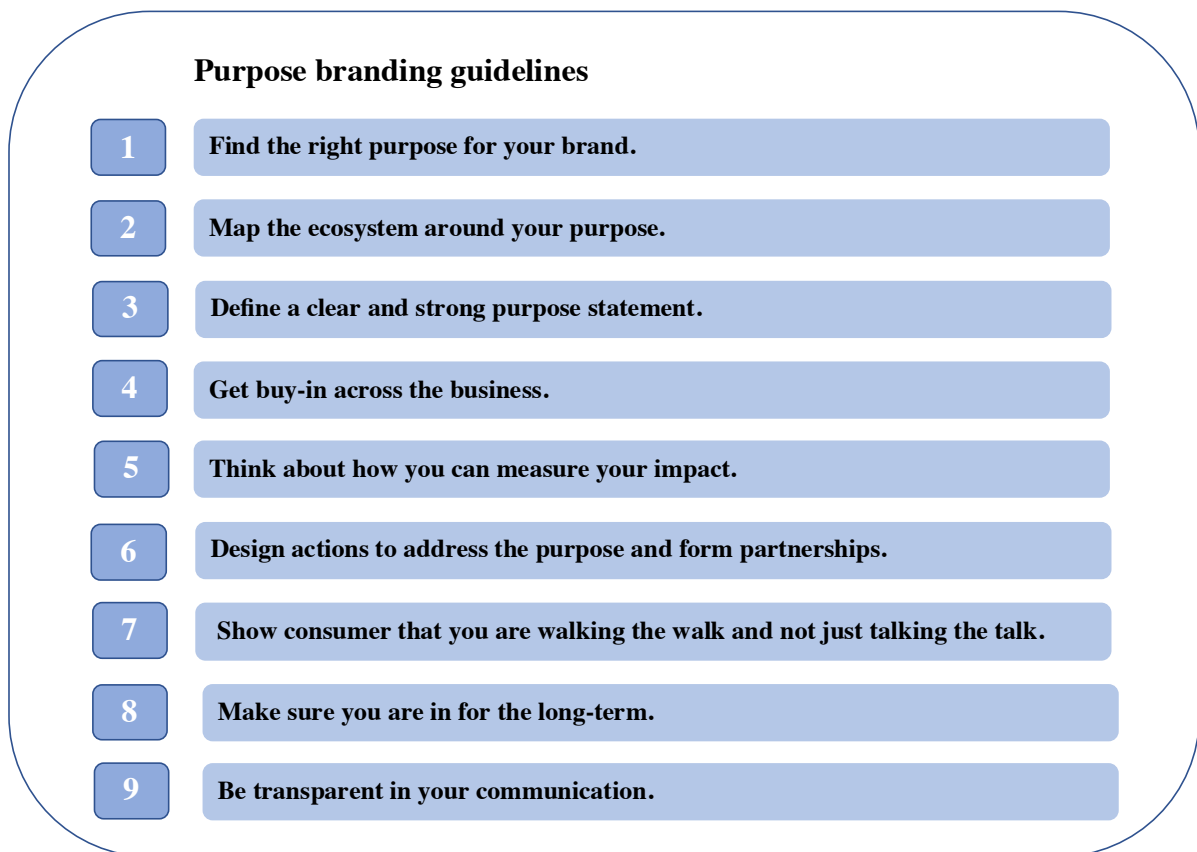


Figure 14 Purpose branding guidelines

### Find the right purpose for your brand

When considering the creation of a purpose-brand fit (see chapters 4.1 & 7.3.2 for more details): having a fit between your purpose and the brand can be beneficial because it can help consumers to understand the connection. Furthermore, it facilitates the communication of the brand purpose.

- Try to create a strong and authentic link between the product and the purpose. An example of a good fit between a brand’s products and its purpose is Pampers with their purpose statement *“At Pampers, our responsibility and passion is simple: to serve families and their little ones. We remain committed to ensure that babies have the brightest beginnings”* (Pampers, 2022). In this case it is easy for consumers to understand why the diaper brand Pampers supports the vaccination of babies.
- If you cannot link your product to your purpose, try to make sure that the associations consumers have with your brand are compatible with your purpose.

- The link between the product and the purpose or the brand and the purpose can also be loose, the most important aspect is that there is an authentic link that can be communicated to the consumer.

Find a purpose that resonates with your consumers (refer to chapters 4.2 & 7.3.8 for more details)

- Explore what your consumers or your target audience cares about and what their values are. This can help to avoid the risk of mismatch of consumers' values with the brand purpose (more details in chapter 5.2.1). If the mismatch is very strong and the consumers view the values of the brand as contrary to their own, there is a risk that consumers will boycott the brand.
- Think about what purpose will benefit the lives of your consumers rather than only thinking about it from a brand-outwards-perspective.

### **Map the ecosystem around your purpose**

- Consider the whole ecosystem of your purpose. The ecosystem of a purpose consists of different stakeholders who either have an impact on or are impacted by the change they want to bring about.
- Find out how your brand can fit into this ecosystem and what positive impact you can have.
- Focus on a specific area of the ecosystem. It is important that your purpose is specific enough to be measured and actioned upon.

### **Define a clear and strong purpose statement**

- Put enough effort into defining your purpose statement and choose the wording wisely.
- Make your statement as clear as possible. Avoid ambiguities and long-winded formulations, simplify, intensify, and magnify your purpose statement (see more in chapter 4.3).
- Test your purpose statement internally and externally and refine the purpose statement if necessary.

**Get buy-in across the business** (more details in chapter 4.4 & 7.3.6)

- Make the purpose strategy a company-wide strategy.
- Gain commitment on a leadership level and commitment from employees.

**Think about how you can measure your impact** (see chapter 7.3.7 for more details)

It is important to measure the impact of your brand on the changes that your purpose addresses, and it is also important to measure the impact of your purpose on business performance.

- Consider how you will measure your impact before you start your purpose driven strategy.
- Create a set of supporting KPIs.

**Design actions to address the purpose and form partnerships** (refer to chapter 4.7 & 7.3.10 for more details)

Partnerships can help you to gain insights and expertise in focus areas you are not familiar with, as well as can help you to build expertise in your purpose area.

- Design actions and interventions that address your purpose.
- Check whether you need specific expertise and form partnerships if mutually beneficial.
- Make sure you can measure the impact of the actions you choose.

**Show consumers that you are walking the walk and not just talking the talk** (see more details in chapters 4.5, 4.6 & 7.3.4)

- Take actions before you start with purpose driven marketing.
- Make sure that there is no gap between your promises and your actions.
- Be action oriented.

**Make sure you are in for the long-term** (for more details refer to chapters 4.6 & 7.3.11)

- Stick to your purpose and do not jump from one purpose to the next.
- Get a long-term investment for your purpose interventions.

**Be transparent in your communication** (see chapter 7.3.5 for more details)

- Admit when you have not achieved your goals.
- Have an information hub where consumers can find all details about your brand purpose and your achievements.

## **8.2 Constraints of the guidelines**

The guidelines are based on the findings from the literature review and the empirical research of the present thesis and are accordingly limited to these. The guidelines are aimed at brands in general and do not go into more detail about the industry and its specifics. In addition, the guidelines contain general recommendations for action that do not address the specific stage of development of a brand in terms of its purpose. The guidelines contain general recommendations for action. More detailed information on the individual points can be found in the main part and corresponding sub-chapters of the paper.

## 9 Conclusion

This chapter summarises the main points of this thesis. The first subchapter, discussion of results, aims to recapitulate the findings from the systematic literature review and the empirical study. In doing so, the research questions defined at the beginning are answered. Then, the limitations of the thesis are discussed and finally a suggestion for further research is made.

### 9.1 Discussion of results

The underlying master's thesis sought to combine comprehensive theoretical knowledge with an empirical qualitative analysis in order to answer the research questions.

First, the answer to the main research question is discussed:

*What are the success factors of purpose driven marketing?*

Figure 15 provides an overview of the potential success factors that have been identified in the course of this thesis. These factors are described in more detail below.

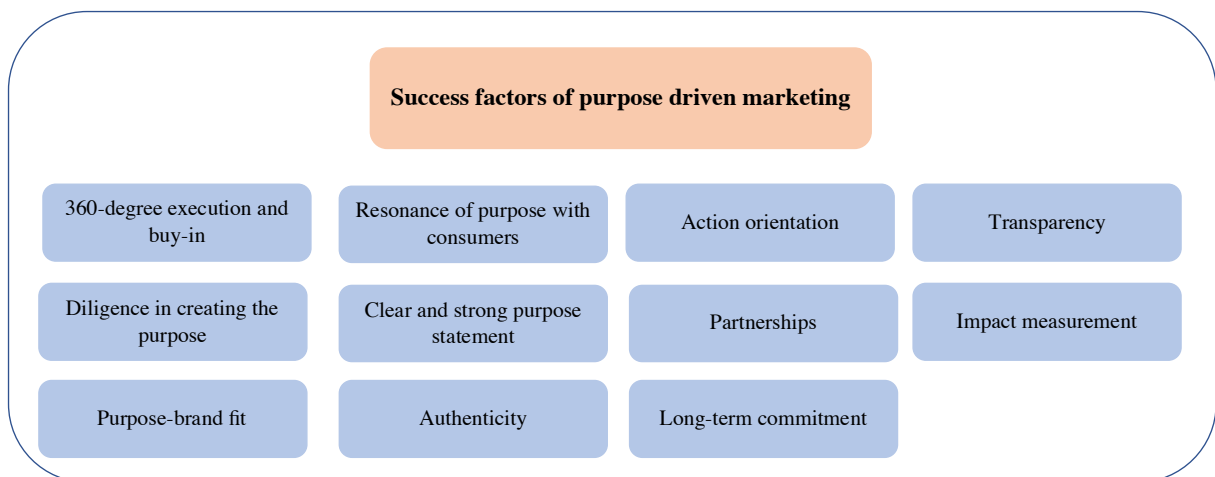


Figure 15 Overview success factors of purpose driven marketing

#### 360-degree execution and buy-in across business

It should first be noted that the concept of purpose driven marketing as a pure marketing strategy was viewed critically by both the experts and consumers surveyed. It seems that in order to be successful, purpose driven marketing cannot be considered in isolation, but the purpose of a brand must be rooted in the business model. For this reason, it can be assumed that 360-degree

execution is an essential success factor for purpose driven marketing. In this context, it is also worth mentioning that buy-in across the business seems to be an essential aspect.

### **Diligence in creating the purpose**

The empirical research showed that diligence in creating a purpose can be identified as another important success factor. It seems to be particularly important for a meaningful purpose to take enough time, do detailed research, talk to as many significant stakeholders as possible, test the purpose with the audience and gather feedback.

### **Purpose-brand fit**

The existence of a purpose-brand fit was defined as an important aspect in the literature research. The interviewed experts seem to agree and classify this aspect as essential. It is assumed that it is important for consumers to understand the connection between brand and purpose. However, it seems that consumers do not rate the importance of the link between purpose and brand as high as stated in the literature and by the interviewed experts. In summary, it can be assumed that a purpose-brand fit can be seen as beneficial and is therefore identified as a potential success factor in this thesis.

### **Resonance of purpose with consumers**

Both the literature review and the empirical study show that the resonance of the purpose with consumers can be interpreted as a success factor. It seems to be particularly important that brands choose a purpose that benefits the lives of their consumers, rather than viewing it only from the brand's perspective.

### **Clear and strong purpose statement**

A clear and strong statement of purpose can be considered another important success factor. This is evident in the literature and the empirical study. The clarity of the statement is important for consumers to understand what the brand stands for and can also serve as a guide for employees internally. In addition, a distinctive and strong purpose statement can help brands stand out from other purpose-driven brands.



## **Authenticity**

Both experts and consumers seem to regard authenticity as very important. The findings of the literature research are consistent with the empirical results. It looks as if authenticity in the context of purpose driven marketing can minimize the risks of purpose washing.

## **Action orientation**

The results of the empirical study show that action orientation can be regarded as a success factor of purpose driven marketing. Accordingly, it seems to be important not only to communicate commitments, but also to take appropriate action.

## **Partnerships**

There is every indication that partnerships can help brands acquire expertise and build credibility. This is clear from both the literature review and the interviews with experts and consumers. It can therefore be assumed that partnerships are a success factor for purpose driven marketing.

## **Long-term commitment**

Both the findings from the literature review and the results of the empirical study clearly indicate that long-term commitment is very important for purpose driven marketing.

## **Transparency**

With regard to the results of the survey, transparency can be described as a further success factor. Both experts and consumers seem to regard transparency as vital for purpose driven marketing.

## **Impact measurement**

It seems that impact measurement is a success factor for purpose-oriented marketing. In the empirical study, the aspect of impact measurement was described as extremely important by both groups, experts and consumers. Consumers seem to demand that brands measure their impact on purpose and communicate it transparently.

In summary, both the findings of the literature review and the results of the empirical study suggest that there are several potential success factors for purpose driven marketing.

Second, the answer to the first sub research question is discussed:

***What are the benefits and risks of purpose driven marketing?***

In the course of the literature review and the empirical study, it became clear that purpose driven marketing can bring benefits if it is implemented successfully. It should be noted that the basic prerequisite for the realisation of these benefits, is that purpose driven marketing is fully integrated into the business and is not regarded as a purely isolated marketing strategy. Among these potential benefits is the fact that brands can have a positive impact on people's lives and the world through purpose driven marketing. In addition, the use of purpose driven marketing can help brands to differentiate themselves from their competitors with their purpose. Furthermore, it seems that a purpose can motivate both employees and business partners and thus, for example, increase employee productivity or attract new investors. It is also worth mentioning here that it can be assumed that purpose driven marketing, if implemented successfully, can positively influence various brand metrics, and thus make a positive contribution to business performance.

With regard to the possible risks of purpose-driven marketing, it can be derived that this concept can be accompanied by risks. On the one hand, there is the risk of so-called purpose washing and mistrust. It is worth mentioning that there is a high risk of purpose washing if a brand uses purpose only for its marketing instead of rooting purpose in the entire company. Purpose washing may have long-term negative effects on the brand, such as erosion of consumer trust. This assessment seems to be consistent with the consumer perspective. It can be assumed that consumers tend to cancel brands that are accused of purpose washing. On the other hand, it can be anticipated that a mismatch between a brand's purpose and consumers' values can also be a risk. The results of the literature review and the empirical study suggest that if you take a stand on a polarising issue, you run the risk of no longer being in line with the values of some consumers and therefore losing them. The assessment of the experts interviewed suggests that many brands deliberately choose their purpose to be very broad and open so as not to lose the masses. However, it seems that consumers consider it important for brands to take some risk with their purpose. This refers to the fact that they expect brands to take a stand on a polarising issue and to accept, among other things, that they will lose customers. It seems that this gives

consumers a sense that the brand truly believes in what it stands for, regardless of the risks this may pose to the brand. All in all, mismatch can be considered a risk. However, the strategy of keeping the purpose very open and vague and avoiding polarising issues does not seem to go down well with consumers.

In summary, both the findings from the literature review and the results of the empirical study indicate that purpose driven marketing can have both benefits and risks.

Lastly, the answer to the second sub research question is discussed:

### ***How can companies build a purpose driven brand?***

The purpose branding guidelines in chapter 8 attempt to answer the question of how companies can build a purpose driven brand. The guideline was based on the findings of the literature review and the empirical study. The guidelines show that there are some important points that brands should consider when building a purpose driven brand. One of them is to find the appropriate purpose for the brand. Furthermore, it is essential to map the ecosystem around the purpose and to define a clear purpose statement. Getting buy-in across the business is another important aspect of building a purpose driven brand. Moreover, it is crucial to consider right from the start how the impact of the purpose can be measured. In order to have the most positive impact possible, it is critical to design actions and make sure that partnerships can help to achieve the desired impact. One of the most important aspects has turned out to be to show consumers that a business is actively walking the walk and not just talking the talk. In addition, it is significant to consider purpose driven marketing as a long-term commitment from the ground up and to be transparent in communication.

## **9.2 Limitations**

When interpreting the present results and recommendations for action, some limitations with regard to the methodological approach and the different perspectives on the topic have to be taken into consideration.

Firstly, the research conducted is a qualitative study in which a specific phenomenon was examined in depth by using a small number of research objects. In this way, it was possible to capture the subjective perceptions of the experts and consumers interviewed. An attempt was

made to take a holistic perspective by conducting interviews with experts and consumers. However, a limitation of this thesis is that the results are based on a limited number of interviews.

Secondly, the present work mainly focuses on the external communication of purpose and studies the impact of purpose driven marketing on consumers. Here, however, the emphasis does not lie on the internal effects the concept of purpose driven brand can have. Internal effects, like for example employee motivation, are only superficially addressed in this thesis.

Furthermore, this thesis concentrates mainly on the B2C sector and does not examine the B2B sector in detail. Furthermore, this thesis addresses purpose driven brands in general and does not go into more detail about different industries and their specifics. These aspects can be outlined as limitations of the thesis.

In addition, the possible influence of different cultures on the perception of purpose driven marketing is disregarded in this thesis and thus represents a limitation.

### **9.3 Suggestion for further research**

In the present thesis, measurement of the impact of purpose is considered important and one of the identified success criteria for purpose branding. Further research could evaluate different methods to measure the impact of purpose, compare them, and identify the most effective ones for impact measurement.

Moreover, it could be interesting to investigate in more detail the perception of purpose driven brands from the consumer's perspective. In this context, a quantitative research approach could be conducted in which possible correlations could be explored.

In addition, the results of this theses could be used as a framework to further conduct research on a specific industry to generate more detailed insights in relation to purpose driven marketing for that industry.

Further investigation could look at whether there are differences in the implementation of purpose driven marketing between brands that were born out of a purpose and large corporations which were not born out of purpose and want to implement this strategy for their brands.

Lastly, it would be interesting to examine the aspects of a purpose brand in regard to employee motivation and talent acquisition.

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## **Appendix**

### **Semi- structured interview guideline for expert interviews (group 1):**

#### **Intro: (≈5 mins)**

Thank you very much for participating in today's interview on purpose driven marketing.

This interview is part of my master's thesis in Marketing and Sales Management at FH Wien WKW. I am very much looking forward to the interview.

Everything you tell me will be incorporated in my master's thesis anonymously. At this point I would like to ask for your permission to record our conversation today. I need the audio material for the transcription of the interviews and for the evaluation. I will not play the audio recordings to anyone else, and they will not be published anywhere. Are you agreeing to be recorded?

In relation to this research a brand purpose is defined as a positive change a brand can have on people's lives and the world. Purpose can be described as the reason a brand exists and as a key driver which goes far beyond profits.

#### **Characteristics of purpose driven brands + example: (≈5 mins)**

1. What do you consider to be the three main characteristics of purpose driven brands?
2. Which brands come to your mind immediately when you think of purpose driven brands?

#### **Relevance of purpose driven brands in marketing: (≈5 mins)**

3. How would you define the concept of purpose driven marketing?
4. How would you evaluate the relevance of purpose driven brands in marketing? (from a scale from very high to very low relevance)
5. Do you think there is currently a trend for brands to use the concept of brand purpose for marketing?

**Purpose driven marketing from a consumers' vs a companies' perspective: (≈10 mins)**

6. What do you think are the main motives for companies to implement a purpose driven marketing strategy?
7. What do you think are the expectations from consumers for purpose driven brands?
8. Is there a consumer segment which you would describe as particularly receptive for purpose driven marketing? If so, which consumer segment and why?

**Success factors for purpose driven marketing: (≈10 mins)**

9. Which three success factors do you consider to be particularly relevant for purpose driven marketing?
10. Depending on the answer the interviewees will be asked to assess how relevant they perceive the following success factors:
  - Purpose-Brand fit
  - Resonance with consumers
  - Clear and strong purpose statement
  - 360-degree execution
  - Authenticity
  - Long-term commitment
  - Partnerships
  - Communication
11. Is there a brand you would describe as being particularly successful with their purpose driven marketing strategy? If so, which brand and why do you consider this brand to be successful with their purpose driven marketing strategy?

**Benefits of purpose driven marketing: (≈10 mins)**

12. What are three key benefits that companies can expect from purpose driven marketing?
13. Depending on the answer the interviewees will be asked to assess how relevant they perceive the following benefits:
- Differentiation
  - Brand reputation
  - Motivation (employee)
  - Connection to consumers
  - Impact on business performance
14. Do you think the implementation of a purpose driven marketing strategy has an impact on the business performance? If so, which KPIs are influenced the most in your opinion?

**Risks of purpose driven marketing: (≈10 mins)**

15. Are there any risks which companies should consider regarding the implementation of a purpose driven marketing strategy? If so, which risks are you referring to?
16. Depending on the answer the interviewees will be asked to assess how relevant they perceive the following risks:
- Risk of mismatch (mismatch between brand & purpose or purpose & consumer values)
  - Risk of purpose washing
17. Do you think the above-mentioned risks can have a negative impact on business performance?
18. Can you name an example of a brand that has had to deal with the risks associated with purpose driven marketing?

19. Have you ever been in a situation where you had to make a course correction because the purpose strategy did not go as planned? If yes, what was the cause and how did you respond?

**Creating a purpose driven brand: (≈10 mins)**

20. Do you consider any specific product categories to be particularly relevant for purpose driven marketing?

21. What are the 3 most important aspects brands should consider when creating a purpose driven brand?

22. What are the 3 most common mistakes of brands when starting to implement a purpose driven marketing strategy?

23. How can a company measure the success of implementing a purpose driven strategy?

24. Based on your experience what is the biggest piece of advice you would give for someone who tries to create a purpose brand?



## **Semi- structured interview guideline for consumer interviews (group 2):**

### **Intro: (≈5 mins)**

Thank you very much for participating in today's interview.

This interview is part of my master's thesis in Marketing and Sales Management at FH Wien WKW. I am very much looking forward to the interview.

Everything you tell me will be incorporated in my master's thesis anonymously. At this point I would like to ask for your permission to record our conversation today. I need the audio material for the transcription of the interviews and for the evaluation. I will not play the audio recordings to anyone else, and they will not be published anywhere. Are you agreeing to be recorded?

My thesis is about brands that have defined a purpose that goes beyond their products. The purpose of a brand can encompass different topics and can be implemented by the brand in very different ways. In relation to my thesis a brand purpose is defined as a positive change a brand can have on people's lives and the world. Purpose can be described as the reason a brand exists and as a key driver which goes far beyond profits.

### **Examples of purpose driven brands (≈10 mins)**

To give you a better understanding of what purpose driven brands are about, I would like to talk about some specific examples of brands that are often referred to as purpose driven brands.

1. Do you know any of these brands?

- Dove
- Patagonia
- The Body Shop

2. Depending on answer to question 1 the brand example, of the brand the interviewee already knows, will be described. (If the interviewee knows none of the brand

mentioned, the interviewer will describe one of the brands; If the interviewee knows more than one brand, all familiar brands will be asked)

### **Example 1 - Patagonia:**

- How familiar are you with the brand?
- Have you already bought a product of this brand?
- Do you have a positive sentiment towards this brand?
- Do you know what values the brand has? If so, can you name them?
- Does this brand align with your values?
- Do you know what the purpose of the brand is? (Depending on the answer, the statement is read out)

→ state purpose statement: **“We are in business to save our home planet”**

- Is the purpose statement clear to you?

Give interviewee some more details about what the brand does to fulfill its purpose: donate 1% of its sales revenue to environmental protection, buy back old clothes and resell them to prevent waste, support environmental activists and various environmental movements

- What do you think about the purpose of this brand?
- Do you think the purpose fits the brand?
- Now that you know the purpose of the brand, would you be more likely to consider buying one of their products?

### **Example 2 - Dove:**

- How familiar are you with the brand?
- Have you already bought a product of this brand?
- Do you have a positive sentiment towards this brand?

- Do you know what values the brand has? If so, can you name them?
- Does this brand align with your values?
- Do you know what the purpose of the brand is? (Depending on the answer, the statement is read out)

→ state purpose statement: **“To help women everywhere develop a positive relationship with the way they look, helping them raise their self-esteem and realise their full potential”**

- Is the purpose statement clear to you?

Give interviewee some more details about what the brand does to fulfill its purpose: in their campaign "Real Beauty" the brand challenged the traditional image of beauty and outdated social norms, create ads that featured real women to convey a broader image of beauty and to expand the concept of attractiveness, commit to not digitally manipulate their images in ads.

- What do you think about the purpose of this brand?
- Do you think the purpose fits the brand?
- Now that you know the purpose of the brand, would you be more likely to consider buying one of their products?

### **Example 3 - The Body Shop:**

- How familiar are you with the brand?
- Have you already bought a product of this brand?
- Do you have a positive sentiment towards this brand?
- Do you know what values the brand has? If so, can you name them?
- Does this brand align with your values?

- Do you know what the purpose of the brand is? (Depending on the answer, the statement is read out)

→ state purpose statement: **“We exist to fight for a fairer, more beautiful world”**

- Is the purpose statement clear to you?

Give interviewee some more details about what the brand does to fulfill its purpose: support various sustainability initiatives and fights against animal testing, launch petitions asking their consumers to support them in the fight against animal testing, engage in the Community Fair Trade program which has the aim to bring employment to communities all around the globe

- What do you think about the purpose of this brand?
- Do you think the purpose fits the brand?
- Now that you know the purpose of the brand, would you be more likely to consider buying one of their products?

Now I would like to move away from the example just discussed and talk about purpose driven brands in general.

3. Which other brands come to your mind immediately when you think of purpose driven brands?

### **Relevance of purpose driven brands (≈5 mins)**

4. How important is it for you to shop based on your values? (scale from very high, high, neutral, low, very low)
5. How important is it for you that a brand is trying to have a positive impact on people's lives and the world? (scale from very high, high, neutral, low, very low)
6. Do you research if a brand has a purpose before you buy it? If so, where do you do your research? What are you looking for?
7. Would you be willing to spend more money for a product knowing that the money spent would help the purpose of the brand like helping other people, animals etc.?

8. Do you think there is currently a trend for brands to use the concept of brand purpose in marketing? If so, what do you think about this trend?

**Purpose driven marketing from a consumers' vs a companies' perspective (≈5 mins)**

9. What do you think are the main motives for companies to implement a purpose driven marketing strategy?
10. What do you expect from a purpose driven brand?

**Success factors of purpose driven brands (≈10 mins)**

11. Depending on the answer to the question above the interviewee will be asked to assess the relevance of the following success factors:
- Purpose-Brand fit (strong link between the purpose and the brand/product)
  - Resonance with personal values
  - Clear and strong purpose statement (example of very broad purpose statement: Mars: “The world we want tomorrow starts with how we do business today” vs clear purpose statement Patagonia: “We are in business to save our home planet”)
  - 360-degree execution through the whole business
  - Authenticity
  - Long-term commitment
  - Partnerships (Would you consider a brand to have more credibility in their purpose if they partner with other organizations like for example NGOs?)
  - Transparent communication
  - How important is it for you that the brand puts its own money behind its purpose?

12. Is there a brand you would describe as being particularly successful with their purpose driven marketing strategy? If so, which brand and why do you consider this brand to be successful with their purpose driven marketing strategy?

**Risks of purpose driven brands (≈10 mins)**

13. Can you think of any negative aspects regarding the concept of purpose driven marketing?

14. Can you think of any negative examples of brands that use a brand purpose in marketing?

15. What is your opinion on the topic of purpose washing? (Definition: not being true to the brand purpose but rather using the concept of purpose only to influence consumers without the actual aim to make a difference)

16. Let's say a brand has a purpose that has a mismatch with your values. Would you not buy products from that brand for that reason?

**Creating a purpose driven brand: (≈10 mins)**

17. Are there certain product categories where you expect brands to have a purpose?

18. What type of purpose matters the most to you? (People, planet, society)

19. In your opinion, what are the most common mistakes brands make in regard to their purpose?

20. How important is it for you to see how a brand measures its impact?

21. What are the products you are buying where you wish the brand would follow a purpose driven marketing strategy?