

Purpose

Purpose Council Roundtable

Roundtable Summary

The idea that Brand Purpose focussed marketing can drive an impact (positive or negative) on Business Outcomes is a fascinating one. In this session we will discuss and share perspectives around the following questions;

- How do we define ‘Purpose’ for the purposes of measurement? Which metrics can we use to link Purpose with Business Outcomes (at scale)?
- Can we establish a link that moves beyond correlation (as bigger brands tend to have high metrics for lots of KPIs)?

Can a focus on Purpose drive meaningful business outcomes?

The idea that brands should exist for a reason beyond the basics, i.e. making money by satisfying consumer demand, is not a particularly new one, although perhaps it has been misunderstood: ‘the reason a business exists, beyond making money’ is how Simon Sinek put it, and while that definition can work, it perhaps lacks nuance and was easily mis-interpreted.

More recently Peter Field in a study for EffWorks in 2021 used the following definition of Purpose “A commitment articulated by a commercial brand or its parent company to goals other than improved Profits or products, involving contribution towards one or more positive social impacts”. This feels closer to the mark, and we’ll have something similar in mind as we move forwards.

The debate about brands focusing on their Purpose ahead of, or even alongside, their Profits comes down to an argument about whether consumers are looking for brands to stand for something other than the Profit motive (and will buy them in greater numbers because of this) vs. whether more familiar marketing notions around price, promotions, product and place still take precedence. With some brands currently receiving a backlash for suspected greenwashing, which has led consumers to disbelieve their claims about sustainability, it is surely vital to understand if Brand Purpose positively or negatively affects sales. There are other, very good, reasons for pursuing Purpose that sit outside the Profit motive, but if it fundamentally makes you less attractive to consumers, it’s unlikely to be a sustainable long-term goal.

There have been multiple studies looking at the link between Purpose (or a proxy thereof) and more fundamental business goals, many focused on the success of Brands or campaigns that have adopted a Purpose mind-set vs. those that haven’t. We’ve followed a similar approach and look at the link between metrics that proxy for Purpose and a business outcome. As readers of Byron Sharp will know well, penetration is the key indicator of the success of a brand, so we’ll focus on that. We wanted to do this at scale and to achieve this we needed lots of data going back many years and were able to utilise the WPP tool Brand Asset Valuator (BAV) to that end. BAV is an ongoing survey across multiple categories, target audiences, brands and countries. We can select metrics that are reflective of Brand Purpose and Penetration and attempt to provide a causal link between the two.

To mitigate accusations of confusing correlation with causation, we’ve adopted the concept of ‘Granger Causality’ a well-established technique in econometrics to help answer the question: do past values of one metric help to predict another? The results have so far proven ambiguous – while there is a clear link between the metric ‘socially responsible’ (a proxy for Purpose) and the outcome ‘total users’ (a proxy for Penetration), the amount that any link is causal is much less clear: in analyses run so far in the FMCG category in approximately 35% of cases a causal link has been shown between a brand being socially responsible and its penetration, with 48% showing no causality and 17% showing Penetration proving a causal indicator or Purpose (i.e. the more consumers buy you, the more they think you are ‘Socially Responsible’).

Roundtable Chair



Chris Sloane

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Chris is a marketing effectiveness professional with 20 years’ experience applying advanced analytical techniques. He is Senior Director at Mindshare in Data Strategy & Analytics and has previously worked within WPP in a variety of roles, including Head of Business Science for MediaCom in Australia and as a Senior Partner for Gain Theory.

He has experience across most sectors including CPG, Leisure, Automotive, Pharmaceuticals, Finance, Retail, Energy and Professional services and has an interest in developing innovative solutions for optimal planning across the consumer purchase journey.

Chris has published in WARC, and in Marketing, Campaign and AdMap magazines having written articles around the subject of media planning, effective reach & frequency, marketing mix modelling and measuring the ROI of integrated marketing campaigns.

Currently, results are embryonic: we’ve established a framework for testing hypotheses about how consumers views of a brand may affect their purchase decisions, and we’ve moved beyond correlation to a view on Causality. Next steps are to extend this to many more brands, in many more categories and many more countries.

The goal should not be underestimated though: the possibility of establishing the types of categories and even countries where ideas of Brand Purpose (or a myriad of other metrics) positively impact penetration, as well as where this is a negative impact is an appealing one. We’ll never know if we don’t test some more.