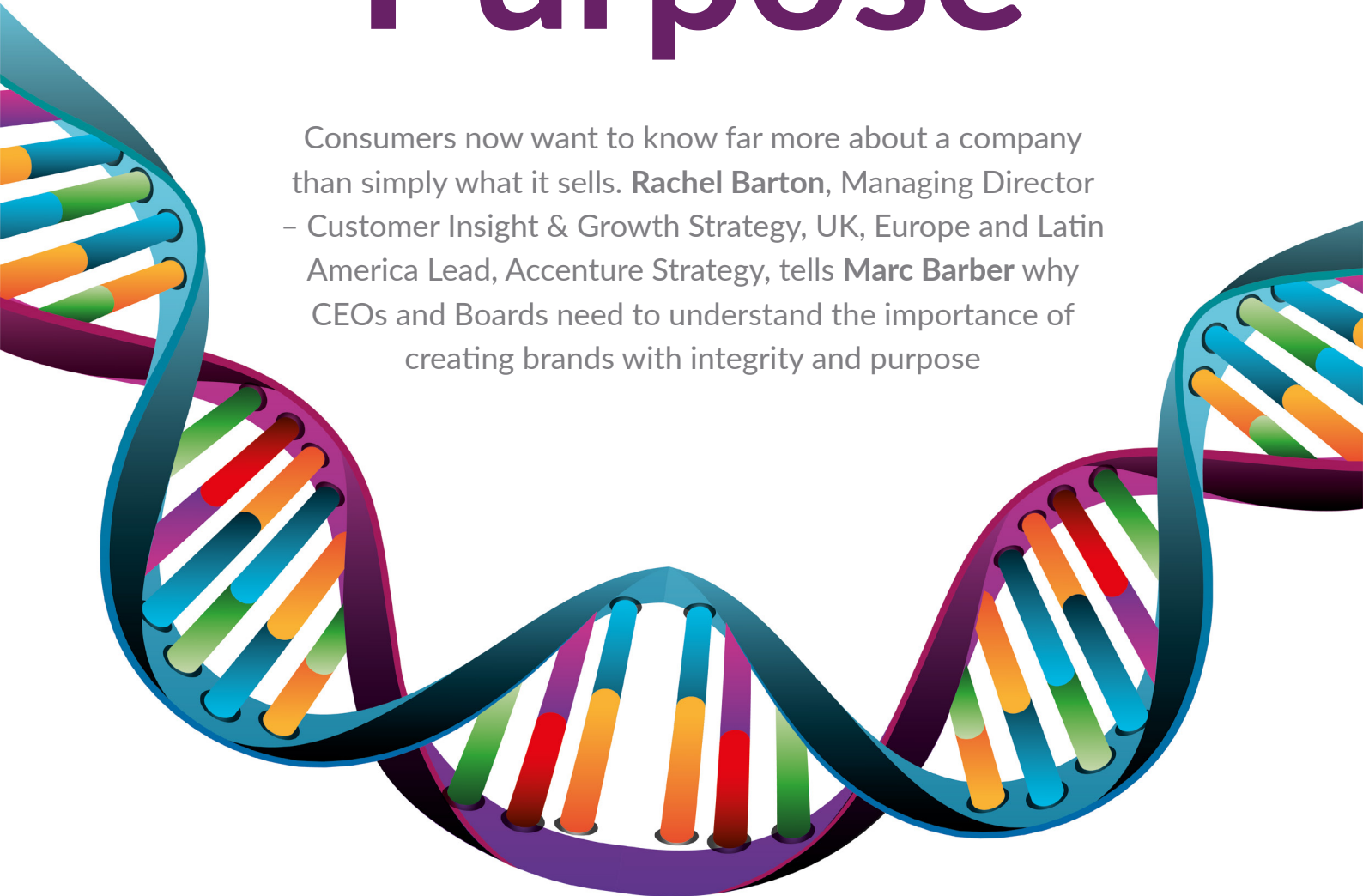


Leading with a Sense of Purpose

Consumers now want to know far more about a company than simply what it sells. **Rachel Barton**, Managing Director – Customer Insight & Growth Strategy, UK, Europe and Latin America Lead, Accenture Strategy, tells **Marc Barber** why CEOs and Boards need to understand the importance of creating brands with integrity and purpose





At the end of last year, Rose Marcario, the CEO of outdoor clothing retailer Patagonia, made a short statement saying that rather than invest the \$10 million the company had saved from changes to federal tax law back into the business, she would donate the money to combating climate change.

It's an example of a CEO making a bold, unequivocal statement about what the company stands for and believes in. Whether they like it or not, it's something that other Board-level directors need to be thinking about.

This is confirmed in the latest [Global Consumer Pulse Research](#) conducted by Accenture Strategy, which surveyed nearly 30,000 consumers from around

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the world, including 2,000 in the UK, to gauge their expectations of brands and companies. The findings for the UK show that over half of consumers

(52 percent) prefer to buy goods and services from companies that reflect their own personal values and beliefs.

When considering the overarching strategy of a business, Boards have to be thinking about more than profit and shareholder return. **Rachel Barton**, Managing Director – Customer Insight & Growth Strategy, UK, Europe and Latin America Lead, Accenture Strategy, comments that when she looks at the research, “there is an overriding theme that, from a consumer point of view, purpose is becoming increasingly important in the factors they consider when choosing a brand”.

However, the way in which purpose is perceived and interpreted by different stakeholders and age groups presents a challenge. **Rachel** explains: “The baby boomers are very focused on eradicating plastics; the millennials are focused on environmental causes. So, no one purpose appeals to everybody and therefore, as a CEO, it's complex.

“A CEO wants to take a consumer brand to a place where there is mass-market appeal, but by being very focused on a particular purpose, the result might be that they no longer appeal in quite the same way to some of those consumers when they lacked purpose.”

Not every company will be obliged to move with the same urgency when articulating its purpose, but according to **Rachel** it's simply a matter of time before stakeholders exert pressure. “You are only going to be able to get away with this behaviour for so long,” she says, urging senior leaders to reflect on what the tipping point might be within their particular sector and industry. >



Rahul Malhotra
Head of Brand, Strategy &
Stewardship, Royal Dutch Shell

COMMUNITY COMMENT

Shell's purpose is to 'power progress together by providing more and cleaner energy solutions'

“If you look to the strongest brands in the world, they have incorporated the whole brain – the left, rational brain, and the right, emotional part of it. Brands need to get their potential and existing employees, their customers, distributors and other business partners to not just buy them and their product/service, but to buy into them.

With our purpose in mind, we decided to do something very different, where we said we won't make this a communications exercise. We designed an approach to help leaders within the business reflect our purpose into their strategic choices; the content of value propositions to

stakeholders, like governments... suppliers etc; and finally, the conduct and the culture of the company.

We designed and embarked on what we call the 'purpose into customer value proposition programme', which I designed and now lead. We've executed it in nearly 50 businesses across the world where we help leaders articulate: 'How do we do more story-doing and not story-telling? How will we bring this to life in your business?'

It's a sophisticated and professionally managed process, but in essence, we bring together two lenses for each business. On one side, the kind of company we want to be, and on the other, the kind of company that our stakeholders like, so we can beat the competition. ”



"Ask the question: 'When is your time up and how are you going to mitigate against it?' The reality is that consumers are increasingly demanding purpose and therefore, when evaluating the consequences of changing your brand, you may need to accept that you are going to lose some people, but in the long run you are going to stay in business."

This idea of a paradigm shift is again echoed in the research, with 62 percent of consumers wanting companies to stand up for the issues they are passionate about, and two-thirds stating that transparency is one of a brand's most attractive

BRAND MATTERS

- **62%** of consumers want companies to stand up for the issues they are passionate about
- **66%** of consumers think transparency is one of a brand's most attractive qualities
- Approximately **60%** of Gen Zers and Millennials believe it's important for companies to take a stand on issues such as human rights, race relations or LGBTQ equality
- More than half (**53%**) of consumers who are disappointed with a brand's words or actions on a social issue complain about it
- Only **40%** of executives feel they have what it takes to build an effective brand ecosystem

Source: *From me to we: The rise of the purpose-led brand*

qualities. In light of this, it's evident that Boards have a responsibility to ensure there is healthy and robust discussion about how an organisation operates, with a special focus on its social and environmental impact.

Making it Happen

When establishing a purpose, a company will have to develop a greater understanding of what consumers feel passionate about. They'll have to evaluate the mindset of employees and what motivates them, as well as why other businesses partner with them. This complexity multiplies when applied to organisations that operate across different customer segments and sectors.

In such circumstances, **Rachel** says that business leaders will have to think long and hard on the ecosystems they have created and then decide whether these align with an organisation's true direction. "We have known for a long time that as businesses capitalise on convergence opportunities, as they extend their own industry boundaries into becoming something slightly different – supermarkets offering credit cards, for example – they exploit grey areas.

"They extend the belonging that consumers have around their brand by giving a little bit of it away. There can be unintended consequences of that relationship; consumers can take their brand to a place that they may never have intended it to go. Sometimes this is a better place, but it can also be a darker one. As a brand, you have to think about what ecosystem you are operating in, what it means for you, your consumers, and be mindful not to lose control."

The goal is to have strategic clarity, combined with real confidence about what you stand for, which sets you apart from competitors. "To a degree, there is a leap of faith involved in transforming any brand," says **Rachel**.

"When you put yourself out there, you have to be very clear about getting what you wished for and comfortable with the unintended consequences of being purpose-led." ■



Rachel Barton

MD, Customer Insight & Growth Strategy, UK, EALA Lead, Accenture Strategy

In her role, Rachel works with the UK's largest companies, advising business leaders on how they can drive a growth agenda through competitive agility, use disruptive technologies and change customer needs.

With a passion for social responsibility, Rachel sits on Accenture's global Corporate Citizenship Council and is the Client Account Lead for the Cherie Blair Foundation for Women. She is a Trustee for UnLtd, an organisation that funds social entrepreneurs and is a mentor to SAFE, a social enterprise that aims to eradicate human trafficking.

Rachel was listed in the Women of the Future Awards and Red Magazine's Women of the Year Awards. She has also been voted Most Inspirational Leader for Accenture UK.

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