

2327 Brand Management

Dr. Sofia Kousi


Week 9

The Menu


Topic 1. Brand Purpose

Topic 2. Brand Activism





What comes to
mind when you
hear the word
Brand
purpose?

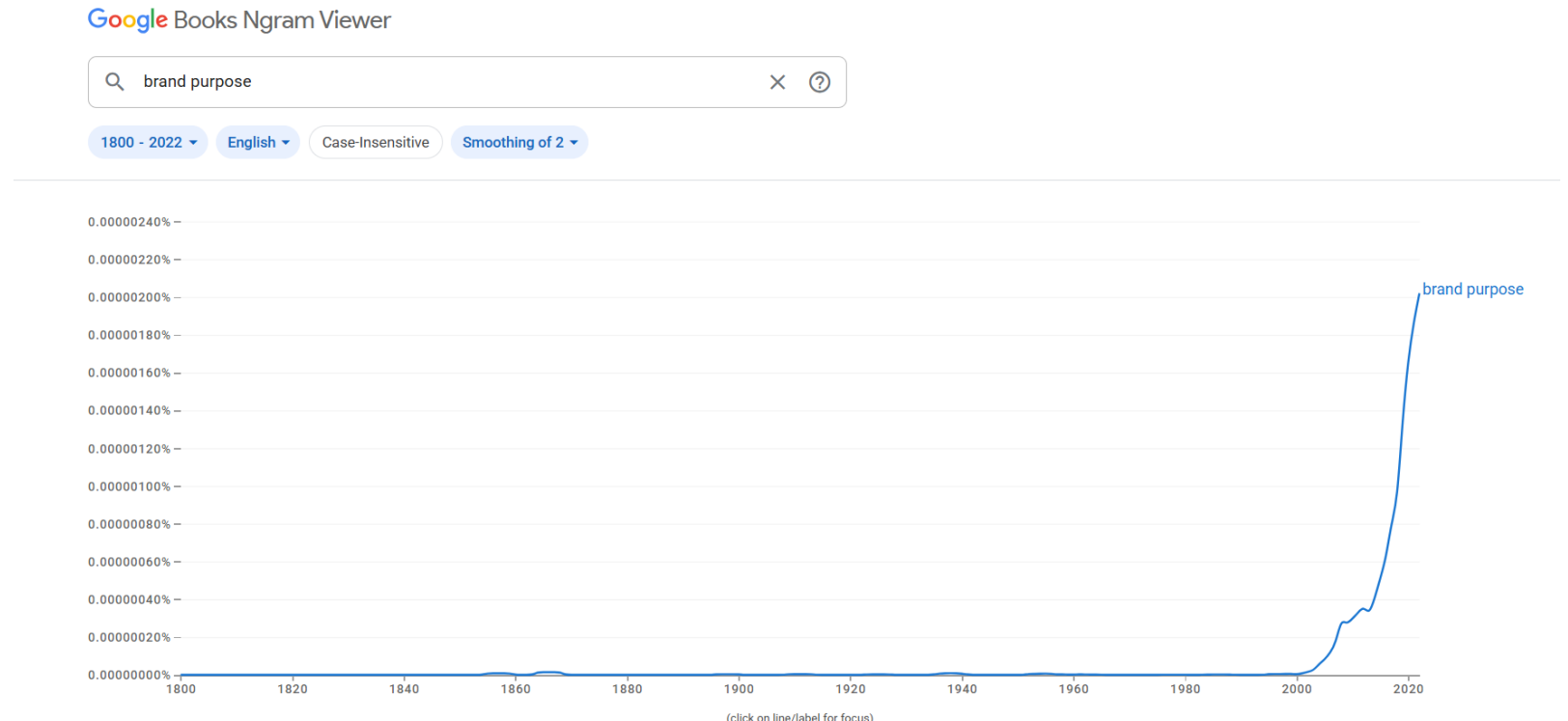


Which brands
do you
associate with
Purpose?


Brand Purpose

The brands that will thrive in the coming years are the ones that have a purpose beyond profit.

— Richard Branson



Purpose definition

 **purpose**
/'pəːpəs/
noun

1. the reason for which something is done or created or for which something exists.
"the purpose of the meeting is to appoint a trustee"

Similar: motive motivation grounds cause impetus occasion reason

2. a person's sense of resolve or determination.
"there was a new **sense of purpose** in her step as she set off"

Similar: determination resoluteness resolution resolve firmness (of purpose)

- Related to the meaning of life
 - Raison d'être
- Lofty, over-arching goal
- Connected to religion

Brand Purpose

“A brand's purpose is a **long-term**, central aim that is a predominant component of its identity, meaning structure and strategy,

which leads to productive engagement with some aspect of the world **that transcends the brand's profits.**”

(Williams, Escalas, & Morningstar, 2022)

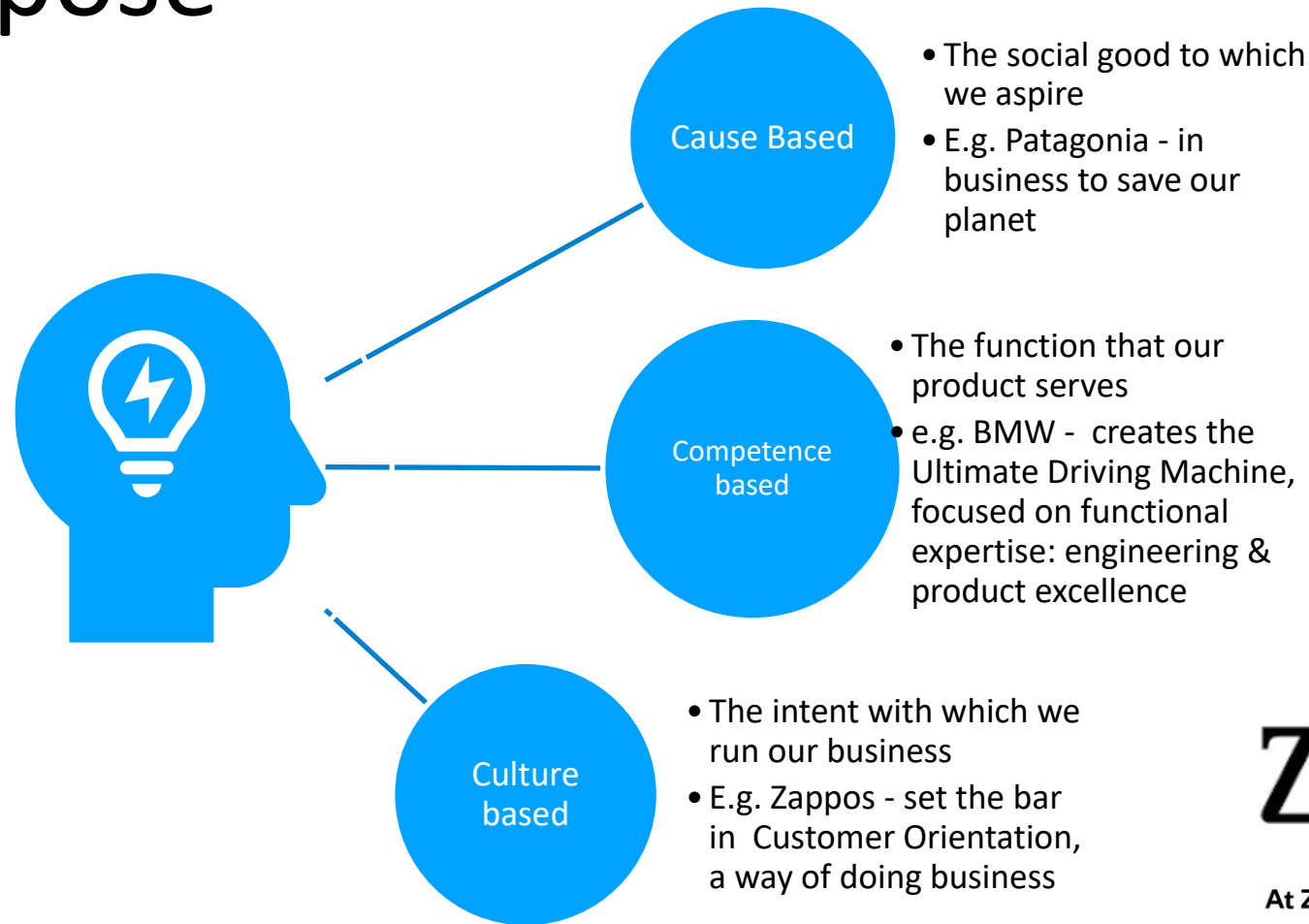
Brand Purpose

An old concept



Let's see some
approaches to
Purpose

3 Types of Purpose



A business decision anchored in Strategy – not only limited to Marketing

- Sits at the intersection of Marketing / HR/Finance / Corporate Governance



At Zappos.com, our purpose is simple: to live and deliver WOW. And as an authorized retailer for all your favorite brands, we get to bring you the best in shoes, clothing, bags, and more!

Brand Purpose

- Different orientations towards purpose
 - Level of integration with the business functioning
 - Level of commitment to the cause



**MAKE TASTE.
NOT WASTE.**



GRILL UP SUMMER FAVORITES

[SEE RECIPES](#)

PLEDGE TO REDUCE FOOD WASTE

Interested in taking action beyond recipes? Learn more about how Hellmann's is helping prevent food waste.

[TAKE ACTION NOW](#)[NO THANKS](#)

Sign up and be the first to know about exciting offers, product updates and more from Hellmann's and other [Privacy Notice](#).

GRILL UP SUMMER FAVORITES

[SEE RECIPES](#)

Plastics
Revolution

Make Taste Not
Waste

Fridge Night

Mayo for Meals



vote her

Defend our one and only home.


Act Now

End bottom trawling

Bottom trawling is bulldozing our ocean floor, undermining small-scale fisheries, and deepening the climate crisis. Let's end this destructive practice, starting with an immediate ban on bottom trawling in Marine Protected Areas and inshore zones.

[Sign the petition](#)[Learn more](#)

Men's



For our 50th year, we're looking forward, not back, to life on Earth. Together, we can prioritize purpose over profit and protect this wondrous planet, our only home.

[our story](#) • [join in](#) • [all chocolate](#) • [other stuff](#)



share our chocolate..

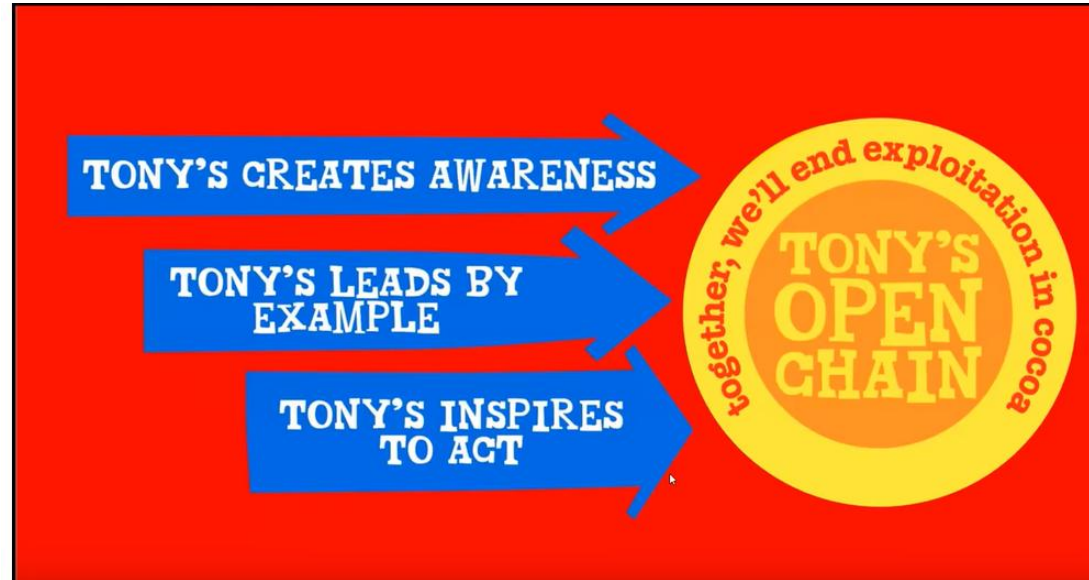
..share our story.



Let us tell you a little something

<https://www.youtube.com/watch?v=1ha2IUUHUZ8>

Mission & Strategy



Tony's roadmap to 100% slave free chocolate

Our mission? Together we make 100% slave free the norm in chocolate. How we are going to achieve that? It won't be easy. And it's pretty complex. But we will accomplish it with the help of Tony's roadmap. Our roadmap has 3 pillars and points the way to 100% slave free chocolate.

[tell me more](#)

**WE ARE AN IMPACT
COMPANY THAT
MAKES CHOCOLATE**



**NOT THE OTHER
WAY AROUND**



Drives Marketing action 4Ps



**100% slave
free the
norm in
chocolate**

read  more

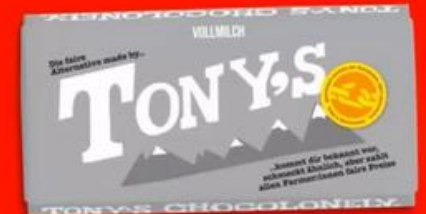


Drives Marketing action 4Ps

IT DRIVES OUR MARKETING CAMPAIGNS



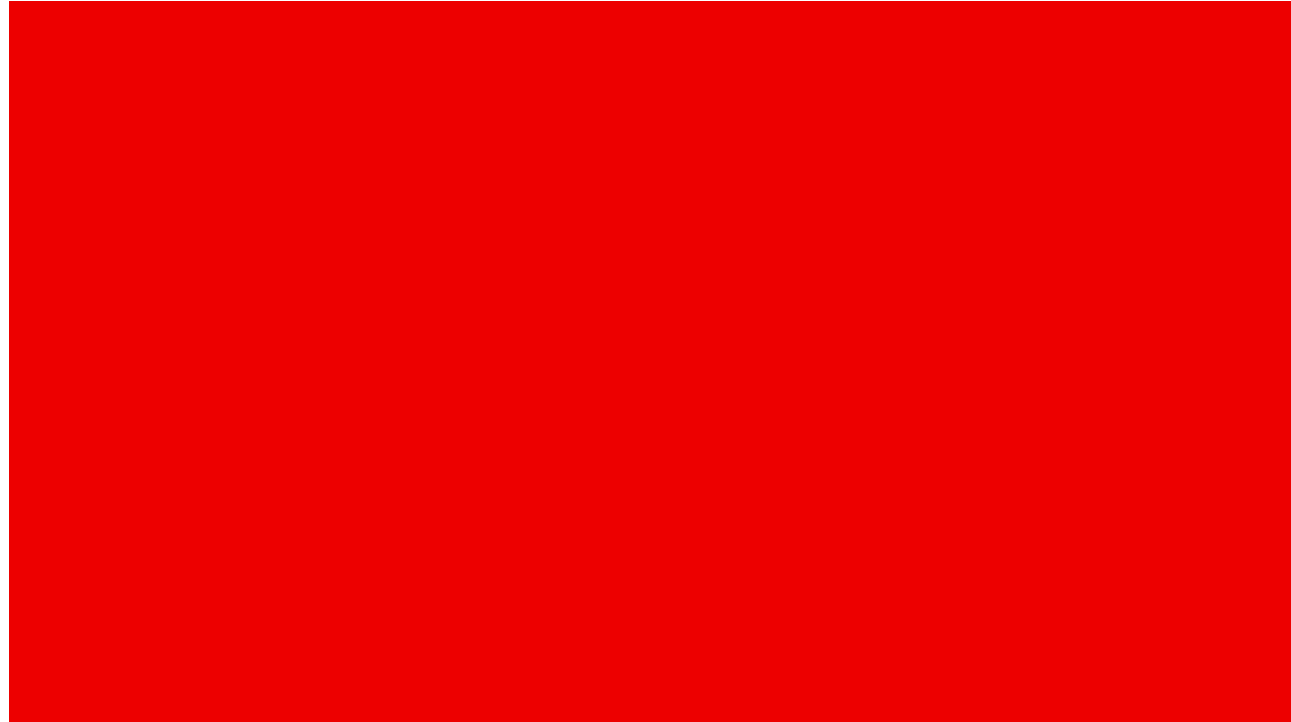
PAY FARMERS,
NOT LAWYERS



clearly not purple



Drives Marketing action 4Ps



<https://www.youtube.com/watch?v=gG71ShI7zww>

Brand Purpose

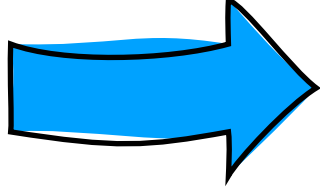
- Different orientations towards purpose
 - Level of integration with the business functioning
 - Level of commitment to the cause



patagonia[®]



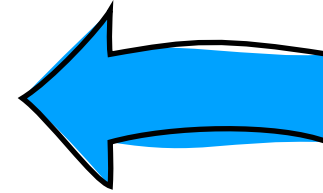
Brand Purpose

Brand say  Brand
do

Brand Purpose



Brand say



Brand
do

How is your brand doing?

1. What is your brand doing in terms of brand purpose?
2. Does a brand purpose make sense for your brand?
3. Brand Say or Brand do?
4. What do your consumers require to fully accept the brand's purpose?

Brand	What purpose	Does it make sense	Say or Do?	Consumer requirements

Brand Purpose:

Criticism

- Purpose & Sustainability bandwagon
- Purpose washing, woke washing
- Consumer cynicism
- Backlash, social media


Brand Purpose: Criticism




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Unilever CEO: We will stop 'force fitting' purpose to our brands

Unilever's focus on purpose across its brands has been a source of criticism from some of its investors. Its new CEO Hein Schumacher says the company now recognises there are some brands where the concept is simply not relevant.

 By Niamh Carroll | 26 Oct 2023

Share this article   



Unilever has become synonymous with the idea of placing purpose at the heart of its brands – but its new CEO looks set to change that.

Brand Purpose: Criticism



In his annual letter to shareholders, the founder of Fundsmith Equity Fund highlighted Lux's (Unilever) stated brand purpose, which is 'inspiring women to rise above everyday sexist judgements and express their beauty and femininity unapologetically.'

"I will leave you to draw your own conclusions about the utility of this," Smith wrote, adding: "When I last checked [soap] was for washing."

– Marketing Week



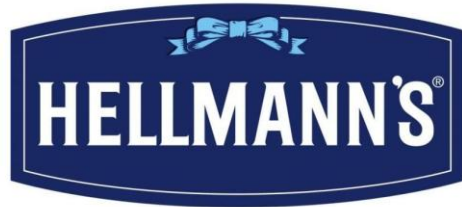
Brand Purpose: Criticism

🐦 Real women. Real beauty



Brand Purpose:

Criticism



- “British fund manager Terry Smith said FMCG company should be focusing on the fundamentals of the business" rather than defining the purpose of Hellmann’s mayonnaise”.
- “...A company which feels it has to define the purpose of Hellmann’s mayonnaise has, in our view, clearly lost the plot.” Terry Smith (2022)

“When done well, and with credibility, [brand purpose] can be highly effective,” he said, pointing to examples like Dove and Lifebuoy.

“But we will not force fit this across the entire portfolio, for some brands it simply won’t be relevant and that’s okay,” he added.

The CEO continued he hoped this would “simplify” the job of the company’s brands.

“In recent years, debate around brands’ sustainability and purpose has arguably generated more heat than light.”

Hein Schumacher, Unilever

Brand Purpose:

Is it profitable?

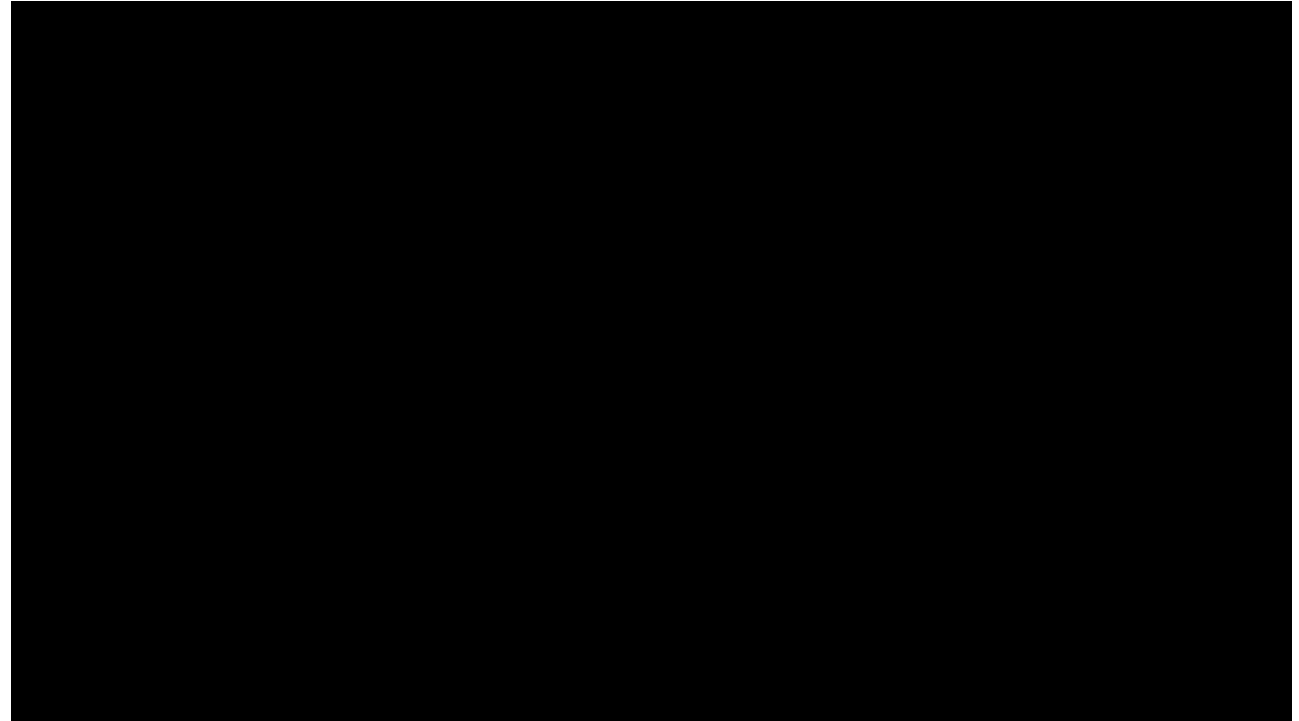
- **Advertising**
 - Mixed data
 - IPA: Peter Field
 - Positive results, but based on dubious methodology
 - *“Sample bias, as their effectiveness studies based on IPA Awards data only pick from ‘winners’, or big UK campaigns that have already won awards and; Self reporting; that their work relies on those submitting awards entries to essentially mark their own homework”*
 - GfK study: Purpose-based ads underperform in terms of ability to **grab and hold attention vs** mainstream ads

Table 1. Breaking through and holding attention

	Mainstream ads (benchmark)	Purpose ads
Ability to grab attention (“hook”)	74%	65%
Ability to hold viewer attention (“hold”)	56%	45%

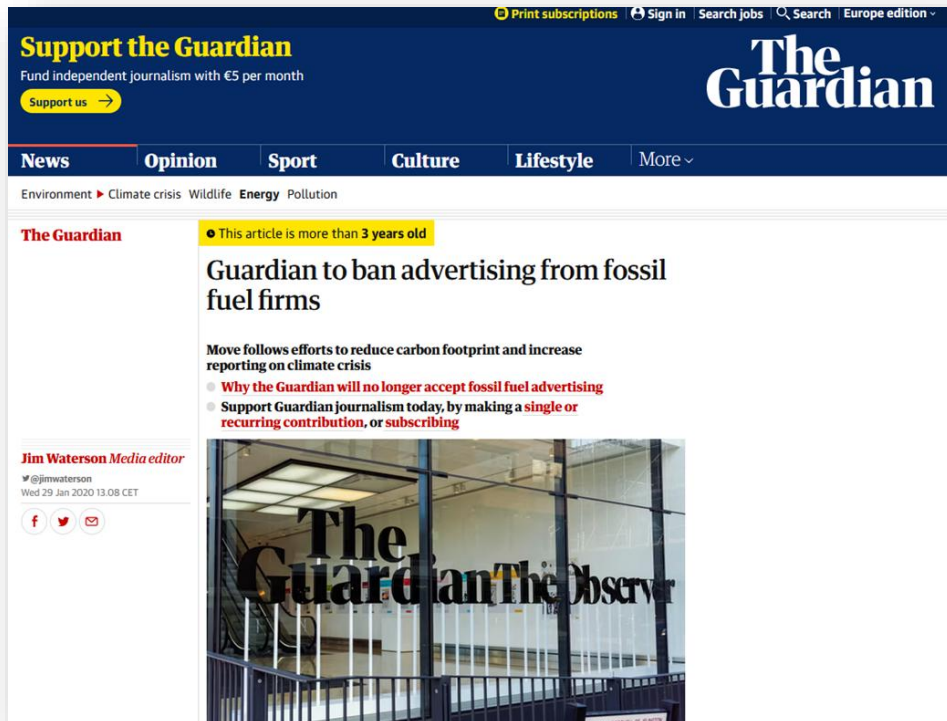
Brand Purpose:

Ability to grab &
hold attention



Brand Purpose

-Does it *need* to be profitable?



The purpose of Purpose is Purpose:

“Marketers are still fixated on the notion that purpose drives growth, when the whole point is that for most brands it will cost money and require sacrifice”

- Mark Ritson

“As Dove proves, purpose can help the world and help businesses if the cause is authentic, relevant and part of a long-term strategy.”

- The Drum

Profit or Purpose?



- *“...I really do think the reason marketers are employed is to make money for the companies that employ them...”*
- *“...Just because I am driven entirely by making money for companies, I would never do that at the expense of the planet or employees or any other core ethical concern”*
- ***“I do not see what these important topics and this lovely beer have to do with each other...”***
- ***“Couldn’t any other brand pull this off with equal legitimacy?”***
- *“Heineken has ... stopped seeing marketing as a way to grow awareness, drive preference and ultimately increase sales”*

The Menu

Topic 1. Brand Purpose

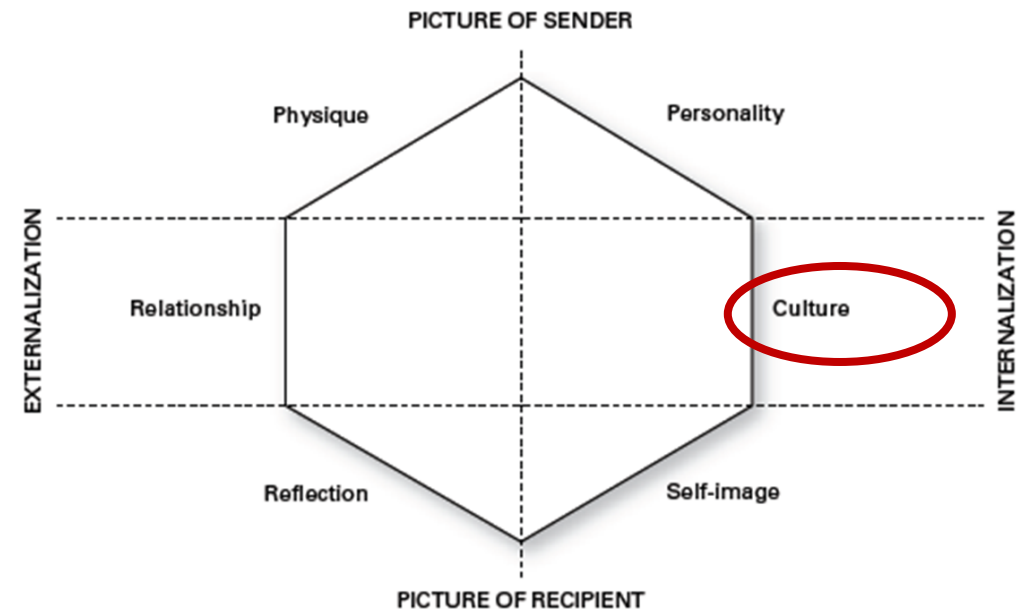
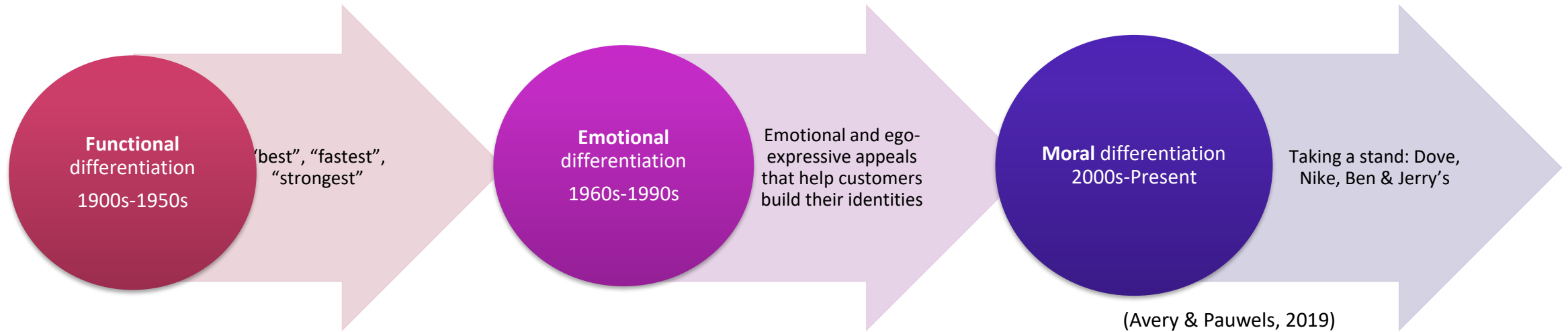
Topic 2. Brand Activism



Brand Activism

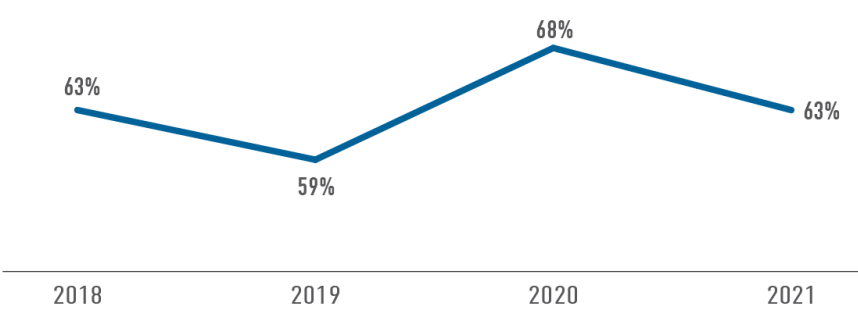
- The act of publicly taking a stand on divisive social or political issues by a brand or an individual associated with a brand (Kotler & Sarkar, 2017)
- May refer to different issues (Darden, 2018):
 - **Social** (gender, LGBTQ, race, age, etc)
 - **Political** (lobbying, voting rights, etc)
 - **Environmental** (conservation, land-use, air and water pollution, etc)
 - **Business** (CEO pay, labor and union relations, etc)
 - **Economic** (minimum wage, income inequality, etc)
 - **Legal** (tax, workplace and employment law, etc)

Brand Activism: marketing trend evolution

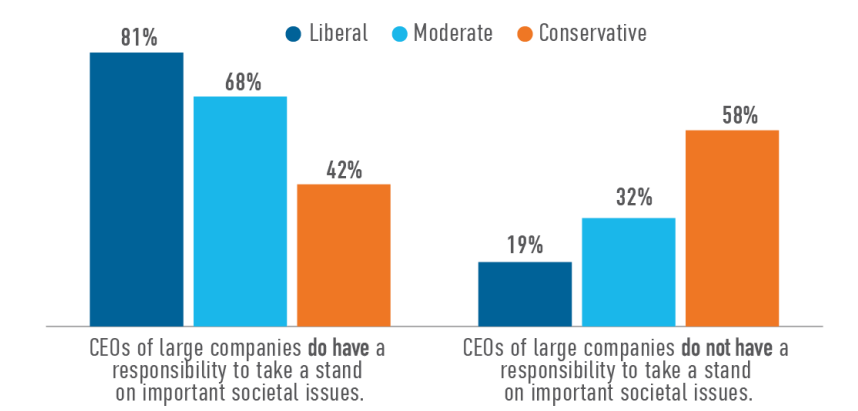


Brand Activism: marketing trend evolution

CEOs Should Take a Stand on Important Societal Issues:

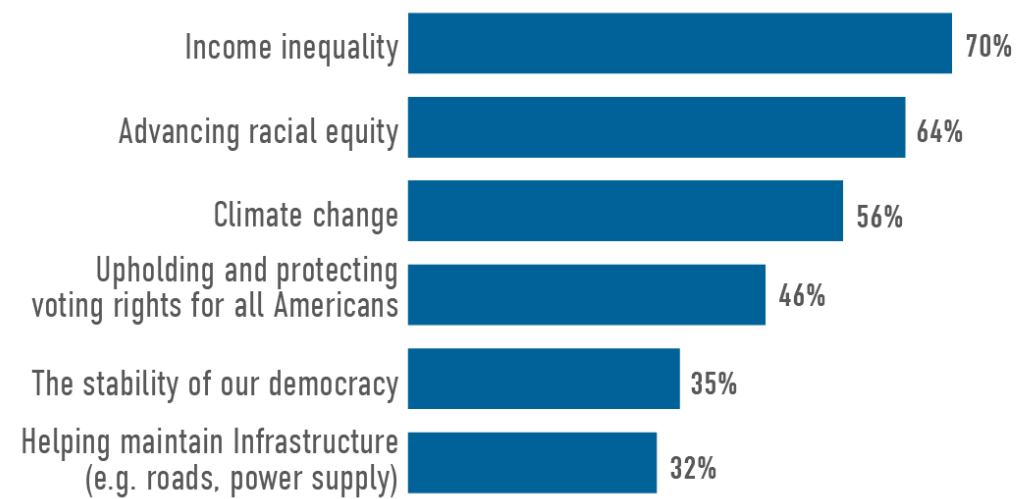


Opinion of Whether CEOs Should Take a Stand on Important Societal Issues by Ideology



Percentage Who ‘Strongly Agree’ CEOs Have a Role to Play Addressing Societal Issues

(Among those who say CEOs should take a stand on any issue)



(Just Capital, 2021)

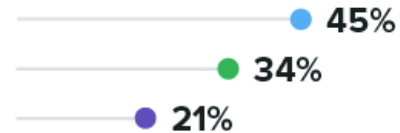
Brand Activism: marketing trend evolution

When Consumers Want Brands to Take a Stand

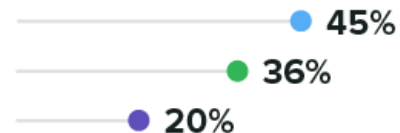
By Issue

- Yes, all brands should take a stand. ● Only if it relates to products/services ● No, it's not a brand's place.

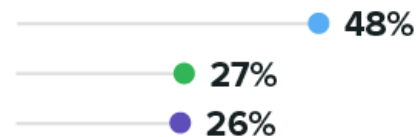
Education



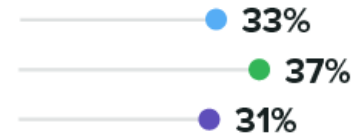
Environment



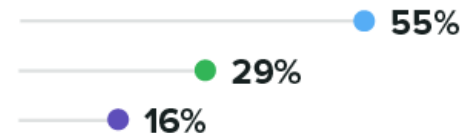
Gender Equality



Immigration



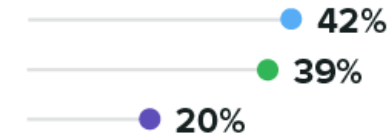
Labor Laws



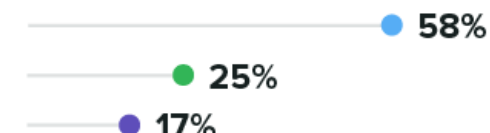
LGBTQ Rights



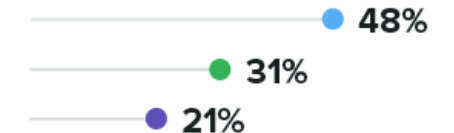
Healthcare



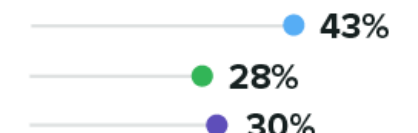
Human Rights



Poverty



Race Relations



sproutsocial

sproutsocial.com/brandsgetreal

Sarkar & Kotler, 2018

Brand Activism: More risks than benefits

- “...Attitudes towards the brand **decreased substantially among consumers who disagreed** with a brand's stand, whereas there was **no significant effect among consumers who were supportive of the brand's stand**” (Mukherjee & Althuizen, 2020)
- “This asymmetric effect of brand activism holds not only for brand **attitude** but also for consumers’ purchase **intentions** and purchase **choice**.”
- Only when a brand faced public backlash because of its moral stand was there a small increase in brand attitude among the proponents of the stand.



However, when the brand subsequently withdrew its stand and apologized, the attitude towards the brand decreased among both the proponents and opponents of the stand”

Brand Activism: Pepsi



“Pepsi was trying to project a global message of unity, peace and understanding.

Clearly, we missed the mark and apologize” (Pepsi, 2017)

<https://www.youtube.com/watch?v=tJCcnkqnjqU>

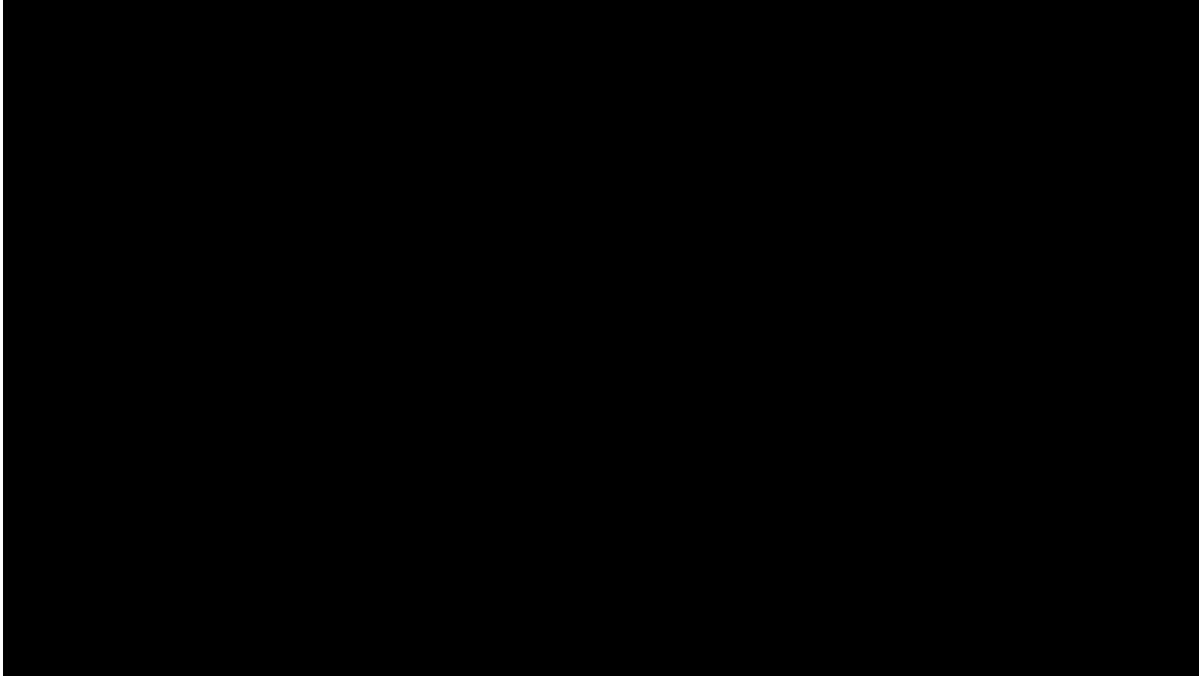
Brand Activism: Nike



- Celebration campaign for 30 years of 'Just do it' (2018): Dream Crazy



Reaction to Nike's Dream Crazy campaign



<https://www.youtube.com/watch?v=A1hDscZfE2w&t=119s>

Reaction to Nike's Dream Crazy campaign

Buycott vs Boycott

- BUYcott: Rewarding a business for favorable behavior
- BOYcott: Punishing a company for negative behavior

Consumers more motivated to boycott

- Women and younger generations more likely to buycott (McGregor, 2018)
- Several brands are promoting buycotting (offering lists of providers to prefer instead)
 - Expected to grow in the future

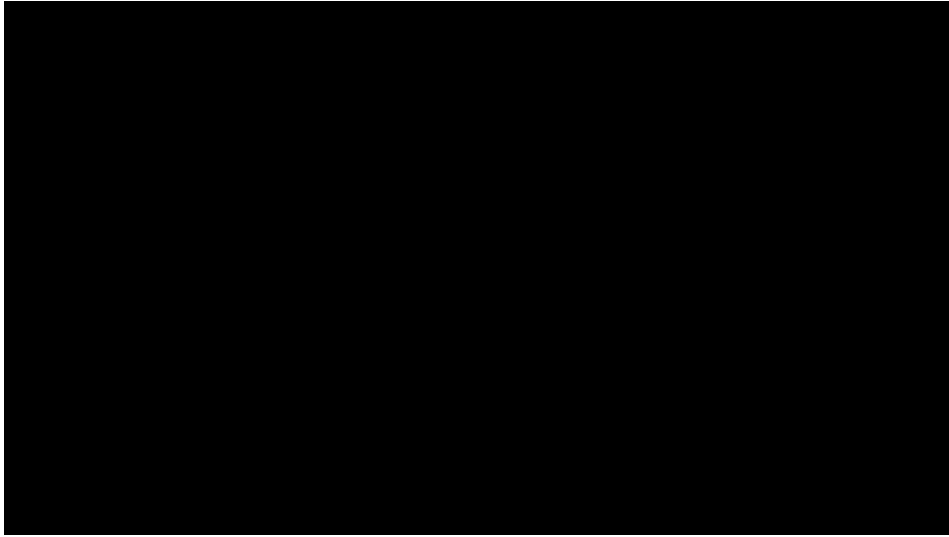
Nike's internal view

*“It doesn’t matter how many people hate your brand as long as enough people love it. And as long as you have that attitude, **you can’t be afraid of offending people.**”*

You can’t try and go down the middle of the road. You have to take a stand on something, which is ultimately I think why the Kaepernick ad worked.”

(Phil Knight, Fast Company, 2019)

Was Nike right?



<https://www.youtube.com/watch?v=qLXzPDteFks&t=154s>

Was Nike right?



“Nike registers \$35B in revenues — \$15B domestically and \$20B abroad.

Two-thirds of Nike consumers are under the age of 35. A younger consumer who can afford \$150 Flyknit racers likely has substantial disposable income and lives in a city. The term for this cohort?
Progressive.

Of the \$20B international customer base, how many believe the US is currently a “beacon on a hill” and is handling race issues well? I’ll speculate, none.

Nike has risked \$1-3B in business to strengthen their relationship with consumers who account for \$32-34B of their franchise.

The math? Nike just did it.”

Was Nike right?

Nike claimed (Fast Company, 2019; Avery & Pauwels, 2020)

- Net sales grew 10% globally, but 9% in the US
 - US market did not overperform
 - Increased its marketing budget by 4%
 - Launched several new products
- 30% boost in online sales
 - Underwent digital transformation with focus on online sales

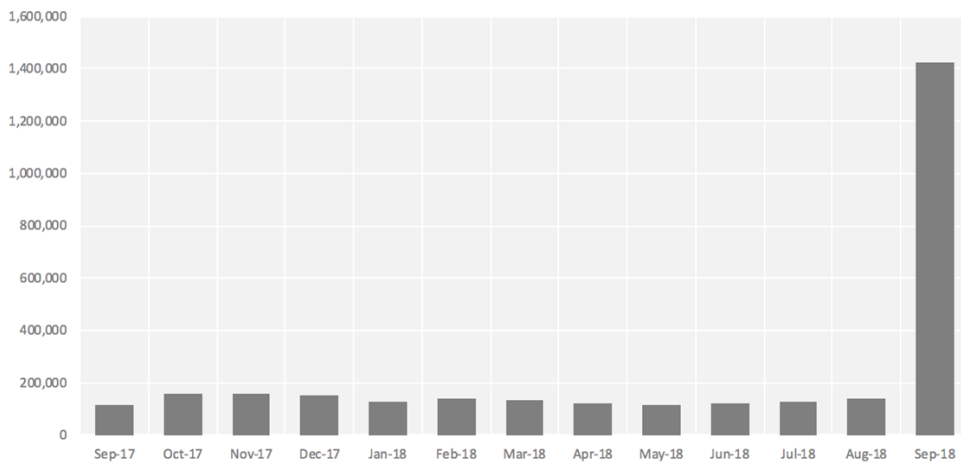
Was Nike right?

Nike claimed (Fast Company, 2019; Avery & Pauwels, 2020; Koenek, 2018)

- \$163 million in earned media
- Average brand mentions in social media increased by 1,197% to 1.4 million brand mentions per day
- \$6 billion brand value increase

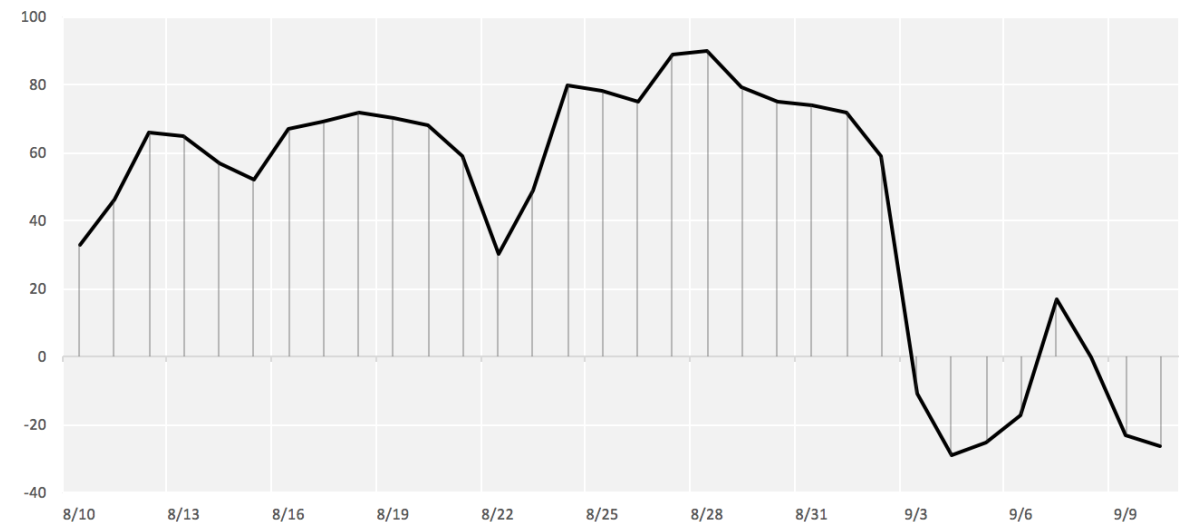
Average Daily Nike Brand Mentions

Average daily Nike Brand mentions have spiked nearly 1,200% since the campaign announcement. Data for September is updated through September 9, 2018.



Nike Net Sentiment for Past Month

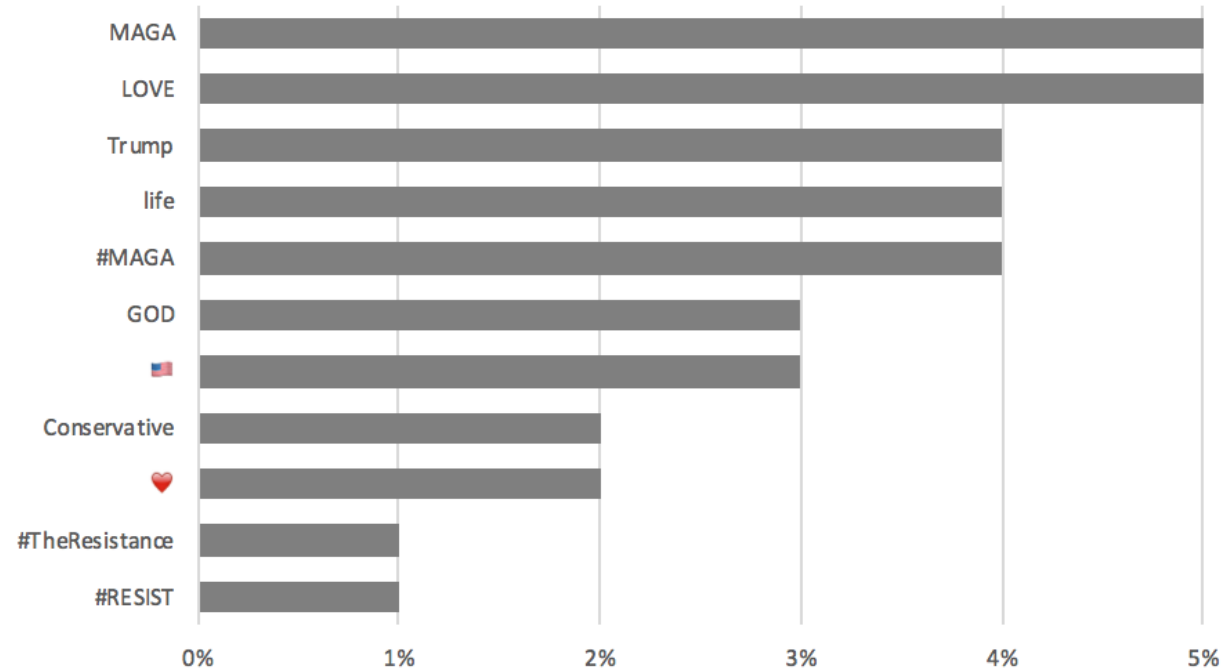
Nike brand sentiment has been remarkably stable over the past 12 months. The announcement of the Kaepernick campaign immediately drove the net sentiment negative, resurfacing on September 7—the day that the commercial debuted.



Was Nike right?

Most Popular #Hashtags

The most popular hashtags from all Nike brand mentions by share of mentions. Since the campaign launch, there is a significant increase in mentions from highly political Twitter users, shifting away from prior interests in athletics and sports.



- Not about Sports, or BLM, human rights
- Impact on the Social cause?

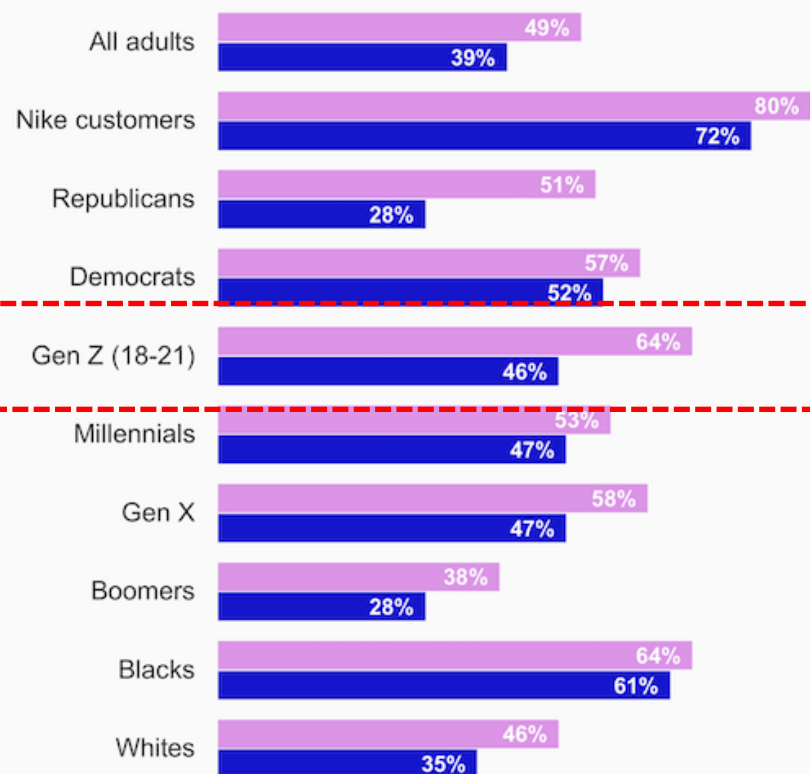
Koeneke, 2018

Putting authenticity of the campaign in question

Nike Purchasing Consideration Down by 10 Points

Below are the percentage of Americans who say they're absolutely certain or very likely to purchase Nike products

■ Pre campaign announcement ■ Post campaign announcement



MORNING CONSULT

A Plurality See the Ad as a Publicity Stunt

Thinking more about Nike's announcement, do you consider this to be mostly an effort to recognize Colin Kaepernick's actions, or mostly a stunt to gain publicity?

Nike's announcement is mostly an effort to recognize Colin Kaepernick's actions

32%

Nike's announcement is mostly a stunt to gain publicity

38%

Don't Know / No Opinion

30%

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Nike continued to sponsor the NFL teams that rejected Kaepernick

Activism & Authenticity: Nike & Allyson Felix



- 11 Olympic medals & 20 World Championship medals.
- Nike asked her to be in a female-empowerment ad as she negotiated maternity protections with a pay cut of 70%

“Ironically, one of the deciding factors for me in signing with Nike nearly a decade ago was what I thought were Nike’s core principles. I could have signed elsewhere for more money.

But when I met with the company’s leadership in 2010, one woman told me about a Nike-sponsored initiative called the Girl Effect that promoted adolescent girls as the key to improving societies around the globe. By joining Nike, she said, I could help empower women. She told me Nike believed in women and girls, and I believed her. Which is part of why my recent experience has been so heartbreaking.”

Brand Activism: Nike & Allyson Felix



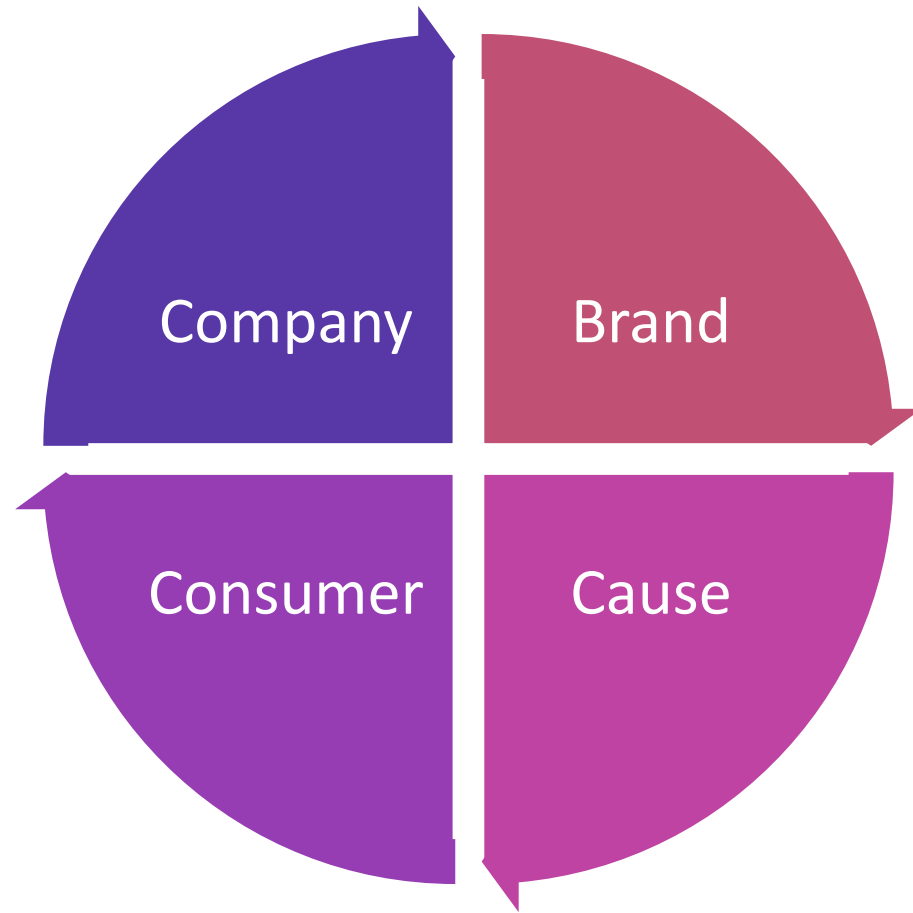
Felix signed with Athleta instead, a women-focused apparel company (McLaughlin & Cash, 2021, Insider)

- Started Saysh, her own shoe and lifestyle brand.
- She broke Usain Bolt's gold medal record at the World Athletics Championships 10 months after going under emergency C-section
 - Olympic Games Tokyo 2020, bronze (400-meter), gold (4x400-meter relay)



- Only after broad public outcry and a congressional inquiry did Nike announce a new maternity policy for all sponsored athletes

Authentic Brand Activism



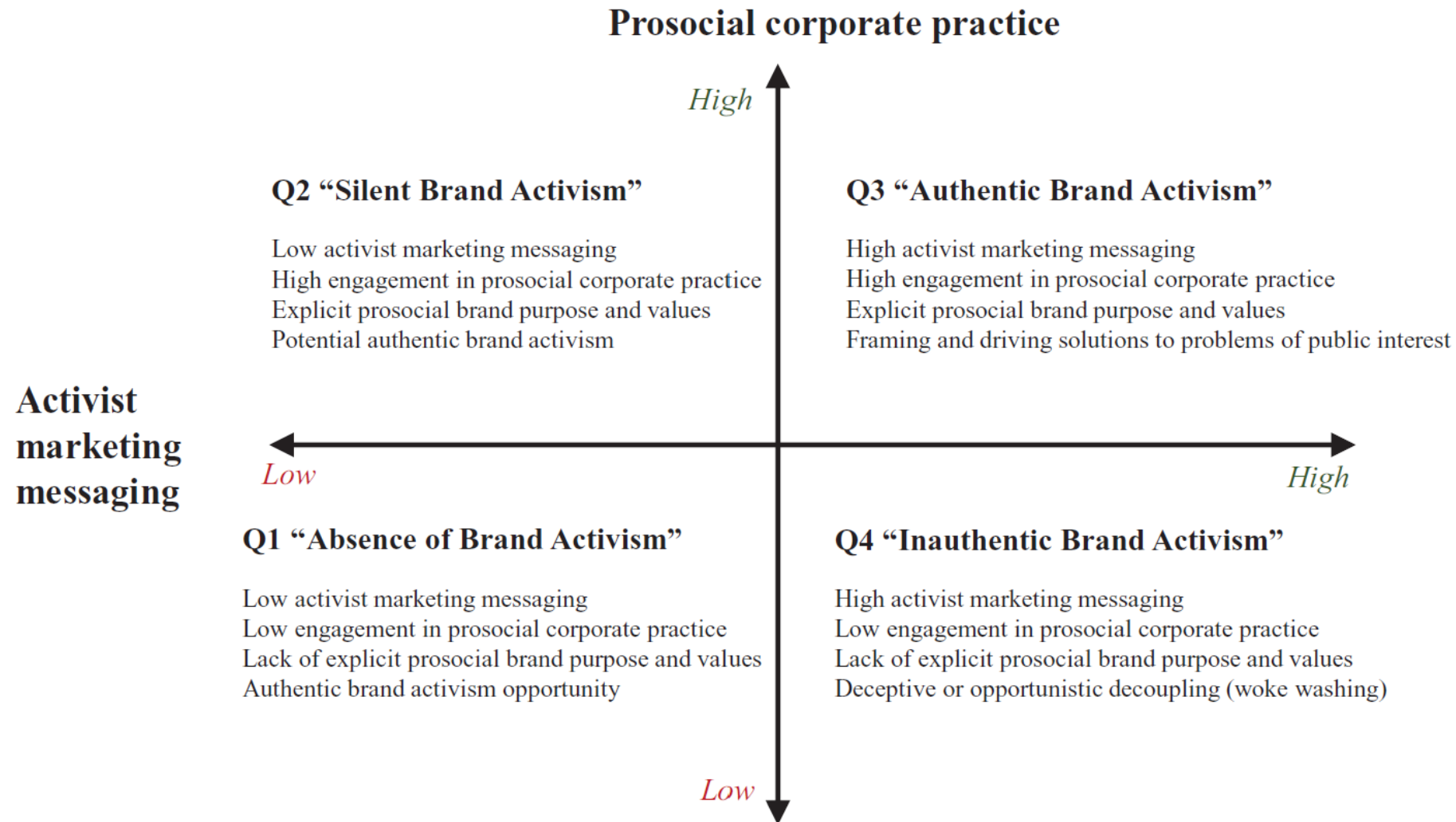
Avery & Pauwels, 2020

- Fit between Brand / Cause / Consumer / Company

Authentic brand activism: alignment (Vredenburg et al., 2020)

- Core purpose, values, brand promise
- Messaging type & content
- Corporate practices

Authentic Brand Activism



(Vredenburg et al., 2020)

For next time

7. Apr 2	<ul style="list-style-type: none"> Brand Architecture & extensions 		<ul style="list-style-type: none"> Keller: 11 & 12 Kapferer: 12 – 14 Aaker & Joachimsthaler: The Brand Relationship Spectrum (on Moodle)
8. Apr 9	Brand growth strategies <ul style="list-style-type: none"> Group project check-in 	Case study: Tiffany & Co In-class quiz	Keller: 5 – 7 & 13
9. Apr 23	Brand Purpose & brand activism	Mark Ritson (2017) article (on Moodle)	
10. Apr 30	Final Team presentations: Full Brand Audit	Upload presentation slides by April 29, 7pm (all groups)	
11. May 7	Final Team presentations: Full Brand Audit	*Peer evaluations: Due May 8, 7pm (link to be provided)*	
12. May 14	Course wrap up & exam info		
May 23	Final exam, 14:30. Room TBD		

