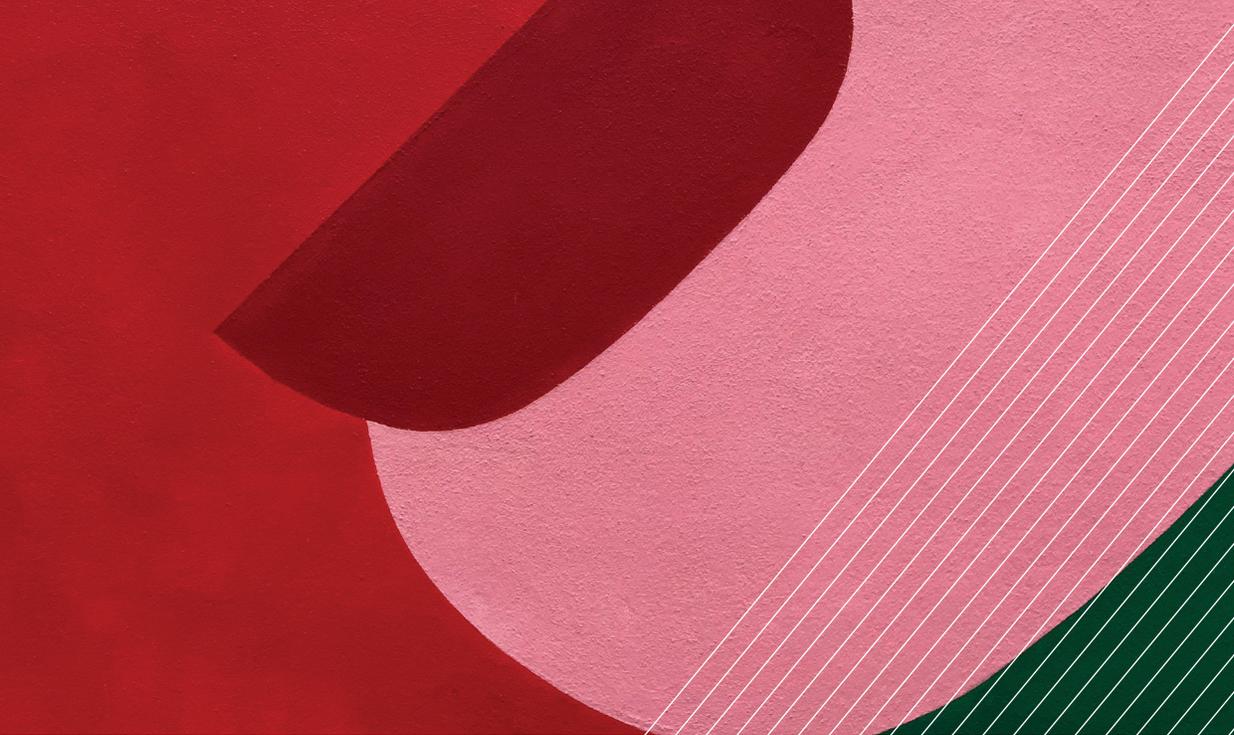


2020 ZENO STRENGTH OF PURPOSE STUDY



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The findings of the 2020 Zeno Strength of Purpose study shed new light and unequivocal proof that companies leading with Purpose will prevail. Eight thousand consumers across eight countries have spoken and stand ready to give their hearts, voices and wallets in support of purposeful brands. After evaluating over 75 brands, the research found that global consumers are four to six times more likely to trust, buy, champion and protect those companies with a strong Purpose over those with a weaker one. The significant, positive relationship between strength of Purpose and business results makes leading with Purpose imperative for business success, yielding stronger reputation, brand affinity and bottom line results.

Purpose: Many Paths, One Role

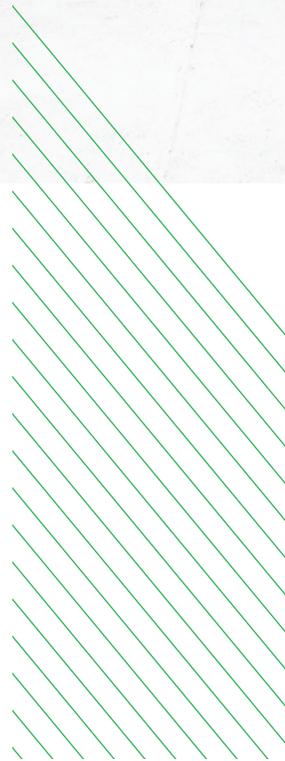
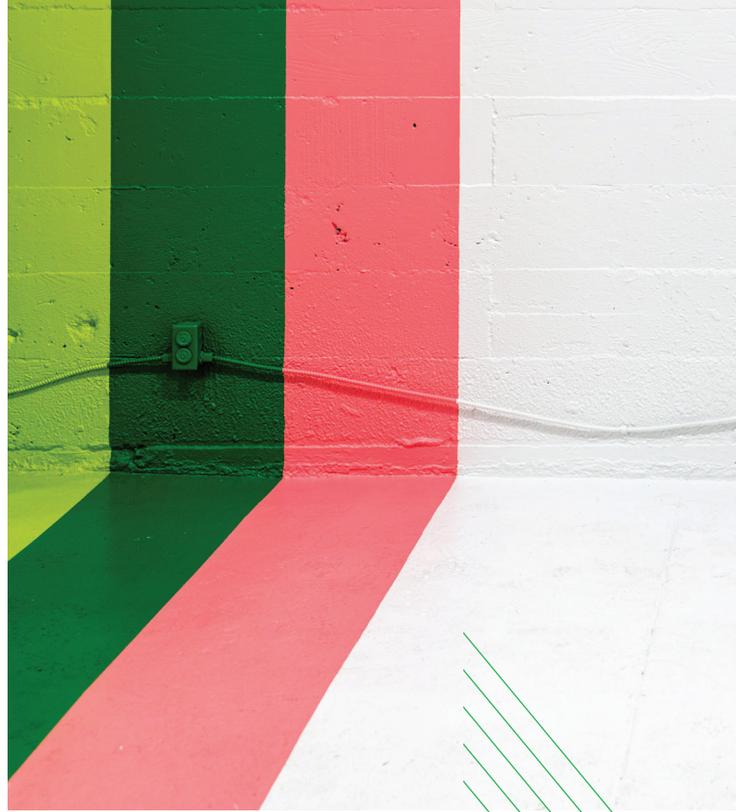
Purpose is not a new concept. Companies have long recognized they can do well in this world by doing good. Purpose started out as philanthropy, evolved to cause marketing and responsible business and expanded into social justice. Today, Purpose is commonly misused as a catch-all term for these initiatives. But Purpose is not one of, or a combination of, these activities.

Simply put: Purpose is the reason for being. It defines an organization's unique role and value in society that allows it to both grow the business and positively impact the world. A clear Purpose becomes the filter for decision making: how to behave and the issues to advance.

With social consciousness at an all-time high, the importance of Purpose has only grown as customers, employees,

partners and shareholders want more from the companies with which they interact. Most recently, Purpose has captured the attention of the C-suite and boardroom with the growth and success of Environmental Social and Governance (ESG) investing. Now, as we navigate the many crises that have arisen from a historic global pandemic, Purpose has emerged as an even stronger imperative. In the face of mounting demands, one salient question remains for business leaders; can a strong Purpose truly drive positive bottom line impact?

Through a global study of more than 8,000 consumers across eight markets (United States, Canada, United Kingdom, France, China, India, Singapore and Malaysia), Zeno set out to better understand if companies perceived to have a strong Purpose have a distinct advantage in the marketplace.



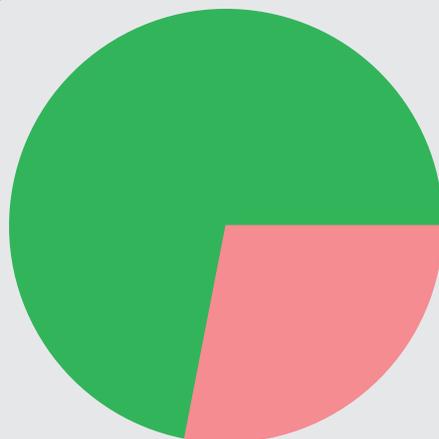
The High Expectations for Purpose

Business leaders around the world are expanding the very meaning of a company's Purpose. Leading the charge is the Business Roundtable, which redefined the role of a company to not only deliver a return to shareholders, but to deliver value and benefit to all stakeholders. This sentiment is echoed and championed by the World Economic Forum and the UK Institute of Directors.

Consumers have also raised the bar and are looking to companies to advance progress on important issues within and outside of their operational footprint. They have high expectations for brands to have a more meaningful reason for being, with **94%** of consumers globally saying it is important that the companies they engage with have a strong Purpose.

Across all markets surveyed, people also stated that they are more likely to support a brand's need to earn a profit if it also has a positive impact on the world. In fact, **83%** of consumers said companies should **only** earn a profit if they deliver that positive impact. However, an interesting paradox ensues. Although most consumers agree companies should have a strong Purpose, only **37%** believe companies actually do. Interestingly, respondents in China (54%), India (60%) and Malaysia (46%) are nearly twice as likely to believe that brands have a strong Purpose, compared to countries in the west (Canada, France, UK and U.S.; 24% on average).

The days of humility are over - it is not enough to have a Purpose, it also needs to be shared. The absence of communication will infer inaction, a potentially costly and damaging mistake.



The Purpose Paradox

94% of consumers say Purpose is important

...yet only...

37% believe companies today have a clear and strong Purpose.



The Principles of a Purposeful Brand

If Purpose is the North Star, what does it look like in practice? Zeno's Strength of Purpose study asked consumers what they believed to be the most important elements of a purposeful brand or company. They identified eight key attributes:

- Fair treatment of all employees
- Products or services that reflect the needs of people today
- Ethical and sustainable business practices
- Support for important social causes
- Creation of new job opportunities
- Diverse & inclusive culture
- Issue advocacy
- Strong set of values

Purposeful Brands are Rewarded

Despite the high expectations, the age-old question still persists: does Purpose impact a company's bottom line?

Over the last year, more than **8 in 10** (82%) consumers said they took action to support a company when they believed in its Purpose. Actions included sharing their positive opinions with others ("Spreading the Word"), encouraging others to support or buy from the brand ("Brand Evangelization"), and starting to buy from the brand ("Business Impact").

Gen Z and Millennial consumers were the most fervent champions of Purpose-driven companies with 92% of Gen Z and 90% of Millennial respondents saying they acted in support of a purposeful brand, versus 81% of Gen X consumers, 77% of Baby Boomers and 73% of Matures (respondents aged 74 and up).

And across all generations, **9-in-10** consumers (90%) agreed that "if a brand or company truly lives by a clear and strong brand Purpose," they would be more likely to support them, even in the event the company or brand had a "misstep" or received "public criticism," showing the significance of a well-understood Purpose to a company or brand's reputation.

Most people have taken an action when they believe in a brand's Purpose:



Strong Purpose Drives Incremental Reputation and Business Returns

The research findings of the 2020 Zeno Strength of Purpose study shed new validation and leaves little doubt that companies leading with Purpose will enjoy a stronger reputation, brand affinity and positive business impact.

After rating more than 75 brands on their perceived strength of Purpose, Zeno asked consumers to indicate their likelihood to take a positive action towards these brands. A correlation and regression analysis of the data demonstrated an unequivocal result: **global consumers are four to six times more likely to trust, buy, champion and protect those companies with a strong Purpose over those with a weaker one.** The significant, positive relationship between strength of Purpose and business results makes leading with Purpose an imperative for business success.

Global Consumers Reward Brands with Stronger Purpose

Purchase:

When respondents think a brand has strong Purpose, they are **4x more likely to purchase from the brand.** In other words, the stronger your Purpose, the greater the likelihood that the average consumer will choose to buy your products and services.

Protect:

Beyond purchase intent, Purpose acts as a shield for your brand. We found when a brand has a strong Purpose, consumers are **6x more likely to continue supporting that brand in a challenging moment.**

Champion:

Purpose also elevates your consumers from transactional buyers to brand advocates. When respondents think a brand has a strong Purpose, they are **4.5x more likely to recommend the brand to friends and family.**

Trust:

While it takes time and care to build a reputation and earn trust, all of this can be lost in a matter of moments. Consumers who felt a brand had a strong Purpose were **4.1x more likely to trust the brand.**

The power of Purpose transcends age. The correlation between a brand's Strength of Purpose and the likelihood to take positive action (champion, protect, trust or purchase from) is notable across all generations, and unsurprisingly, strongest among Gen Z. Interestingly, Matures (the oldest generation at age 74 and up) are **more likely than any other generation** to be motivated to purchase from brands with stronger Purpose.

Global Nuances

Globally, France and the UK emerged as the countries most likely to trust, champion and protect a brand with a strong Purpose; consumers in Malaysia, India and Singapore were most likely to buy from a brand with a strong Purpose. Interestingly, the US and China were slightly less likely than other countries to protect, champion and trust a brand with a strong Purpose.

The significant and positive relationship between the strength of a company's Purpose and its business and brand returns reveals the true benefit of a strong Purpose on the bottom line.

Champion and Purchase

		Champion	Purchase
US		3.8x	3.4x
Canada		4.6x	3.6x
China		3.7x	3.5x
India		3.8x	4.2x
Singapore		5.1x	4.5x
Malaysia		4.8x	4.9x
UK		5.1x	3.9x
France		5.2x	3.8x
Overall		4.5x	4.0x

Trust and Protect

		Trust	Protect
US		3.7x	4.9x
Canada		4.0x	5.5x
China		3.6x	5.1x
India		4.3x	5.6x
Singapore		4.0x	6.3x
Malaysia		3.9x	6.4x
UK		4.2x	6.9x
France		4.4x	7.6x
Overall		4.1x	6.0x



Cancel Culture is Unwavering

Just as consumers are willing to give their dollars and voices in support of purposeful brands, they are equally inclined to punish those with which they disagree.

Seventy six percent of global consumers stated they have taken an action in response to a brand doing something they disagreed with, including no longer buying from the brand, switching to a competitor or discouraging others from buying from or supporting that brand.

Again, younger respondents were the most likely to be motivated to act against companies and brands they disagreed with, as 88 percent of Gen Z and 85 percent of Millennial consumers said they took an unfavorable action, versus 76 percent of Gen X, 67 percent of Baby Boomers and 62 percent of Mature consumers.

This effect also differs across regions. In China, 92 percent of consumers would be motivated to act negatively, while consumers in countries such as the US (72%), Canada (70%), France (69%), and UK (66%) are slightly more forgiving towards brands they disagree with.



Purpose is Personal

Consumers are not only interested in a company or brand's Purpose; they also want that Purpose to be personally relevant.

Sixty two percent of consumers stated that it is important for a company to have a Purpose they can personally believe in. And 62 percent said they want that Purpose to align with their personal values.

More than half (59 percent) of consumers agree that companies

should speak up on issues they care about, urging corporations to take on a larger role, and use their company as a force for good.

Consumers also seek inspiration, with 61 percent saying that it's important for a company's Purpose to inspire them. People are no longer buying brands; they are joining them. They are making decisions about what to buy and where to work with an eye toward supporting those that share their values.

Purpose Rings True Globally

The power of a strong Purpose is not relegated to a certain region. Globally, we also observed a significant relationship between a company or brand's strength of Purpose and the likelihood to take positive action. Consumers in North America and Europe are more likely to reward purposeful companies with their wallets, whereas those in Asia use their voices by sharing their opinions with and recommending the company to friends and family.

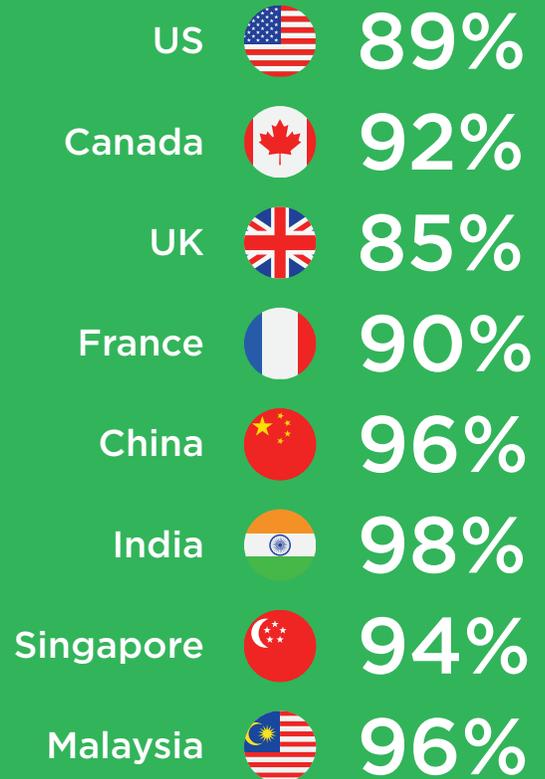
What varies are perceptions of key Purpose attributes.

In North America and Europe, consumers are more focused on people, with Treating Employees Well ranked as the #1 attribute of a purposeful brand.

In Asia, consumers believe that the top priority of a purposeful brand is to make products and services that reflect the needs of people today.

Purpose Gives Brands Permission to Profit

People across the globe are more likely to support a brand earning a profit if they also have a positive impact on the world.



Purpose Comes from the Top

Purpose is not a brand campaign. It is the North Star for a company and guides how the business behaves, grows and engages with all stakeholders. It is more important than ever that a company walks the walk and that its actions align with its Purpose. And consumers believe that responsibility rests at the highest levels of a company.

Purpose must be championed at the leadership level. Purposeful brands have purposeful leaders. Eighty-one percent of consumers said that a CEO, Founder or Owner are most responsible for driving a brand's Purpose, with Gen Z (**87%**) and Millennials (**84%**) believing this to be true more so than older generations. Consumers - particularly Gen Z and Millennials - also believe this responsibility extends beyond the CEO, Founder and Owner, with most saying it also rests with boards of directors and senior leaders too.

Purposeful Brands have Purposeful Leaders

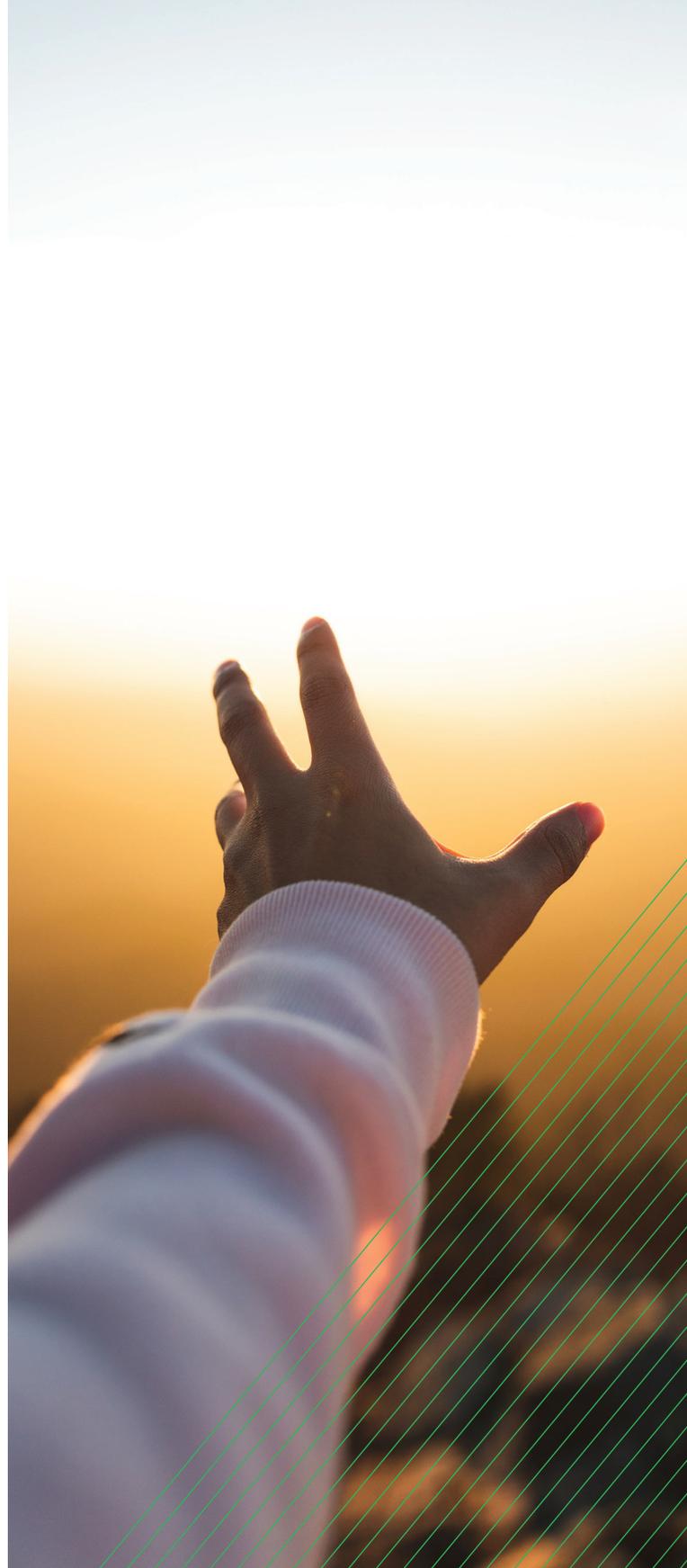
Percentage of respondents who think a CEO, Founder, or Owner are “extremely responsible” or “very responsible” for driving a **brand's Purpose**



The Opportunity Ahead

Eight thousand consumers across the globe have spoken, leaving little doubt about the true business benefit of having a strong Purpose. Companies and brands with a stronger Purpose are four to six times more likely to benefit from stronger reputation, brand affinity and bottom line results than those with a weak Purpose. The significant, positive relationship between the strength of Purpose and business results makes leading with Purpose an imperative for business success.

Every company should not just ask themselves why they exist, but also ask: how strong is that Purpose?





Zeno Strength of Purpose Diagnostic Tool

As part of Zeno's Strength of Purpose study, we built a diagnostic tool that can be applied to any brand and company – brands that have already articulated Purpose and those that are beginning the journey to Purpose.

This tool can help a brand/company evaluate the strength of its Purpose across key metrics and the awareness and relevance of its Purpose among key stakeholders and audiences.

This tool will give brands the intelligence to understand how their brand Purpose is:

- Performing today
- Perceived by consumers
- Impacting their broader business
- Able to be optimized

Methodology

Zeno Group conducted an online survey among n = 8,255 respondents 18+ years old across eight global markets (United States, Canada, United Kingdom, France, China, India, Singapore, Malaysia) in four languages to understand the evolving role of brand Purpose in consumers' lives. The survey was fielded from October 2, 2019 through December 7, 2019. The margin of error is $\pm 1\%$ at a 95% confidence level.

About Zeno Group

Zeno Group is a global, integrated communications agency, born from PR. The award-winning agency is committed to work that delivers true business value for clients across consumer, corporate, health and technology industries. Zeno's Purpose & Impact practice works with clients to create strategies and campaigns spanning Purpose positioning, corporate responsibility, social impact and Purpose marketing communications. Zeno was named 2019 Agency of the Year and Outstanding Midsize Agency of the Year by PRWeek, as well as 2019 Agency of the Year and Midsize Agency of the Year at the SABRE Awards North America. Zeno also received high commendation as 2017 PRWeek International Agency of the Year, was named a Best Place to Work by PRWeek in 2016 and 2017 and received the distinguished Platinum SABRE Award for Best in Show at the 2017 SABRE Awards North America. The agency was recognized at the Cannes International Festival of Creativity in 2018, winning a Bronze PR Cannes Lion, and in 2016, winning a Gold Cannes Lion and a Bronze PR Cannes Lion.

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