

van Deth, Samuel

Article

Purpose 'In These Uncertain Times'

Marketing Review St.Gallen

Provided in Cooperation with:

Universität St. Gallen, Institut für Marketing und Customer Insight

Suggested Citation: van Deth, Samuel (2020) : Purpose 'In These Uncertain Times', Marketing Review St.Gallen, ISSN 1865-7516, Thexis Verlag, St.Gallen, Vol. 37, Iss. 4, pp. 58-62

This Version is available at:

<https://hdl.handle.net/10419/276100>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

Marketing Review St. Gallen



4 | 2020 **SCHWERPUNKT** A Foundational Theory • Marketing-Hype oder langfristiges Erfolgskonzept • Corporate Political Activism • Corporate Volunteering • Agile Brand-Location • Sustainable Marketing Canvas **INSIGHTS** Oracle – Purpose 'In These Uncertain Times' **SPEKTRUM** Sustainability Apps im Shopping • Funktionalität und Nachhaltigkeit im Bergsportmarkt

www.marketing-review.ch

Purpose-Driven Marketing



Purpose *'In These Uncertain Times'*

Piano music, images of empty streets, voice-overs that invoke *'these uncertain times'* and company promises to be there for consumers. Sounds familiar? All have been a central theme in many marketing messages these days.

Samuel van Deth



Sean Haney, a digital marketer at a software company, made an ad compilation called ‘Every Covid-19 Commercial Is Exactly the Same’ after noticing similarities as he worked from home with the television on in the background. While this compilation really makes clear how uncreative these attempts are, most consumers will have already labeled these ads as unauthentic, and therefore ineffective.

Brandwashing is the word that is commonly used to label marketing like this. It is used to describe the misuse of purpose by business that doesn’t align with the values the company shows normally. All to really ‘wash the brand’ with marketing. It is one of many bad examples of purpose-driven marketing.

No More ‘Plain Vanilla’

Purpose is a relatively new practice in business. In the 90’s and 00’s it was enough if a mission statement described how the company expected to make money long term. New times bring new expectations on what companies are for, and we have seen an increased interest in the sociopolitical goals for companies. The word mission is often swapped for purpose. Nike wants to unite the world through sports, Unilever wants to make sustainable living a commonplace, Ikea wants a better everyday life for many. This provides a challenge for marketing. Because for marketers plain vanilla long was the flavor of choice. Meaning marketing was often safe, predictable and stayed far from a sociopolitical perspective.

In this article we take a better look at examples of applied purpose-driven marketing, good ones and bad ones. Finally, some thoughts on using data & privacy as one of the drivers for purpose marketing.

The 6 P’s of Purpose

Ben & Jerry’s was in the eighties one of the first companies that started actively supporting political activism in their campaigns or product names. Examples are ice-cream tastes like “Hubby Hubby” in support of same sex marriages or “Yes Pecan” in support of Barack Obama’s presidential campaign. While risking offending part of the buying audience, it also builds deeper relationships with others. And, most importantly make the icecream of Ben & Jerry’s stand out in a market full of boring brands. So how to do it right?

Jay Curley – Global Head of Integrated Marketing at Ben & Jerry’s - has recently published an article where he defined the 6 p’s or purpose. It is a framework “to deploy traditional business marketing tools, techniques, and channels to advance social change, not just sell more stuff.” It starts with defining a ground rule. Brands should follow acti-

Samuel van Deth

Director CX
Marketing Strategy EMEA
ORACLE Nederland BV
Samuel.van.Deth@Oracle.com
twitter handle: samuelvandeth



Purpose ‘In these uncertain times’ Everything sounds the same (Photo: Nurture Digital)

vism, not create it. Activists are the experts not brands. Then it defines the 6 P's you need to consider. Purpose – your core values, People – the real connection with the people in the movement, Policy – tangible change: it really moves something, Power – resources a company commits in support, Publishing – storytelling a brand can deliver and Pop Culture – the creativity to bring the message across.

Don't Do It?

Nike is often credited for having one of the best slogans in marketing. "Just do it". However, in support of the anti-racism movement it delivered a post with the slogan "For once, don't do it". It was not the first time for Nike to support political activism for equality. It must have been one of the first times for adidas – their largest and most fierce competitor – to endorse the statement and share it on their own social channels. Receiving similar number of likes. Nike has faced serious impact by taking a stance for political activism, including numerous shoe burnings. The question is whether it is 'marketing wise' smart to follow as adidas. Is equality as embedded in adidas' purpose as Nike's? Do they deliver their own storytelling and pop culture? Not really. While it must be seen as a sympathetic move in a time where people seem to stand up against each other, it doesn't really connect in a broader way to adidas' own purpose.

Culture Eats Strategy for Breakfast

The best marketers in the world understand marketing can't be a cheap trick. Sure, cheap tricks will work once or twice, but to be truly impactful marketing needs alignment with the strategy and the culture of an organization. The management consultant Peter Drucker is credited for coming up with the quo-



"For once, don't do it"
 Twitter post in support of the anti-racism movement.
 Source: <https://twitter.com/adidas>

te on "Culture eats strategy for breakfast", which can be fully applied to purpose-driven marketing.

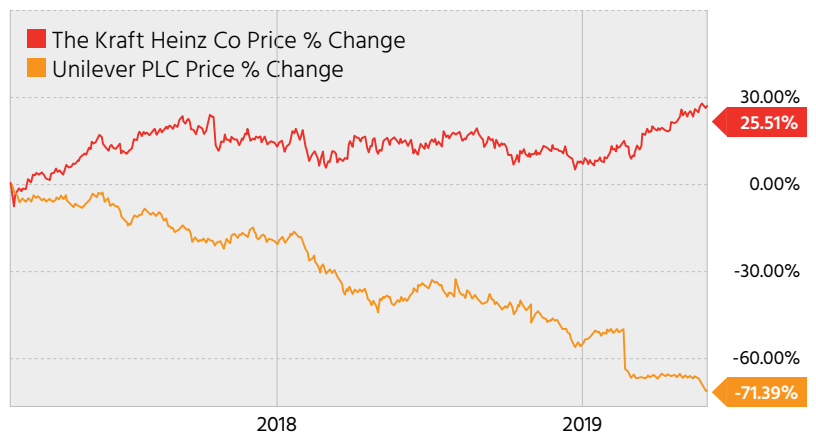
Without owning the purpose as an elementary part of the culture of a company, it will be very hard to make purpose-driven marketing successful. When Nike stands up for equality it knows it is

woven throughout the company. When Nike gets attacked on the number of colored people in VP positions, it has a solid answer. If another company tries to make an equality stand just for a campaign, it can create a backlash. So, when we talk about purpose-driven marketing, we really need to start thinking about purpose-driven business.

Unilever vs Kraft-Heinz – Purpose vs Margin

Paul Polman, Unilever's former CEO, has often been credited for being one of the first CEO's at a large corporate to make a real stance for sustainability, and make purpose a central topic in the business. Likely partly inspired by success of the marketing campaigns from the Ben & Jerry's brand – acquired by Unilever. Polman scraped short term targets and aligned the company towards three sustainability goals. Improving health and well-being for more than 1 billion, reducing environmental impact by half and enhancing livelihoods for millions.

Fig. 1: Unilever vs Kraft-Heinz or Purpose vs Margin: Their Stock Value Over Time



Jun 02 2019, 10:17 AM EDT. Source: <https://seekingalpha.com/article/4267820-kraft-heinz-when-time-comes-to-buy-you-wont-want-to>.

Late 2017 Polman's ambition suddenly seemed at risk. Kraft-Heinz, a merger created by an activist investment group, 3G Capital, unveiled plans to acquire Unilever with a bid of \$143 billion. Kraft-Heinz boosted way better margins and expected shareholders to accept a solid acquisition price. 3G Capital had been the group behind several large mergers and was known for ruthless cost cutting to drive efficiencies of scale and generate stronger margin and short-term shareholder value. In the bid for Unilever 3G Capital had the further support of Warren Buffett's Berkshire Hathaway Inc.

Needless to say, 3G as a main shareholder meant no good news for Polman's sustainability goals. Polman opposed strongly and has been able to shake off the acquisition attempt. In the end mainly because Warren Buffet supposedly didn't believe in hostile takeovers. What is interesting, is what happened next.

The Short, the Long

As a side effect of the merger attempt Unilever realized it needed to better balance short- and long-term goals to be able to guide its own destiny. A renewed focus on providing shareholders the appropriate value they expect, based on a solid margin that likely impact the sustainability goals in some effect. If we look at the stock price of the two companies Unilever & Kraft-Heinz it becomes apparent that the strategy has paid off dramatically. Unilever's value has surged – way above peer growth – while Kraft-Heinz value has declined strongly.

What the Unilever vs Kraft-Heinz story teaches us are two things:

1. There is no such thing as sustainability vs margin. Both need to be aligned to be applied successful.



Data privacy as a differentiator in ads by Apple Inc. in Las Vegas

Source:
<https://www.pinterest.com/pin/828451293931880435/>

As a countereffect several companies take the opposite angle and use a different handling of consumer data as a main differentiator for their business.

2. If balanced and executed well, long-term value creation is likely to outpace short term profits.

In other words, Unilever set the business book example that purpose-driven business is a valid business practice.

Privacy for Purpose

Purpose can be driven from many things. Early on Google introduces the mantra 'Don't be Evil' to keep the idealistic early days and differentiate from the corporate world. In 2015 Google changed it to 'Do the right thing'. Not

long after dropping the notion completely. Coincidence or not, in the recent years Google – and other Silicon Valley internet companies like Amazon and Facebook – are coming under increased scrutiny by regulators at home and abroad of misusing consumer data to build and maintain monopolies.

Another growing critique is that these tech companies optimize their algorithm to trigger the 'monkey brain' of humans with quick rewards such as like's, auto replay & smart recommendations. All in the aim for more reach and more (advertising) revenue. But as a side effect it often creates socially unwanted outcomes like social disconnection, distraction to the life that really matters and higher goals an individual might have. The Center of Humane Technology – founded by Tristan Harris, a former Design Ethicist at Google – is one of the main bodies trying to create transparency on how humans are increasingly being steered through technology.

As a countereffect several companies take the opposite angle and use a different handling of consumer data as

a main differentiator for their business. Either by really helping consumers based on the data they leave behind, not the business per se, or to make sure their privacy is better protected. Apple is one of the companies being most loud about privacy as a key value they protect. Also using it actively in their marketing.

Another more subtle example is IKEA. In a very candid release they have shared how they have struggled with their data management. They aim to open a dialogue to explain in a better way what the data is that is left behind when visiting Ikea physically or digitally. And provide clear granular means to control the data. At times where large competitors like Amazon and other retailers are actively selling consumer data or using that data to target ads, it is a smart move to take the protective approach for the consumer.

Help People see Data in New Ways – Driving Purpose at Oracle

At Oracle we have seen a change in our marketing in recent days. From a dated bright red; the style has transcended in natural colors and a more

delicate use of the brand logo. A style that now carries its own name ‘Redwood’ and is being applied throughout the business. But it is not just looks. As part of an overall cultural change, Oracle’s mission also changed. From a


Oracle can support any company compete on data with the big guys, but perhaps now in a more humane way.

non-descriptive statement on what we do; it has become a clearer statement focused on what Oracle is here for: Help people see data in new ways, discover insights and unlock endless possibilities.

Oracle’s data technology has been fundamental for the growth of the largest internet companies like Amazon and Salesforce to run their business on. But also enables the groundbreaking research at CERN, supports the World Bees project and delivers symptom tra-

cing systems for the COVID-19 pandemic outbreak. Oracle has always been well known for scalable data management and data security topics. However, it has not always been well marketed. Purpose is an interesting element. Certainly, in combination with the concerns on data monopolies and privacy concerns around the large consumer internet brands. Oracle can support any company compete on data with the big guys, but perhaps now in a more humane way.

Purpose is not a Trick

Purpose marketing has substantial potential. However as with many good things it has quickly gathered the marketing books as a cheap trick. To avoid that pitfall purpose-driven marketing needs to be tightly woven into the culture of the company. While there is no disagreeing real purpose-driven companies can outperform purely commercial-driven companies. There is also no purpose-driven business without business itself. It even needs to be able to survive the sharks of commercial business. Also, to be effective, it can’t be vanilla. It needs to be strong, stand out, make a stand. 

References

- <https://www.wsj.com/articles/in-these-uncertain-times-coronavirus-ads-strike-some-repetitive-notes-11587355261>
- <https://www.fastcompany.com/3056389/why-google-was-smart-to-drop-its-dont-be-evil-motto>
- <https://www.wsj.com/articles/ikea-promises-new-data-controls-for-consumers-11580383800>
- <https://www.linkedin.com/pulse/6ps-brand-activism-jay-curley/>
- <https://youtu.be/j1MsEI9cTRc>

