

The Public on Purpose

A GlobeScan eBrief

February 2016

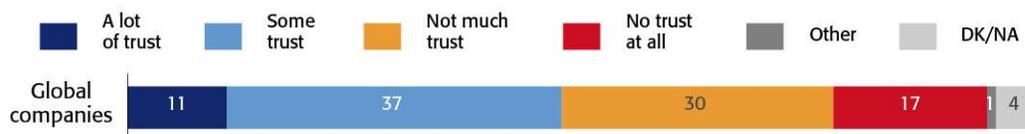
A Challenging Context

GlobeScan's public opinion tracking study Radar 2015 finds an appetite among consumers globally for businesses to demonstrate and fulfil their broader purpose in society.

This appetite for purpose starts with consumers' persistent, almost pernicious, low levels of trust in global companies. GlobeScan Radar 2015 data shows that consumers do not trust companies to act in the best interests of society with nearly half (47%) saying that they have not much or no trust at all in global companies. We have seen ongoing, low levels of trust, particularly in global companies, and to a lesser extent in national companies too. Consumers find it difficult to identify what companies stand for in society beyond the transaction of providing goods and services, motivated by profit generation.

Trust in Global Companies

% Response, Top 2 (4+5, "Total trust"*), Average of 22 Countries,** 2015



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*"A lot of trust" and "Some trust"

**Includes Argentina, Australia, Brazil, Canada, Chile, China, France, Germany, Ghana, Greece, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, Peru, South Korea, Spain, Turkey, UK and USA

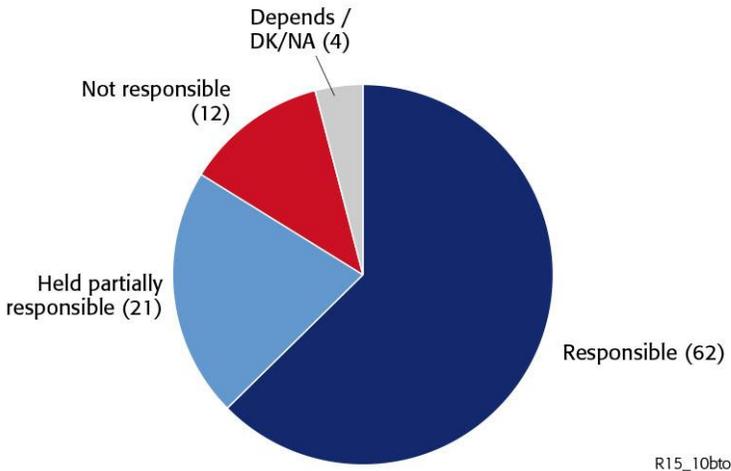
Great Expectations

This lack of trust in companies is accentuated by consumers' high expectations, revealing a persistent trust/expectation gap.

A new Radar question in 2015 addresses the expectation for companies to articulate how their products/services make the world better, i.e., to demonstrate purpose beyond profit. In 2015, 6 out of 10 people (62%) across 21 countries said they believe it is the responsibility of companies to act with this broader purpose – making the world better through their products and services.

Global Expectations for Corporate Purpose

% Response, Average of 21 Countries,* 2015

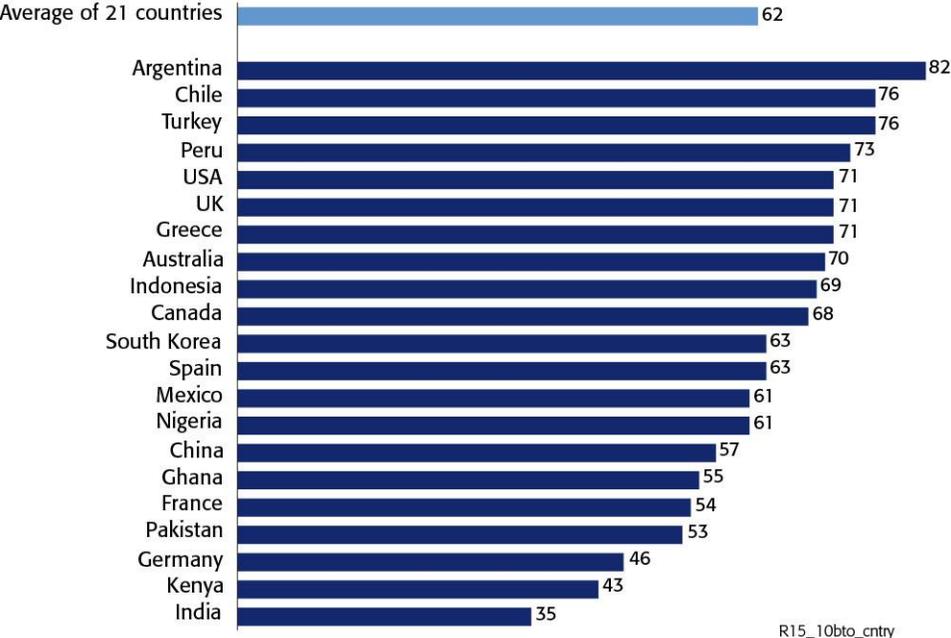


*Includes Argentina, Australia, Canada, Chile, China, France, Germany, Ghana, Greece, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, Peru, South Korea, Spain, Turkey, UK and USA

Expectations for purposeful businesses are highest in Latin American countries such as Argentina and Chile, where over three quarters of consumers hold companies responsible for demonstrating a clear purpose. Expectations are also high in UK and USA, with 71 percent of the public in both countries looking to business with anticipation. In some emerging markets such as India and Kenya, expectations are lower. Perhaps in these countries people are less likely to hold companies to account for this broader business purpose because corruption-free profit generation is seen as an important piece to support their emerging economies.

Expectations for Corporate Purpose

% Response, Top 2 (4+5, "Responsible"), by Country, 2015



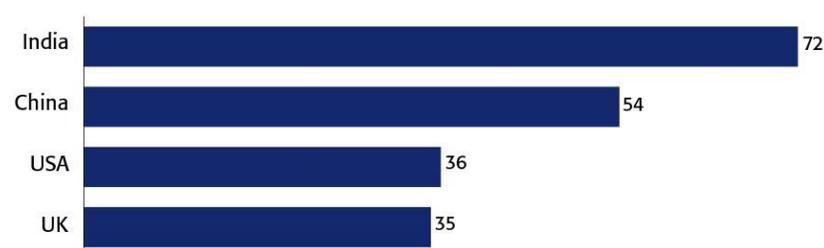
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Early Views on Leadership

The first finding from this question is the high number of “don’t know” responses. Nearly three quarters (72%) of respondents in India were unable or unwilling to name a company representing their style and values, along with over half of the respondents in China (54%), and a third in the UK (35%) and USA (36%). This highlights the challenge that companies face in effectively and authentically communicating about their role in society. Very few companies have mastered the art of engaging consumers en masse in these conversations about values, visions and the purpose of business.

Inability to Name a Company that Represents Personal Values and Style

% Response, "DK/NA" and "None/nothing," by Country, 2015



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Among the consumers that do offer an opinion, in China many people spontaneously mention Asian technology companies such as China Mobile, Haier, Lenovo and Samsung as purposeful companies, ticking the box on both style and values. These companies could arguably be demonstrating their purpose and role in society beyond profit through the role their products play in connecting people. Still, no one company is standing out, and differentiation on the value of connectivity is up for grabs.

In the UK, retailers – and particularly the more progressive department stores – dominate the list of values-drive companies. Long-term sustainability leader M&S tops the list, followed by employee-owned John Lewis. Both stores are committed to offering sustainable products and this positioning is being recognised by consumers.

So, despite a strong core of consumers expecting companies to operate and create products in the interests of society, businesses' purposeful stories are still struggling to penetrate consumer consciousness.

We believe these findings demonstrate the need for businesses to develop, embed and communicate an authentic purpose. There is both a desire and an opportunity for companies to tell an authentic story about why they exist. We define purpose as: "An explicitly stated and authentic belief that defines how the business creates value for itself and society. By aligning everyone within the business toward a common goal, it directs business decisions that determine the way value is created and guides how the company engages its stakeholders."

GlobeScan's Purpose Practice

At GlobeScan, we believe that at the core of the most successful, sustainable and attractive companies is a singular, authentic purpose that defines how the business creates value for itself and society. By aligning everyone within a company toward a common goal, it directs

business decisions that determine the way value is created and guides how the company engages its stakeholders.

It is not a simple task for a company to arrive at this central purpose in a way that effectively engages its employees and external stakeholders. A genuine purpose must grow from the heart of the business, from its foundations, its history and its values and provide opportunities for differentiation in a competitive marketplace. Anything less and the company will miss the opportunity to enhance its reputation, build trust and create more value.

GlobeScan helps companies at different stages of their purpose journey in three fundamental ways:

- | Identifying, expressing and positioning the purpose internally and externally;
- | Engaging internal and external stakeholders to facilitate understanding, approval, integration and advocacy of the purpose;
- | Measuring and monitoring the impact of the purpose on trust and core business value- reputation equity, brand equity and talent equity.

The value GlobeScan brings to this process is rooted in stakeholder intelligence and engagement. By utilizing a range of research and engagement methodologies including benchmarking, in-depth stakeholder conversations, quantitative surveys, dialogues and workshops, we ensure the insight and ideas we deliver are evidence-rich.

About GlobeScan

GlobeScan is an evidence-led strategy consultancy focused on stakeholder intelligence and engagement.

Offering a suite of specialist research and advisory services, GlobeScan partners with clients to meet strategic objectives across reputation, sustainability and purpose.

GlobeScan's overarching purpose is to help our clients redefine what it means to be in business.

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 GlobeScan Stakeholder Intelligence and Engagement: central to our three specialist practice areas.

