Fifth Global Consumer Study 2012
What consumers have to say...

StrategyOne surveyed 8,000 consumers across 16 countries, aged 18+
Consistent Commitment; Diverse Opportunity

- Improving the quality of healthcare: 89%
- Protecting the environment: 89%
- Ensuring access to safe drinking water: 86%
- Equal opportunity to education: 86%
- Stopping relationship violence and abuse: 84%
- Reducing poverty: 84%
- Aiding in disaster relief: 83%
- Alleviating hunger and homelessness: 83%
- Supporting human and civil rights: 83%
- Encouraging tolerance for people who are different: 82%
- Fighting the spread of global disease and pandemics: 80%
- Helping to raise people's self-esteem: 78%
- Supporting animal rights: 74%
- Supporting the creative arts: 67%
But, Differences Exist in Local Markets (US)

<table>
<thead>
<tr>
<th>Cause</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alleviating hunger and homelessness</td>
<td>91%</td>
</tr>
<tr>
<td>Improving the quality of healthcare</td>
<td>91%</td>
</tr>
<tr>
<td>Supporting human and civil rights</td>
<td>90%</td>
</tr>
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<td>Ensuring access to safe drinking water</td>
<td>89%</td>
</tr>
<tr>
<td>Equal opportunity to education</td>
<td>88%</td>
</tr>
<tr>
<td>Protecting the environment</td>
<td>87%</td>
</tr>
<tr>
<td>Fighting the spread of global disease and pandemics</td>
<td>86%</td>
</tr>
<tr>
<td>Aiding in disaster relief</td>
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<tr>
<td>Encouraging tolerance for people who are different</td>
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<td>Helping to raise people’s self-esteem</td>
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<tr>
<td>Supporting the creative arts</td>
<td>76%</td>
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</tbody>
</table>
5 Years of Purpose
The Reengineering of Brand Marketing
The Power of Purpose

From product innovation and R&D, to supply chain optimization and 360 marketing, our study reveals it is the power of Purpose that is helping to drive consumer preference in a world where trust in corporations is low and differentiation between brands is negligible.
The Reengineering of Brand Marketing
Profit + Purpose: The New Normal

It is OK for brands to support good causes and make money at the same time

2008: 57%
2009: 68%
2010: 70%
2012: 76%

+33%
Social Purpose as Purchase Trigger

When quality and price are the same, Social Purpose most important factor

Growth from 2010

- Japan (100%)
- China (79%)
- Netherlands (43%)
- Germany (36%)
- India (43%)
Global Consumers Prefer Purpose

<table>
<thead>
<tr>
<th>Year</th>
<th>RECOMMEND</th>
<th>Promote</th>
<th>Switch</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>52%</td>
<td>53%</td>
<td>67%</td>
</tr>
<tr>
<td>2009</td>
<td>64%</td>
<td>59%</td>
<td>67%</td>
</tr>
<tr>
<td>2010</td>
<td>63%</td>
<td>62%</td>
<td>63%</td>
</tr>
<tr>
<td>2012</td>
<td>72%</td>
<td>71%</td>
<td>73%</td>
</tr>
</tbody>
</table>

- Recommend: +39%
- Promote: +34%
- Switch: +9%
Purchase Frequency

‘At Least Monthly’ purchases of cause-supporting brands increased by 47% from 2010 - 2012

<table>
<thead>
<tr>
<th>Year</th>
<th>At Least Monthly</th>
<th>Every 6 to 12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>32%</td>
<td>34%</td>
</tr>
<tr>
<td>2012</td>
<td>47%</td>
<td>19%</td>
</tr>
</tbody>
</table>
License to Lead
Building Future Performance on Societal Actions
The New Imperative

Rather than merely exercising their “license to operate,” leading brands and corporations of the future must move beyond operational imperatives and social add-on’s to establish their “license to lead.”
Business vs. Society

87% globally believe business should place at least equal weight on business and society
Business is Struggling to Meet Expectations

Only 28% believe business is performing well in addressing societal issues
Performance Gap in Addressing Societal Issues

Gap could drive disillusionment, disengagement and distrust

87% believe business should place at least equal weight on societal issues and business issues

Performance lacking on addressing societal issues

Only 28% believe business is performing well
The Role of the CEO

CEOs must think proactively about using their business to address societal issues:

- **Create socially responsible and innovative products**: 56%
- **Make a long-term commitment to societal issues**: 55%
- **Publicly supporting societal issues**: 55%
- **Motivate employees to take part**: 52%
- **Communicate efforts to address societal issues**: 51%
- **Issue reports on environment/social efforts**: 41%
- **Use revenue to produce materials that raise awareness for societal issues**: 36%
What Should Companies be Doing?

50%+ believe companies should donate a portion of profits or products/services to address societal issues

- Donating a portion of profits: 51%
- Donating products or services: 50%
- Creating new products or services: 49%
- Providing educational information: 47%
- Working with the government: 45%
- Offering programs for employees: 45%
- Partnering with NGOs: 43%
- Enabling employees to volunteer: 42%
- Organizing consumer events: 41%
- Collaborating with other companies: 36%
- Social network for consumers to address societal issues: 28%
- Employee fundraising programs: 27%
- Creating software/mobile fundraising apps: 19%
- Creating software/mobile communication apps: 19%
Consumers will praise...and punish

Company that does NOT actively support a good cause —

<table>
<thead>
<tr>
<th>Increase from 2010</th>
<th>44%</th>
<th>+ 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>REFUSE TO BUY PRODUCTS/SERVICES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ 7</td>
<td>44%</td>
<td>+ 7</td>
</tr>
<tr>
<td>CRITICIZE IT TO OTHERS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ 5</td>
<td>44%</td>
<td>+ 5</td>
</tr>
<tr>
<td>SHARE NEGATIVE OPINIONS AND EXPERIENCES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ 11</td>
<td>48%</td>
<td>+ 11</td>
</tr>
<tr>
<td>NOT WANT TO WORK FOR IT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ 7</td>
<td>53%</td>
<td>+ 7</td>
</tr>
<tr>
<td>NOT INVEST IN IT</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Company that actively supports a good cause +

<table>
<thead>
<tr>
<th>Increase from 2010</th>
<th>76%</th>
<th>+ 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUY ITS PRODUCTS/SERVICES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ 9</td>
<td>76%</td>
<td>+ 9</td>
</tr>
<tr>
<td>RECOMMEND ITS PRODUCTS/SERVICES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ 8</td>
<td>73%</td>
<td>+ 8</td>
</tr>
<tr>
<td>SHARE POSITIVE OPINIONS AND EXPERIENCES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ 4</td>
<td>57%</td>
<td>+ 4</td>
</tr>
<tr>
<td>WANT TO WORK FOR IT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ 4</td>
<td>45%</td>
<td>+ 4</td>
</tr>
<tr>
<td>INVEST IN IT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ 4</td>
<td>44%</td>
<td>+ 4</td>
</tr>
<tr>
<td>PAY A PREMIUM FOR ITS PRODUCTS/SERVICES</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The More You Know

It is critical for companies to make consumers aware of their efforts.
Societal Performance = The Human Factor

Current Purchase Consideration
- Works to protect and improve the environment
- Creates programs that positively impact the local community in which the company operates
- Has ethical business practices
- Takes responsible actions to address an issue or a crisis
- Addresses society’s needs in its everyday business
- Listens to customer needs and feedback
- Treats employees well
- Places customers ahead of profits

Building Future Purchase Intent
- Treats employees well
- Listens to customer needs and feedback
- Works to protect and improve the environment
- Has ethical business practices
- Takes responsible actions to address an issue or a crisis
- Places customers ahead of profits
- Creates programs that positively impact the local community in which the company operates
- Addresses society’s needs in its everyday business
Take Note: Be More Human
The New “Purpose Bull Markets”
Bullish on Purpose

Consumers in Rapid Growth Economies (RGEs) have much higher expectations of and engagement with brands and corporations on societal issues.
Who are the Purpose Bull Markets?
Empowered to Make a Difference

Purpose Bull Markets | Purpose Bear Markets

COMPARED TO FIVE YEARS AGO, ‘PEOPLE LIKE ME’ NOW HAVE MORE POWER AND INFLUENCE TO MAKE A DIFFERENCE

63% (Purpose Bull Markets) | 29% (Purpose Bear Markets)

THE RESPONSIBILITY OF ‘PEOPLE LIKE ME’ HAS INCREASED

56% (Purpose Bull Markets) | 37% (Purpose Bear Markets)
### Purpose Bull Markets vs. Purpose Bear Markets

<table>
<thead>
<tr>
<th>Statement</th>
<th>Bull Market</th>
<th>Bear Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have more trust in a brand that is ethically and socially responsible</td>
<td>66%</td>
<td>83%</td>
</tr>
<tr>
<td>I am more likely to recommend a brand that supports a good cause</td>
<td>64%</td>
<td>82%</td>
</tr>
<tr>
<td>I would help a brand promote its product/services if it had a good cause</td>
<td>63%</td>
<td>81%</td>
</tr>
<tr>
<td>I would switch brands if a different brand supported a good cause</td>
<td>67%</td>
<td>80%</td>
</tr>
<tr>
<td>I want brands to make it easier for me to make a difference in the world</td>
<td>62%</td>
<td>79%</td>
</tr>
<tr>
<td>Brands can support good causes and make money at the same time</td>
<td>72%</td>
<td>78%</td>
</tr>
<tr>
<td>I want brands to do more for me than provide a product</td>
<td>57%</td>
<td>73%</td>
</tr>
</tbody>
</table>
Responsibility at Work

Bull Market consumers are more likely to donate and personally participate

<table>
<thead>
<tr>
<th>Activity</th>
<th>Purpose Bull Markets</th>
<th>Purpose Bear Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>DONATED MONEY</td>
<td>63%</td>
<td>52%</td>
</tr>
<tr>
<td>VOLUNTEERED AT AN EVENT IN MY COMMUNITY</td>
<td>44%</td>
<td>23%</td>
</tr>
<tr>
<td>DONATED MY TIME OR EXPERTISE</td>
<td>44%</td>
<td>23%</td>
</tr>
<tr>
<td>PARTICIPATED IN FUNDRAISING EVENTS SPONSORED BY A BRAND OR CORPORATION</td>
<td>26%</td>
<td>12%</td>
</tr>
</tbody>
</table>
Paying for Purpose
Bull Market consumers more willing to pay a premium for Purpose
Preference in Practice
Bull Market consumers’ cause-related purchases

Bull Markets
- 84% AT LEAST YEARLY
- 62% AT LEAST MONTHLY
- 22% EVERY SIX TO 12 MONTHS

Bear Markets
- 57% AT LEAST YEARLY
- 37% AT LEAST MONTHLY
- 19% EVERY SIX TO 12 MONTHS

*Note: ‘At least yearly’ NET may not add to the total due to rounding
But...activity not limited to offline
Technology in societal action

- At least monthly Internet use
- Use mobile at least yearly
Discovering the “Me in We”
Defining the Me in We

As the disparity between the haves and have not’s continues, more and more consumers are discovering the me (personal need) in the we (the common good)…Purpose Gets Personal.
The Globalization of Need

Because of the global recession, societal issues are hitting close to home

- Unable to pay medical expenses or afford healthcare
- Reduced spending on food
- My salary decreased
- Reduced leisure shopping
- Unable to donate as much money to societal issues

85% of those surveyed around the world say they have been affected by the economic downturn in some way.
Balancing Me and We

52% of global consumers believe it’s equally important to address issues that impact me personally and society overall.
Me: Empowered

‘People like me’ now have more power and influence to make a difference
Me: On the Rise

Who should be most responsible to address societal issues?

In the US, “people like me” are most responsible to address societal issues.
Me: Involved

Personal involvement in good causes on the rise in most markets, except US

Global: 56% (2010) to 55% (2012)
China: 89% (2010) to 94% (2012)
Netherlands: 63% (2010) to 69% (2012)
Brazil: 55% (2010) to 65% (2012)
US: 60% (2010) to 53% (2012)
Germany: 39% (2010) to 48% (2012)
Italy: 38% (2010) to 44% (2012)
Japan: 19% (2010) to 26% (2012)
Purpose is Personal

Economic uncertainty is redefining what we consider “cause”
89% of global consumers take part in activities to address societal issues.

- 72% in US recycle regularly
- 77% of Chinese donated money
- 63% of Brazilians voiced their concerns
- 75% of Germans take actions to conserve energy
Turning Insights into Action
5 Years of Learning

1. Purpose key driver in reengineering brand marketing
2. Purpose definitive purchase trigger
3. Largest growth markets bullish on Purpose
4. Operational excellence + societal performance rewarded
5. Corporations earn License to Lead via Purpose
Not IF, but **HOW**...

<table>
<thead>
<tr>
<th>LEAD</th>
<th>Powerful programs are leader led</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONSTRUCT</td>
<td>Start with depth, not scale</td>
</tr>
<tr>
<td>CUSTOMIZE</td>
<td>Customize for local execution</td>
</tr>
<tr>
<td>COLLABORATE</td>
<td>Work with NGOs, colleagues, competitors</td>
</tr>
<tr>
<td>MEASURE</td>
<td>Build performance measures up front</td>
</tr>
<tr>
<td>NARRATE</td>
<td>Story, story, story</td>
</tr>
<tr>
<td>ENGAGE</td>
<td>Employees, partners, consumers</td>
</tr>
<tr>
<td>EVOLVE</td>
<td>Evolve programs to stay relevant</td>
</tr>
</tbody>
</table>
What’s Your Purpose?