

THE BUSINESS CASE FOR PURPOSE – REPORT

We are Conspiracy of Love, the world's most inspiring purpose consultancy. We work with iconic brands like adidas, Red Bull, Oreo and Microsoft, as well as Fortune 500 companies like Unilever, AB InBev, Diageo and more to help them discover and unleash the power of purpose.

We created this report to equip you with all research and data you need to make a clear case for purpose and how it can benefit your company or brand.

The report is focused on three areas:

1) Consumers 2) Employees and 3) Investors
to illustrate how purpose unlocks unprecedented growth and impact across all key aspects of your business.

We hope you find this useful, and don't hesitate to reach out if we can help you with anything.

Afdhel & Bobby

www.conspiracyoflove.co

AFDHEL AZIZ & BOBBY JONES



CONSPIRACY
OF LOVE 

CONSUMERS

By pretty much every measure of brand health, consumers are more likely to a) try, b) stay loyal, c) pay more, and d) advocate for brands that genuinely do good.

TRIAL

The [Cone/Porter Novelli survey](#) found that **66% OF CONSUMERS WOULD SWITCH FROM A PRODUCT THEY TYPICALLY BUY, TO A NEW PRODUCT FROM A PURPOSE-DRIVEN COMPANY**. This figure [goes up to 91%](#) when Millennials (born 1980–1994) are polled.

And this isn't limited to the developed world: According to the [Edelman Earned Brand](#) study, 50% of consumers across 14 major markets, including the U.S., China, India, Mexico, U.K., The Netherlands, Germany, Brazil, Japan and more, are belief-driven buyers (and they skew younger, with higher percentages among Millennials (60%) and Gen-Z (53%)).

When it comes to Gen-Z (born 1995–2015), the next wave of consumers entering the market after Millennials, the trends are even more pronounced. [According to Fuse Marketing](#), after learning that a brand supports a social cause or is socially responsible, Gen-Z consumers are:

- 85% more likely to trust a brand
- 84% more likely to buy their products, and
- 82% likely to recommend that brand to their friends and family.

LOYALTY

[Sustainable Brands](#) and Harris Poll found that **"80% OF PEOPLE SAY THEY ARE LOYAL TO BUSINESSES THAT HELP THEM ACHIEVE THE GOOD LIFE"** (defined by four major components: balance and simplicity, meaningful connections, money and status, and personal achievement.)

The same poll found that 76% believe making a difference in the lives of others is necessary for living the Good Life.

ADVOCACY

The [Cone/Porter Novelli survey](#) found that **78% OF CONSUMERS WOULD TELL OTHERS TO BUY FROM A PURPOSE-DRIVEN COMPANY** and that 68% are more willing to share content with their social

66%

OF CONSUMERS WOULD SWITCH FROM A PRODUCT THEY TYPICALLY BUY, TO A NEW PRODUCT FROM A PURPOSE-DRIVEN COMPANY

– THE CONE/PORTER NOVELLI SURVEY –

78%

OF CONSUMERS WOULD TELL OTHERS TO BUY FROM A PURPOSE-DRIVEN COMPANY

– THE CONE/PORTER NOVELLI SURVEY –

networks over that of traditional companies. 73% of consumers are also willing to stand up for a Purpose-driven brand if it is spoken badly of.

[Accenture](#) found that more than half (53%) of consumers who are disappointed with a brand's words or actions on a social issue complain about it, with 47% walking away in frustration, with 17% not coming back.

The [Wall Street Journal](#) found that **"ALMOST 60% OF AMERICANS SAID LAST YEAR THAT THEY WOULD "CHOOSE, SWITCH, AVOID OR BOYCOTT A BRAND BASED ON ITS STAND ON SOCIETAL ISSUES,"** compared to just 47% in 2017.

The [2018 Edelman Earned Brand study](#) found that "nearly two-thirds (64%) of consumers around the world will buy or boycott a brand solely because of its position on a social or political issue."

PRICE PREMIUM

[Nielsen](#) found that 2 in 3 consumers will pay more for products and services from brands that are committed to making a positive social impact.

[IBM research](#) developed in partnership with the National Retail Federation (NRF), polled nearly 19,000 consumers from 28 countries, across all demographics and generations, from Gen-Z to Baby Boomers (ages 18–73) and found that "on average, 70% of purpose-driven shoppers pay an added premium of 35% more per upfront cost for sustainable purchases, such as recycled or eco-friendly goods."

STRATEGIC CLARITY

The [Harvard Business Review](#) found that purpose helps "redefine the playing field" in a way that opens up new territories for growth, and "reshapes their value proposition" in a way that broadens their mission, creates a holistic value proposition, and delivers lifetime benefits to customers, all strategies that contribute to long-term growth.

REPUTATION MANAGEMENT

A [Fortune survey by New Paradigm Strategy Group](#) found that nearly **72% OF THE ADULTS SURVEYED AGREE THAT PUBLIC COMPANIES SHOULD BE MISSION-DRIVEN**, as well as focus on their shareholders and customers. In that same poll, 64% of respondents say that a company's primary purpose should include 'making the world better'.

2 IN 3

CONSUMERS WILL
PAY MORE FOR
PRODUCTS AND
SERVICES FROM
BRANDS THAT ARE
COMMITTED TO
MAKING A POSITIVE
SOCIAL IMPACT

– NIELSEN –

72%

OF THE ADULTS
SURVEYED AGREE
THAT PUBLIC
COMPANIES
SHOULD BE
MISSION-DRIVEN

– NEW PARADIGM
STRATEGY GROUP –

The [Edelman Trust Barometer](#) reports that “**80% OF CONSUMERS AGREE THAT A BUSINESS MUST PLAY A ROLE IN ADDRESSING SOCIETAL ISSUES**”; they want a company to take actions which increase profits, improve social conditions, and make the world a better place.”

[Deloitte’s Retail Trends 2020 report](#), which outlines the top six retail trends for the coming year, found that an “authentic purpose is now as important as digital to the next generation of customers.”

[Accenture Strategy’s ‘From me to we: The rise of the purpose-led brand’](#), their most recent global survey of nearly 30,000 consumers, found that 62% of customers want “companies to take a stand on current and broadly relevant issues like sustainability, transparency or fair employment practices.”

INNOVATION

The [Harvard EY Beacon Institute](#) survey found that “**COMPANIES WITH A STRONG SENSE OF PURPOSE ARE ABLE TO TRANSFORM AND INNOVATE BETTER.**” Executives from companies that treat purpose as a core driver of strategy and decision-making reported “greater ability to drive successful innovation and transformational change.”

The survey said that half (53%) of executives at companies with a strong sense of purpose said their organization is successful with innovation and transformation efforts, while less than one-fifth (19%) report success at companies who have not thought about purpose.

[Deloitte Insights 2020 Global Marketing Trends Report](#) also found that purpose-driven companies report 30% higher levels of innovation.

DIVERSITY AND INCLUSIVITY

According to the [Harvard Business Review](#), **COMPANIES WITH ABOVE-AVERAGE DIVERSITY HAVE 19% HIGHER INNOVATION REVENUES AND 9% POINTS HIGHER EBIT MARGINS.**

And also according to [Harvard](#), when Fortune-500 companies were ranked by the number of women directors on their boards, those in the highest quartile in 2009 reported a 42% greater return on sales and a 53% higher return on equity than the [rest](#).

80%

OF CONSUMERS
AGREE THAT
A BUSINESS MUST
PLAY A ROLE
IN ADDRESSING
SOCIETAL ISSUES

– THE EDELMAN
TRUST BAROMETER –

PUR- POSE

COMPANIES WITH
A STRONG SENSE
OF PURPOSE
ARE ABLE TO
TRANSFORM AND
INNOVATE BETTER

COMPANIES WITH ABOVE-DIVERSITY



have 9% higher EBIT margins

have 19% higher innovation revenues

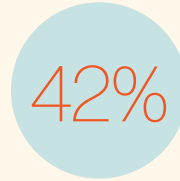


COMPANIES WITH MORE WOMEN ON BOARDS



have 53% higher ROE

have 42% higher returns on sales



30%

PURPOSE-DRIVEN COMPANIES REPORT 30% HIGHER LEVELS OF INNOVATION

– DELOITTE INSIGHTS 2020 GLOBAL MARKETING TRENDS REPORT –

GROWTH

The [Kantar Purpose 2020 study](#) demonstrates that over a period of 12 years, the **BRANDS WITH HIGH PERCEIVED POSITIVE IMPACT HAVE A BRAND VALUE GROWTH OF 175%**, versus 86% for medium positive impact and 70% for low positive impact.

EMPLOYEES

RECRUITING NEW TALENT

[According to Inc](#), Millennials will make up 75% of the workforce by 2025 and they are looking for socially responsible employers.

[The Cone Communications Millennial Employee Study](#) found that 64% of Millennials won't take a job if their employee doesn't have a strong CSR policy, and **83% WOULD BE MORE LOYAL TO A COMPANY THAT HELPS THEM CONTRIBUTE TO SOCIAL AND ENVIRONMENTAL ISSUES** (vs. 70% U.S. average).

And when it comes to Gen-Z, again the data is even more compelling. The newest entrant to the workforce, Gen-Z, is expected to make up 30% of the U.S. workforce in just four years.

A [study by WeSpire](#) found that Gen-Z is **'THE FIRST GENERATION TO PRIORITIZE PURPOSE OVER SALARY'**. They read Mission Statements and Values documents to select where they work and want their employer's values to match their values. They expect consistency and

175%

OVER A PERIOD OF 12 YEARS, THE BRANDS WITH HIGH PERCEIVED POSITIVE IMPACT HAVE A BRAND VALUE GROWTH OF 175%

– KANTAR –

authenticity and will call you out, often publicly, if they don't see it. They will leave companies they believe are hiding or putting too much spin on bad news, ignoring their negative environmental or social impacts, or that have toxic workplace cultures.'

A study by [Peakon](#) reviewing employee comments found that Generation-Z is "the only generation to reference social concerns within employee comments. Raised in a time when the effects of climate change are making weekly headlines, it shows that they care deeply about the world around them."

So if you want to future proof your talent for the next two generations, and attract the best and the brightest, it is crucial that you show them how their work ladders up to something more than just a quarterly profit goal.

MILLENNIALS



GEN-Z

IS 'THE FIRST GENERATION TO PRIORITIZE PURPOSE OVER SALARY

— WESPIRE —

EMPLOYEE PERFORMANCE

A sense of purpose, along with autonomy and mastery, is [a key driver of employee engagement](#).

However, [Gallup's Employee Engagement Poll](#) found that only 34% of American workers were "actively engaged" (defined as "those who are involved in, enthusiastic about and committed to their work and workplace") with the remainder either "not engaged" or "actively disengaged."

Organizations and teams with higher employee engagement and lower active disengagement perform at higher levels. For example according

to the same [Gallup Poll](#), organizations that are the best in **ENGAGING THEIR EMPLOYEES ACHIEVE EARNINGS-PER-SHARE GROWTH THAT IS MORE THAN FOUR TIMES THAT OF THEIR COMPETITORS.**

Compared with business units in the bottom quartile, those in the top quartile of engagement realize substantially better customer engagement, higher productivity, better retention, fewer accidents, and 21% higher profitability. Engaged workers also report better health outcomes.

PAY PARITY

[Fast Company](#) found that **'MOST MILLENNIALS WOULD TAKE A PAY CUT TO WORK AT AN ENVIRONMENTALLY RESPONSIBLE COMPANY.'**

REDUCING TURNOVER

[Benevity's Engagement Study](#), which examined the activity of more than 2 million users on the Benevity platform, found that turnover dropped by an average of 57% in the employee group most deeply connected to their companies' giving and volunteering efforts.

[Deloitte Insights 2020 Global Marketing Trends Report](#) found that **PURPOSE-DRIVEN COMPANIES HAD 40% HIGHER LEVELS OF WORKFORCE RETENTION** than their competitors.

The same [Benevity's Engagement Study](#) showed that the total cost of losing an employee can range from tens of thousands of dollars to 1.5–2 times an employee's annual salary, which for U.S. companies totals more than \$160 billion a year. This shows that giving employees a sense of meaning in their work has tangible and hugely impactful benefits.

77%

OF MILLENNIALS SAY THAT ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONCERNS ARE THEIR TOP PRIORITY WHEN CONSIDERING INVESTMENT OPPORTUNITIES

– DEVERE GROUP –

40%

PURPOSE-DRIVEN COMPANIES HAD 40% HIGHER LEVELS OF WORKFORCE RETENTION

– DELOITTE INSIGHTS 2020 GLOBAL MARKETING TRENDS REPORT –

INVESTORS

And finally, let's look at investors and the exponential increase in 'impact investing' — looking to invest in ways that generate social impact alongside financial returns.

(For the uninitiated, this is sometimes also called "ESG investing": "E" is for "environment" and includes issues such as climate change policies, carbon footprint, and use of renewable energies. "S" is for "social" and includes workers' rights and protections. "G" is for "governance" and

CONSPIRACY
OF LOVE 

includes executive compensations, diversity of the board and corporate transparency.)

The [Business Roundtable 'Statement on the Purpose of a Corporation'](#) created shockwaves when it announced that **181 OF AMERICA'S LEADING CEO'S HAD SIGNED A LETTER SIGNALING A SHIFT AWAY FROM THE ERA OF SHAREHOLDER PRIMACY** (as most famously propagated by Milton Friedman) **TOWARDS "STAKEHOLDER CAPITALISM"**, focused on creating long-term value, better serving all stakeholders — investors, employees, communities, suppliers, and customers.

But the data backs up why this move is essential for long-term success for publicly held companies.

[A 20-year study by the Torrey Project](#) explodes the myth that an ethical, stakeholder-driven approach to business cannot lead to shareholder returns by examining the long-term historical performance of different sets of companies including the S&P 500, Jim Collins' "Good to Great" companies, Raj Sisodia's stakeholder-focused "Firms of Endearment" and Ethisphere's 2019 "Most Ethical Companies."

After comparing these 4 sets of companies' financial performance on the NASDAQ and NYSE over the past 20 years, they found that while Ethical Companies do enjoy a higher level of stock price growth (50% higher than that of the S&P 500 over the same period), **STAKEHOLDER-FOCUSED COMPANIES HAD THE HIGHEST GROWTH OF ALL IN STOCK PRICE** (100% higher than that of the S&P 500 over the same period).

This data has two clear conclusions. (1) Ethical business behavior correlates with high financial returns. (2) Companies who take things one step further and adopt a stakeholder-focused model (that explicitly serves employees, customers, suppliers, business partners, investors, local communities, the environment, and society) have historically shown even higher returns than standard ethical companies.

CURRENT INVESTORS

According to [Morningstar](#), "net flows into sustainable funds this year (2020) are on track to triple their 2018 total, driven by ESG (environmental, social and governance) factors as well as the desire to make a social impact."

A recent [Bank of America Merrill Lynch report](#) predicted a "tsunami" of capital flowing to "good" stocks, fueled by high levels of interest among women, millennials, and wealthy individuals. BofA Merrill Lynch predicts that **OVER THE NEXT TWO DECADES, \$20 TRILLION IN ASSETS**

100%

STAKEHOLDER-FOCUSED COMPANIES HAD 100% HIGHER GROWTH IN STOCK PRICE COMPARED TO S&P 500 OVER THE PAST 20 YEARS

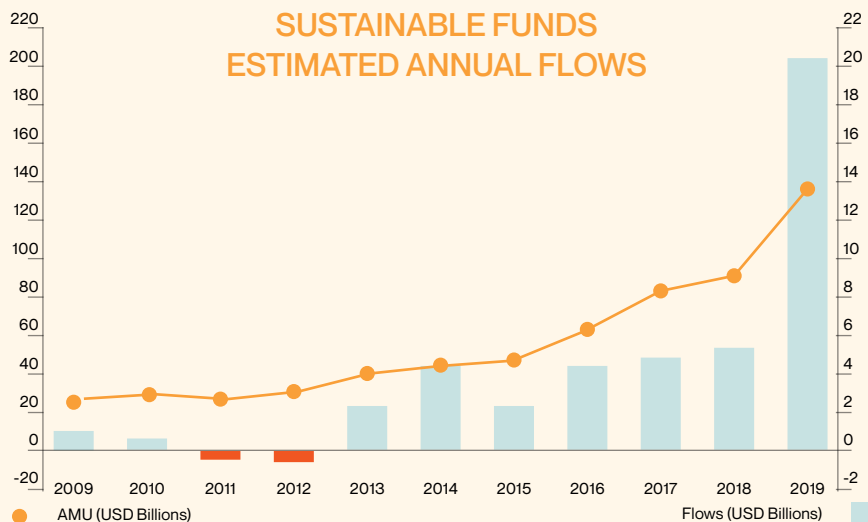
— TORREY PROJECT —

\$20

TRILLION IN ASSETS WILL FLOW INTO SUSTAINABLE FUNDS AND STRATEGIES OVER THE NEXT TWO DECADES

— BOFA MERRILL LYNCH —

WILL FLOW INTO SUSTAINABLE FUNDS AND STRATEGIES, nearly equaling the market value of the S&P 500 today (some \$24.7 trillion).



MOST MILLENNIALS WOULD TAKE A PAY CUT TO WORK AT AN ENVIRONMENTALLY RESPONSIBLE COMPANY

This does not even take into account the seismic shift that is happening as more values-driven investors from the Millennial and Gen-Z generations enter the market.

According to [Coldwell Banker](#), The “Great Wealth Transfer” will see an estimated \$68 trillion passed down from boomers over the next 30 years, and by 2030, Millennials will hold five times as much wealth as they have today.

According to [DeVere Group](#), a survey of Millennial investors around the world found that some **77% OF MILLENNIALS SAY THAT ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONCERNS ARE THEIR TOP PRIORITY WHEN CONSIDERING INVESTMENT OPPORTUNITIES.**

A global poll of 1,125 millennials, conducted by [DeVere Group](#), a British advisory firm, found that ESG concerns topped traditional factors such as anticipated returns (cited as most important by 10% of those polled), past performance (7%), risk tolerance (4%) and tactical allocation (2%) when making investment decisions.

[Swell Investing's 'Money Meets Morals' survey](#) found that **84% OF GEN-Z INVESTORS ARE EITHER ALREADY INVESTED IN SOCIALLY RESPONSIBLE OR IMPACT INVESTMENTS OR PLAN TO INVEST THIS WAY IN THE FUTURE.** Nearly one in three Gen-Z investors (31%) said they would be willing to allocate 50% or more of their investment portfolio to socially responsible or impact investments. One in four millennial investors would do the same.

84%

OF GEN-Z INVESTORS ARE EITHER ALREADY INVESTED IN SOCIALLY RESPONSIBLE OR IMPACT INVESTMENTS, OR PLAN TO INVEST THIS WAY IN THE FUTURE

– SWELL INVESTING –

CONSPIRACY OF LOVE

Conspiracy of Love is the global brand purpose consultancy born out of our best-selling book, 'Good is the New Cool: Market Like You Give a Damn'. Now working with iconic brands such as adidas, Oreo, Red Bull, Microsoft as well as startups and nonprofits, we aim to create a better world.

To learn more or to explore how you can make purpose work for you, your brand, your company, team or division, we would love to hear from you.

www.conspiracyoflove.co