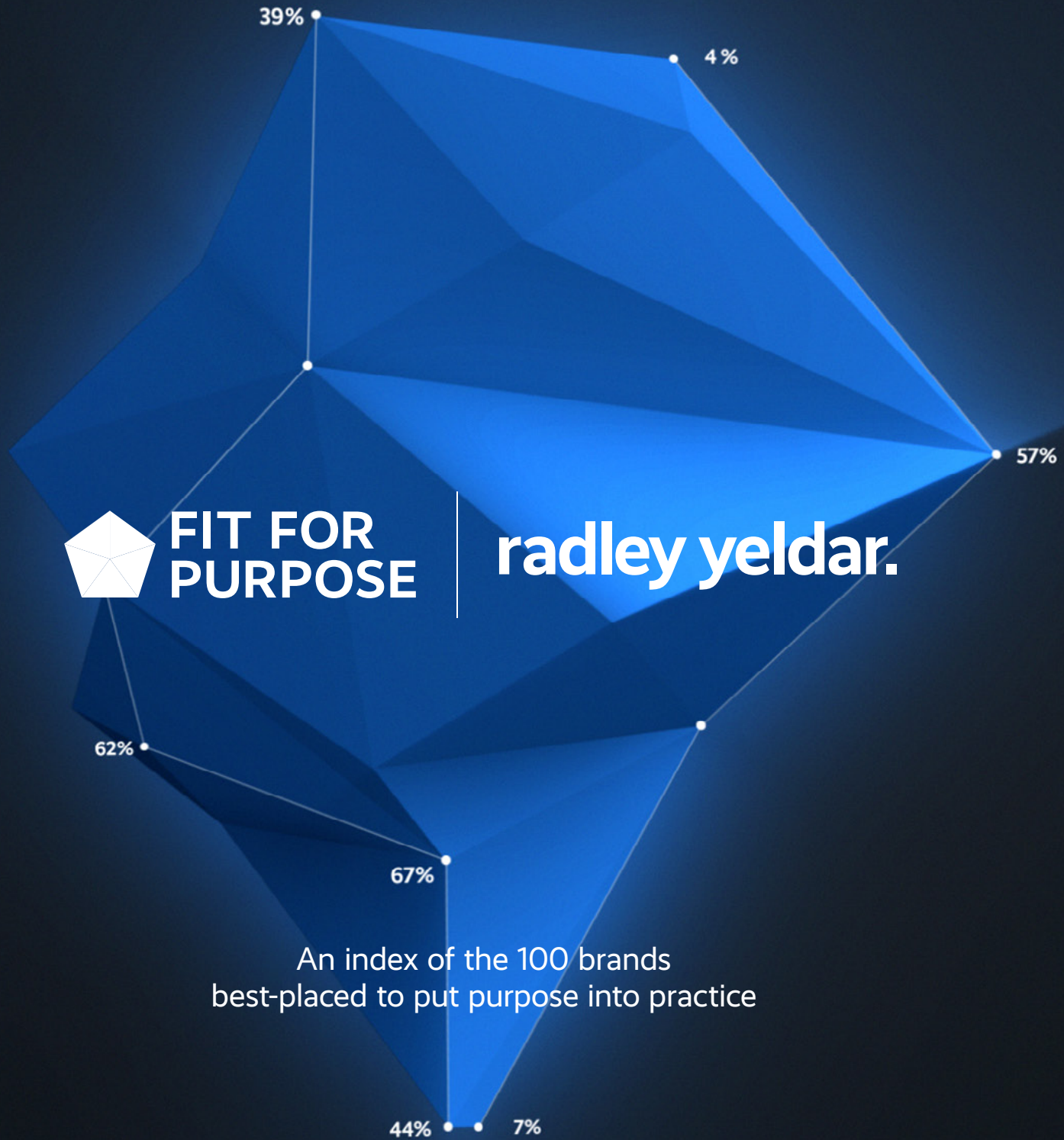




**FIT FOR
PURPOSE**

radley yeldar.



An index of the 100 brands
best-placed to put purpose into practice

Welcome to Fit for Purpose 2018

Purpose. An action not a word.

Since 2015, we've analysed purpose at the world's most powerful brands. We know why it matters. We know when it works. And we know when it doesn't.

The headline? Purpose only works when you live it.

Find out which organisations truly live purpose. Discover how that helps their businesses. And see how purpose can be the answer to your greatest challenges.

PURPOSE IS ALIVE. LIVE IT.

To find out more about, visit:

rypurpose.com



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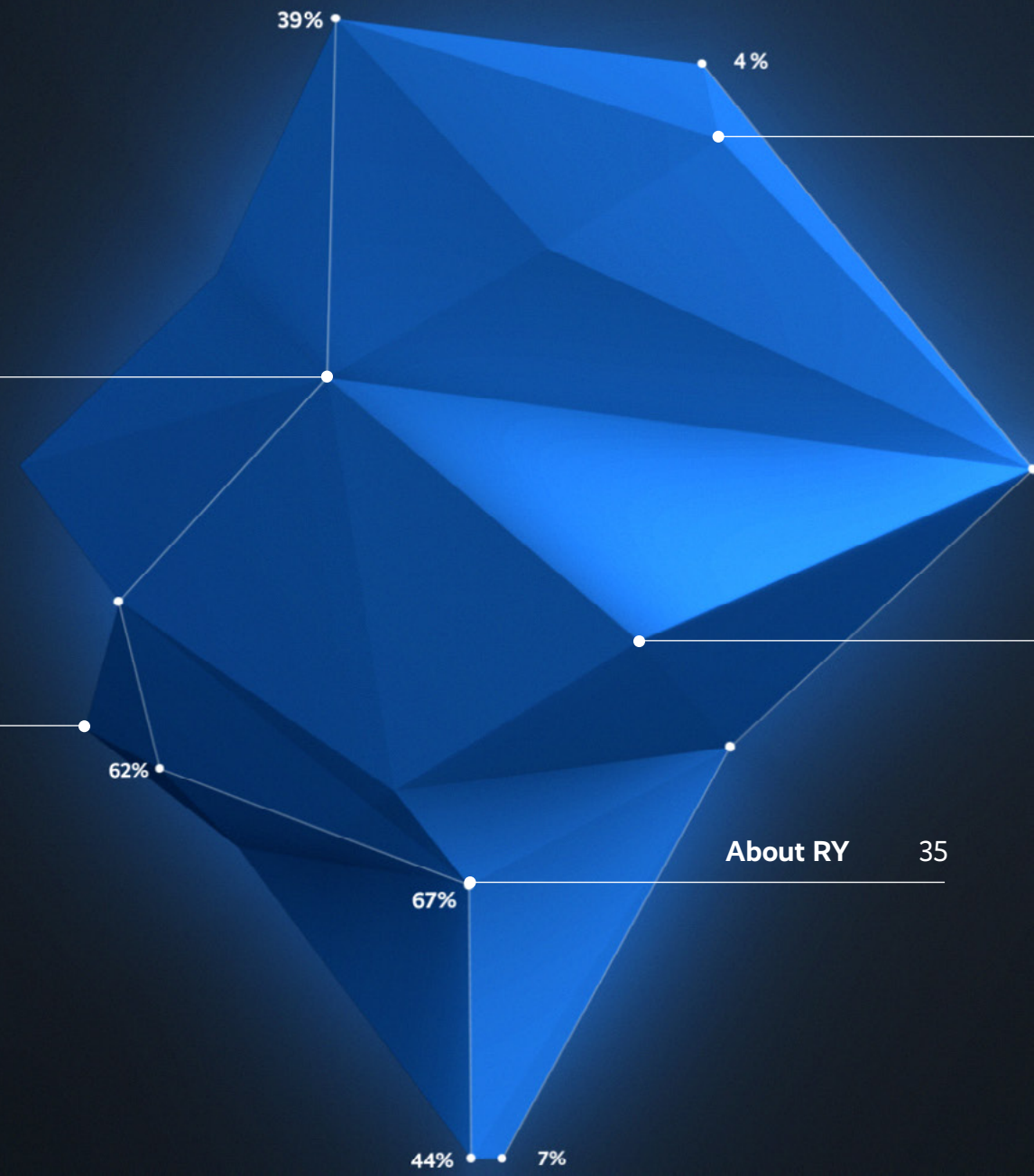
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What's a brand purpose?

Brands with purpose use their unique position, expertise and capabilities to deliver on something that matters to individuals, society or the world.



Purpose. An action not a word.

Since 2015, we've analysed purpose at the world's most powerful brands. We know why it matters. We know when it works. And we know when it doesn't.

Our findings are fascinating. And disappointing.

The headline? Purpose only works when you live it. But when you do, it can be the answer to your greatest business problem.

Paulina Lezama
Brand Director

What problems does purpose solve?

Businesses that make the most of purpose know it's more than just a statement. That it's a living, breathing part of their brand and culture. That it can engage anyone from employees to investors, customers to consumers. That it's incredibly powerful. And they use it to answer big questions...

How do we attract and retain talent?

Talented people can choose where they go. More and more, we're seeing evidence that a paycheck is important but not the ultimate goal. What really motivates and attracts people is autonomy, mastery and purpose.

74%

of LinkedIn members place a high value on work that delivers a sense of purpose.
([LinkedIn](#))

88% of CEOs and **90%** of postgrad students say a business needs a clear purpose to attract the next generation of talent.
([Cranfield School of Management](#))

How can we engage our people?

Purpose is a powerful culture tool you can use to engage your people – it gives them something to believe in, it shows you care about more than profit, and it gets everyone working for the same thing. And that generates big results.

Gallup found that a **10%** improvement in employees' connection with their company's mission leads to a 12.7% reduction in accidents, 8.1% decrease in staff turnover and a 4.4% increase in profitability.

89%

of executives cite a strong sense of collective purpose as a driver of employee satisfaction.
([EY & HBR](#))

84%

of employees working for organisations with a shared sense of purpose are engaged, compared with 32% of those working in organisations without a shared sense of purpose.
([CIPD – Chartered Institute of Personnel and Development](#))



Purpose. An action not a word

Continued

How do we get people to believe in our strategy?

You can use purpose to get people to care about your goals and strategy. It links corporate processes to human values and can help employees see beyond the 9-5 to become more committed. increase in profitability.

82%

of employees and executives have more confidence in companies with a strong sense of purpose. (Deloitte)

Companies with highly engaged employees achieve 2x the annual net income of those with disengaged employees (Qualtrics)

84%

of executives believe an organisation that has shared purpose will be more successful in transformation efforts. (EY & HBR)

How do we get people to understand our commitment to SDGs?

Research shows businesses that recognise the link between sustainable development and success do better in the long run. Putting your purpose at the heart of that connection will help you tell a joined-up, simple story that's easy for people to engage with.

Purpose gives businesses a platform for engagement with stakeholders, from employees to consumers and investors. Yet 75% of companies still don't link the SDGs to their purpose. (Deloitte)

In the last 5 years, companies making a strong commitment to sustainability are estimated to have outperformed competitors in the stock market by 11%. (GreenGiants Book)

How do we improve our business performance?

Purpose should live within a company's strategy, culture, marketing, CSR and reputation management. The quicker brands understand this, the faster the whole business can benefit from it. "Nearly two thirds of CEOs told us that emphasising purpose within their business had helped improve the top line:

63%

indicated it contributed positively to revenue growth compared to just 4% who felt it had detracted. But this is only part of the puzzle and only one measure of performance. As well as improving revenues, CEOs told us that purpose helps build better employee engagement, brand reputation and customer loyalty, as well as attracting new business partners" (PWC)

Purpose works. It's proven. So why the disappointment?

Despite the well-documented business case that proves the value of living purpose, most organisations still aren't doing it.

In a recent survey by EY, 91% of people said their company has a purpose or is developing one. But less than half believed their strategy was aligned with the purpose. And only 37% believed their operating model and operations were aligned with it. That's a huge missed opportunity. And it's something we've seen echoed in our research.

Most of the brands we looked at are still struggling to live purpose properly. Yes, they were using it in campaigns. Yes, they had it on their website. But few went beyond marketing. Few put purpose at the heart of their business strategy; few made it part of their performance KPIs; few had it formally acknowledged by leadership as a critical part of their business.

Too many businesses have rushed to achieve the massive cultural, performance and reputational benefits that living purpose can bring. And in this rush forgotten to consider the impact their purpose should have on what they do, what they measure and how they make decisions.

The rush to be 'purposeful' will mean everyone loses

Businesses that are all talk but no action are making it harder to get the very benefits they seek. They're undermining the value of purpose for the brands that do it properly. Purpose has become nothing more than meaningless marketing jargon. And our research backs this up.

Let's start rebuilding what the word 'purpose' actually means. It's not just a statement on a website; it's a commitment made by the business to the people who matter most. It's not owned by brand or sustainability teams, it's embraced by the whole business – starting with the CEO. It's not an idea for a marketing campaign; it's the reason people choose to work, buy and do business with you, time and time again. Because, with 81% of people believing businesses should improve society (Edelman), it's time to do something about it.

Purpose is alive. Let's live it.



The methodology: What we did

While it is important to have the right purpose in place, it's just as important to put it into action.

To understand who is doing this best, we assessed publicly available information across 27 criteria, from September – December 2017.

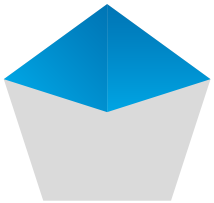
We assessed over 180 brands from the PwC 100 and the FTSE Eurofirst 100.

Our assessment criteria seek to understand the following:

- How many companies have a purpose statement?
 - Which companies actively state they are here to provide wider value – beyond making a profit?
 - How many companies act on their purpose statement?
 - Which companies claim to have made purpose intrinsic to their business, incorporating it into their people's everyday work, and measuring the outcomes of their activities?
-



The criteria: What we assess



Purpose and story

A great purpose and story is authentic, visionary and inspirational. It gives the brand focus and direction.

We review:

- Whether the purpose clearly addresses a human or world need
- How purpose is used within the brand story
- Whether the purpose is authentic and visionary.



Communication

Using communication channels to engage your audience builds momentum and creates a movement – inspiring everyone to get involved and play their part.

We review:

- Whether purpose is clear within brand campaigns
- How prominent is purpose across the digital experience
- The extent to which purpose is apparent in company reports.



Performance

Purpose needs to run deeper than just communications. It should be at the heart of the business, setting ambitions and monitoring progress.

We review:

- How deeply is purpose integrated into the business model and business strategy
- Whether there are clear targets and performance indicators connected to the purpose
- The extent to which purpose is ingrained within the brand's approach to sustainability.



Behaviours

In a purposeful company, employees are engaged and keenly contribute to the achievement of purpose-related goals.

We review:

- Whether leadership champion purpose
- How purpose is integrated into the employee experience
- Whether the brand has purpose-related partnerships.



Connectivity

It doesn't matter where people interact with a brand's purpose, it should always convey the same message.

We review:

- How the brand's purpose is communicated to different stakeholders
- Whether the purpose conveys a consistent meaning at all touchpoints



2

The Index 2018

The index of the top 100 brands best-placed to put purpose into action.



The Index 2018 (1-25)

1
UNILEVER
90%

2
LLOYDS BANKING GROUP
88%

3
ROYAL PHILIPS
85%

4
GSK
85%

5
NESTLÉ
83%

6
JOHNSON & JOHNSON
83%

7
RB
83%

8
NOVO NORDISK
81%

9
PEARSON
81%

10
DANONE
81%

11
BRITISH LAND
80%

12
SAP
79%

13
BT
76%

14
ELI LILLY & CO.
74%

15
BASF
74%

16
DELOITTE
73%

17
KERING
73%

18
IKEA
72%

19
SYNGENTA
71%

20
GE
71%

21
ASTRAZENECA
71%

22
AXA
69%

23
SAINT-GOBAIN
68%

24
HEINEKEN
68%

25
L'ORÉAL
68%



The Index 2018 (26-50)

26 AVIVA 67%	27 LEGO GROUP 67%	28 ING GROUP 66%	29 SCHNEIDER ELECTRIC 66	30 UNITED HEALTH GROUP 66%
31 PEPSICO 65%	32 SSE 65%	33 VODAFONE 65%	34 NOVARTIS 65%	35 EY 65%
36 MARKS & SPENCER 64%	37 KINGFISHER PLC 64%	38 BANK OF AMERICA 64%	39 AKZONOBEL 63%	40 ROCHE 63%
41 PFIZER 63%	42 HITACHI 63%	43 HP INC 62%	44 ANHEUSER-BUSCH INBEV 62%	45 SIEMENS 62%
46 INDITEX 62%	47 WESTPAC 62%	48 HONDA 61%	49 ROYAL BANK OF CANADA 61%	50 SANOFI 61%



The Index 2018 (51-75)

51
CVS HEALTH

61%

52
TOYOTA MOTOR CORPORATION

60%

53
BAYER

60%

54
SANTANDER

60%

55
IBERDROLA

59%

56
CITIGROUP

59%

57
INTEL

59%

58
TOTAL

59%

59
GILEAD SCIENCES

59%

60
3M

59%

61
MICROSOFT

58%

62
VISA

58%

63
NIKE

58%

64
STANDARD CHARTERED

57%

65
SHIRE

57%

66
WELLS FARGO

57%

67
ROLLS ROYCE

56%

68
GENERALI

56%

69
AHOLD DELHAIZE

55%

70
EXPERIAN

55%

71
TESCO

55%

72
ANGLO AMERICAN

55%

73
VOLKSWAGEN

55%

74
WALMART

54%

75
FACEBOOK

54%



The Index 2018 (76-100)

76 AIRBUS 54%	77 PHILIP MORIS INTERNATIONAL 53%	78 CELEGNE CORPORATION 51%	79 SONY 51%	80 GOOGLE 51%
81 VERIZON 50%	82 UNIBAIL-RODAMCO 50%	83 PERNORD RICARD 50%	84 QUALCOMM 49%	85 TORONTO DOMINION BANK 49%
86 SKY 48%	87 STARBUCKS 48%	88 BRISTOL MYERS SQUIBB 48%	89 NATIONAL GRID 47%	90 BARCLAYS 47%
91 WALGREENS BOOTS ALLIANCE 47%	92 MEDTRONIC 46%	93 TELEFONICA 46%	94 VIVENDI 46%	95 IBM 46%
96 ENEL 46%	97 RENAULT 45%	98 ENGIE GROUP 45%	99 MCDONALD'S 45%	100 MASTERCARD 44%



3

Sector insights



The sectors at a glance (1/2)

Real Estate

Average sector score

65%

1. BRITISH LAND	80%
2. UNIBAIL-RODAMCO	50%

Healthcare

Average sector score

57%

1. GSK	85%
2. NOVO NORDISK	81%
3. ELI LILLY & CO.	74%

Retail

Average sector score

57%

1. IKEA	72%
2. M&S	64%
3. KINGFISHER PLC	64%

Consumer Goods

Average sector score

56%

1. UNILEVER	90%
2. ROYAL PHILIPS	85%
3. NESTLÉ	83%

Utilities

Average sector score

54%

1. SSE	65%
2. IBERDOLA	60%
3. NATIONAL GRID	47%

Financial Services

Average sector score

53%

1. AXA	70%
2. AVIVA	67%
3. VISA	58%



The sectors at a glance (2/2)

Basic Materials

Average sector score

53%

1. BASF	74%
2. SYNGENTA	71%
3. AKZONOBEL	63%

Banks

Average sector score

51%

1. LLOYDS BANKING GROUP	88%
2. ING GROUP	66%
3. BANK OF AMERICA	63%

Industrials

Average sector score

50%

1. GE	71%
2. SAINT-GOBAIN	68%
3. SCHNEIDER ELECTRIC	66%

Tech, Media and Telecoms

Average sector score

49%

1. PEARSON	81%
2. SAP	79%
3. BT	76%

Support Services

Average sector score

46%

1. DELOITTE	73%
2. EY	65%
3. EXPERIAN	55%

Oil & Gas

Average sector score

38%

1. TOTAL	59%
2. ENEL	46%



Healthcare

Doing it right

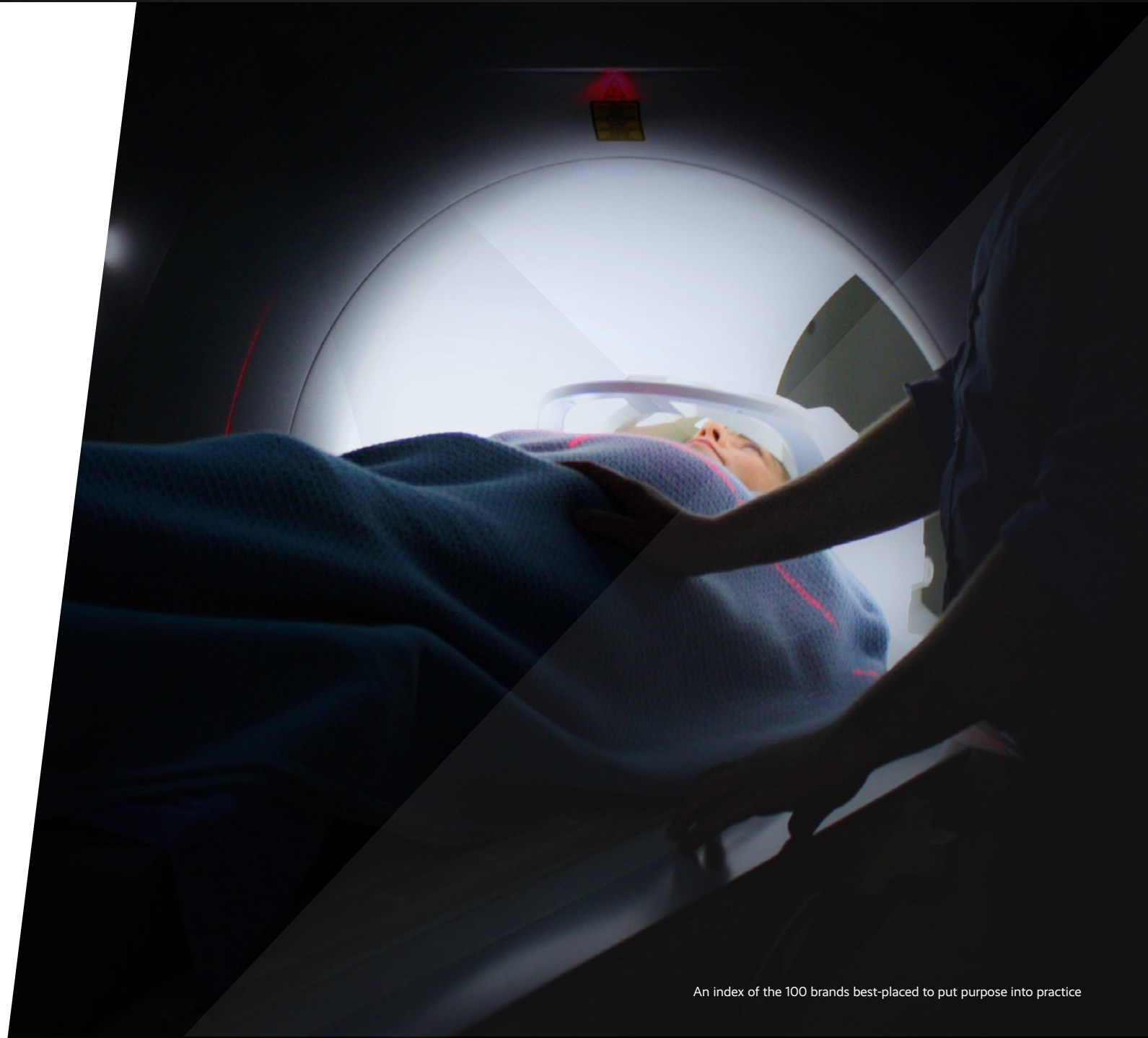
Healthcare is one of the few sectors where every brand has a purpose. Most of them speak directly to a world, social or human need.

Brands like GSK, AstraZeneca and Novo Nordisk frequently rank in the index's top 20, but businesses in this sector still have biggest gap between their words and their actions. While all brands commit to meeting a social need, not all of them show progress towards achieving it.

The Healthcare sector as a whole sets out a clear, meaningful reason for being. But, at an individual level, many of the brands' purposes do little to help them stand out from the competition. The businesses in this sector need to do more to show the impact they're making on the real world.

The takeout:

Prove you're making many lives better, demonstrate positive momentum in terms of access and effectiveness of its products, and you'll add huge credibility to your purpose and brand as a whole.





Retail

The future is unclear

Right now, retail is in a precarious state. 2017 was a tough year for the sector, with household names like Toys R Us filing for bankruptcy, more stores closing than during the 2008 financial crisis and Amazon increasing its hold on the only part of the retail sector that's growing – e-retail.

There are six retail brands in our index but, despite improving on 2016 scores, the sector still ranks below average across every section in our assessment. Purpose could help; but few brands are making the most of it. Kingfisher and Ikea stand out from the rest – they're talking about the intrinsic relationship between sustainability and the future of the sector, and going beyond words to show progress through powerful KPIs and targets. The question is how will other brands define their own position?

The takeout:

Take a proactive, purposeful approach to help strengthen your brand in these times of disruption and uncertainty for the retail sector.





Utilities

Room to grow

The utilities sector has improved since our last index, but still scores below average against most sections. The improved scores are probably down to the fact that smaller, and often purpose-driven, competitors are putting increasing pressure on established brands.

Businesses like SSE and Iberdrola are looking to re-position themselves with consumers – using purpose to help stand out from the competition. And while the sector itself has relatively engaging purpose communications, their purpose statements themselves tend to be functional and uninspiring.

The takeout:

Become more fit for purpose next time by aligning your purpose with things like values and recruitment messaging – this will help you make purpose part of your brand's culture and behaviours, not just external communications.





Basic Materials Falling behind

For the third time in a row, basic materials brands have scored far below average on their behaviour scores. Opportunities for employees to get involved in purpose-related activities were particularly scarce across the brands we looked at – only BASF and Arcelor Mittal show good evidence of involving their people in their purpose.

There's a continued lack of leaders engaging with purpose – something that's essential to bringing it to life across a business. And there's a huge missed employee engagement opportunity – using purpose properly can enhance productivity, performance and retention and decrease absenteeism.

The takeout:

Focus on how you can use your purpose to shape your actions. This will help you create a positive impact on the world as well as improving recruitment and engagement.





Industrial

A subtle improvement

This sector's overall score has improved slightly – even though Philips, the sector's previous top performer by a wide margin, was reassigned to healthcare. And, once again, brands across the sector have done particularly well in their purpose-related targets, KPIs and strategy scores.

This is largely thanks to their ability to make purpose part of their short and long-term targets and performance metrics – Schneider Electric is doing this particularly well. As pressure increases on manufacturing and industrials – globally and locally – continuing to embrace purpose could help this sector weather the storm.

The takeout:

Concentrate on how you communicate your purpose activities externally – this can help you manage your reputation, control the narrative and mitigate public and political pressure.



Oil & Gas

A missed opportunity

Since the start of Fit For Purpose, the oil and gas sector has scored significantly worse than any other sector across every section. Over the last few years we've seen a growing focus on sustainability and the role of businesses in society, with major initiatives like the Paris Climate Agreement signalling powerful change.

But there has been little change in scores since 2016, suggesting brands are still using the same purpose actions, targets, strategies and communications. This year only two oil and gas companies, Total and Enel, made our Top 100 out of the ten we assessed, and neither made the Top 50. This is a sector that sells a product the modern world needs to function, but they're missing the mark on a major global trend – sustainability. Alternative energy is starting to threaten their long-established positions, which will only make the fight for talent and consumers more competitive.

The takeout:

Use the seismic shift towards sustainability as an opportunity to become more purposeful – sustainability may well be the new battleground in the fight to survive now crude oil prices seem to be stabilising.





Real Estate

On the right track

Within this sector, the companies that make the threshold for consideration do extremely well. But there are only two of them: British Land and Unibail Rodamco. This leaves us with two big questions: where are the rest of the real estate companies and why don't they have purpose?

British Land and Unibail-Rodamco clearly understand that purpose is not just a communications exercise. The way both brands have embedded purpose into their strategy and metrics demonstrates that they're serious about creating value beyond profit. So, what does this mean for the rest of the sector? Both of these brands have set a high standard, but they're also paving the way for everyone else.

The Takeout:

Purpose can become a competitive advantage – as it has for British Land. Done well, purpose demonstrates vision, ambition and long-term value creation. Make yours a focal point of key business conversations and use it to help you sell a sustainable future to investors (beyond short-term uncertainties).





Support Services Clients come first

Brands in this sector traditionally focus on external communications, so it's no surprise that their communication and connectedness scores have grown considerably since 2015. We're also seeing that support services brands that effectively communicate their purpose internally – where change and action begins – tend to perform higher than others.

Employee advocacy in particular is something that brands should focus on. Employees who connect with a brand's purpose are often more committed and can help build a great brand reputation.

The takeout:

Align your purpose and internal behaviour to continue to improve your scores and communicate externally even more effectively. And remember, employee-driven outreach can be as impactful as (or even greater than) external campaigns.





Tech, Media and Telecoms Still a long way to go

Tech, media and telecoms probably has the most work to do as a sector. Although we have strong performers like Pearson, SAP and Microsoft leading the way, almost a third of the companies in the sector don't have a purpose or clear social intent.

Notable companies without defined purposes include Alphabet, Apple and Amazon – some of the largest, most powerful companies in the world. Though they try to articulate why they exist, there isn't a single compelling statement that does this – which is why they're not in our index. Throughout our Fit For Purpose research over the past 3 years, this sector has struggled to present purpose clearly and embed it across their business strategies, related targets and KPIs. This is particularly disappointing given many of the companies in this sector are global giants and could use purpose to could drive social and environmental change.

The takeout:

Use purpose to focus your efforts and strategy – you're powerful brands with the potential to deliver huge positive impacts. Society expects it. Purpose can help.





Banking

Middle of the road

This sector has average scores across the board, but its overall score is brought up significantly by the highest scorers, like Lloyds Banking Group – the only bank to make it into the Top 10. And there were a significant number of without a purpose, so they don't qualify for our index.

It seems that not all banks are recognising the value of purpose, creating a competitive advantage for those that do. Communications is a particularly strong area for the banks we looked at. But, beyond talking about purpose, there was little evidence of purposeful activity.

The takeout:

Bring purpose into your strategic decisions – a bold move that's fundamental if you want to use purpose meaningfully and effectively. For now, only Lloyds is getting this right.





Consumer goods

Good communicators

This remains one of the highest scoring sectors in the index, with six companies making it into the Top 10. These companies generally score well across the board but are particularly strong in communications.

Purposeful performance is a key area for improvement for these brands. Placing more focus on how purpose shapes their activities – from business models to strategic goals – would help these companies get the most out of it. Royal Phillips does a good job of this, tying purpose to sustainability on their website.

The takeout:

As consumer demand for company accountability continues to grow, show commitment to purpose across your business activities to build credibility and protect your reputation.





Financial services

A step in the right direction

This sector remains one of the weakest performers but things are moving in the right direction. The sector as a whole was the only one to improve their score from 2016. Much like banking, the financial services sector is strongest in communications.

AXA's 'Restless for a Reason' campaign is a great example here – launched in 2017, it offers an engaging and informative insight into what drives the business: a hunger for exploration, innovation and finding new solutions.

Beyond talking about purpose well, there's little evidence of purposeful activity. Aviva's website is an exception, with a section explaining their 'good thinking' approach that brings investment returns through an integration of their purpose into their sustainability strategy.

This link between purpose and sustainability was seen across the companies we reviewed, reflecting the growing interest in responsible investment practices that make use of sustainability data to inform investment decisions.

The takeout:

Narrow the gap between words and actions to make the most of purpose. It will help you meet a growing demand for responsibility and tell meaningful stories to boost your brand.





4

Experts views



Brand Purpose. Do it right or don't do it at all.

In a rush to achieve the famed benefits of purpose – for recruitment, customer loyalty and innovation – too many organisations still aren't getting it right. They're slapping a hastily-created statement on their website. They're promoting it through big marketing campaigns. They're not stopping to consider the impact that it should have on the way it operates as a business. And it's not working.

Since 2015, the story has been frustratingly similar. There are a small number of global brands who have wholeheartedly embraced purpose. They're using it to attract the best people, gain customer loyalty, generate better shareholder returns and even fight off hostile takeovers. Patagonia's lawsuit against the US government to protect Bears Ears. Unilever's CEO talking – again and again – about the role business can play in making the world more sustainable. RB's betterbusiness strategy with clear measurable targets. These are all examples of businesses truly living purpose.

But for every brand that truly lives purpose, there's another that doesn't.

Over the past few years, we've seen hundreds of statements that exist on a website and nowhere else. Hundreds that sit alongside purely financial KPIs. Hundreds that leaders seem to know nothing about.

For these businesses, purpose is nothing more than a shiny veneer. And that undermines the true value of purpose. It makes it nothing more than meaningless marketing jargon.

This needs to change. Purpose is the reason why people want to buy from you, work for you and do business with you. It's not owned by the brand team, it's lived by the whole business from the CEO down. And now is the time to start getting it right.

[Matt Gibbs](#)

Sustainability

Purpose makes sustainability competitive. Sustainability makes purpose productive.

Purpose is pointless if it's not productive. Sustainability is just an exercise in keeping stakeholders happy if it's not core to the organisation. And, unfortunately, these are the realities for far too many businesses.

Purpose makes sustainability competitive

You see it everywhere in sustainability.

Take a sector, get their sustainability strategies together, strip the brand names out and you'll have struggle to match the strategy back to the brand. Differentiation's a rarity – only 34% of brands in this year's index gained high scores for connecting their sustainability strategy to their purpose.

Maybe differentiation doesn't matter. After all, there are great business gains to be had from sustainability. Improving efficiencies saves resources and costs. Innovation opportunities come from new ways to meet sustainability challenges. And some issues can only be tackled through precompetitive action.

But consider how Danone's focus on health has helped them reshape the business. Look at the ever-increasing growth of Unilever's purpose-led brands. Benefits like these only come from having a differentiated approach to sustainability. Use purpose to give sustainability focus and, like 34% of the brands we looked at, you can reap these rewards.

Sustainability makes purpose productive

At the moment, purpose is largely about communications – with 65% of our index getting high scores on communicating it consistently across their channels. In three years of our Fit For Purpose Index, we've yet to see a significant shift in performance – only 26% score highly for having KPIs connected to their purpose.

Without real evidence to back up lofty statements, purpose is destined to be a mechanic for making speeches. If it can't be measured, managed and made real, it can't realistically go anywhere else.

All the promise of purpose comes from putting it to work, proving your actions are having an impact, and making it part of your KPIs to drive action. That's when businesses start to realise the benefits of purpose. But translating these lofty, non-financial statements into language and metrics the business can use to make decisions isn't easy.

But is this actually something the sustainability community cracked a long time ago? Any good sustainability person can tell you why purpose matters to the core business and, with a bit of work, show you how to measure and use it in a way that makes sense.

Years ago, PUMA created an environmental P&L, shadow carbon pricing has been used to make decisions in business for decades, and more advanced brands are exploring how to quantify action on equality for their business.

It's time to take action

We live in challenging times. Trump, #MeToo, disgraceful gender pay gaps, shock collapses of behemoths like Carillion, ocean plastics entering the food chain, rising rates of child poverty, obesity and anti-globalisation sentiment in the West, and more.

Against this dark backdrop, business leaders have a choice. To put real power behind their statements of purpose and reap the rewards. Or to continue to mean well, but fail to do what business does best – measure, manage and make it happen.

This is a big, symbolic choice. The leaders that choose to make it happen will be showing us they are of the realities of today, they're using evidence-based decision making and they're committed to serving their organisation's long-term interests. The leaders that don't will be showing the opposite.

[David Willans & Bharat Verma](#)



Customer Experience

Mind the gap – purpose and your customers

There's been plenty of debate about purpose in the marketing and communications space over the last 18 months. Most businesses have embraced the concept and jumped at the opportunity to shout about the perceived social-worthiness of their brand.

But, following some high-profile missteps, people are starting to question the role and relevance of purpose in their customers' worlds.

So, what should marketers should be looking out for?

The Empowered Customer

This is the age of the customer. They have access to more information than ever before – and they've become more knowledgeable, connected and demanding as a result. Words like 'transparency', 'sustainability', and 'values' have started to appear as key decision-making criteria across multiple sectors and demographics for both business customers and consumers making major purchases. They won't accept a customer experience that isn't instinctive, simple and easy. And they're scrutinising everything you do and say. We're operating in a low-trust environment. If you pretend to be something you're not – you'll quickly be found out.

The Purpose Gap

Some marketers have responded to this new environment by championing a new purpose. And, unfortunately, many of them have become unstuck.

When we looked at this year's FFP data it's clear that outperforming brands have committed to having a clear purpose, putting it at the centre of their organisation and communicating it consistently. Those that scored lower had a large gap between their purpose and what they were saying to customers.

To ensure purpose has the impact you want it to, you need to ensure it's a guiding force within your organisation and underpins your whole customer experience – including all communications.

More Than A Campaign

No matter what industry you're in, you need to fight for your customers. Purpose isn't a substitute for your marketing strategy, but it can help you grab attention.

If you have a strong purpose, you can make it an empowering element of the customer experience. You can use it to celebrate who you are and what you stand for in a way that helps you stand out and grow. But you need to make sure it's a genuine reflection of your organisation. Because, ultimately, customers may want purpose-driven brands, but they'll never want purpose-wash communications.

[Cameron Gunn & Nicos Dermintzoglou](#)



Investor Engagement

Think purpose is just shareholder value? Think again.

In 2017, the UK's Financial Reporting Council proposed draft amendments to its Guidance on the Strategic Report. They put purpose at the centre of transparent reporting.

According to The Corporate Reporting Council, communicating purpose helps shareholders understand how a business creates value for them, benefits other stakeholders and contributes to long-term success.

That's why the FRC's initiative is so important. Just talking about financial return isn't enough now. Proving long-term viability and value creation is becoming more and more important to investors. Recent governance failures like Carillion have shown that short-term financial gains can no longer drive investment decisions. For an investor, understanding why a business exists – and how external factors shape that existence – is critical.

The FRC says: "An entity's purpose is why it exists. The entity's strategy describes the intended means of fulfilling its purpose. Together they provide an overview of why and how the entity aims to generate and preserve value."

Why a business exists is a big question. But no business has ever been formed without a purpose. GSK was founded to help people do more, feel better and live longer. And 30 years ago Carl Radley, our founding partner, saw an opportunity to help businesses communicate better through reporting. We're still striving to achieve that purpose every day.

Purpose is not, and shouldn't be, complicated. In fact, it's a very simple way for a brand to promote why they exist. It goes wrong when grandiose claims mean strategic performance can never be truly measured. But it's great to see UK legislative guidance setters pushing for clarity and encouraging companies to link performance to their purpose.

Brett Simnett



Employee Engagement

Purpose and people – a powerful combination

Purpose is essential to attracting, engaging and retaining the right people. Done right, purpose gives employees a sense of shared direction, meaning and intrinsic reward. And that creates an emotional bond and engagement with their organisation and day-to-day work.

Despite the hype, it's not just Millennials or Gen Z who care about purpose. All employees want to feel their work contributes to more than financial performance. Research tells us that most job seekers choose companies to work for based on their purpose – and 84% of employees working for organisations with a shared sense of purpose are engaged, compared with 32% of those working in organisations without one.

To make a meaningful impact, purpose should be a big part of your employee experience. Your Employer Value Proposition should link to purpose. And this promise must be made real at each point of the experience – from onboarding to internal communications, performance conversations to leader behaviours.

In our index, companies like GSK, Pepsico and Pearson clearly show how they involve employees in purposeful activities and communicate their purpose to potential employees. Over the years we've seen more and more companies integrating purpose into their employee experience. But it remains an area where many organisations could work harder to stand out and attract, engage and retain the best people.

Michael Dunmore & Liam Farnworth



About RY

Radley Yeldar is an award-winning brand, marketing and communications agency.

We're 30 years old. We've 200 specialists. We offer a full range of services including brand, sustainability, employee and investor engagement, customer experience, film and digital.

But what do we actually do? We help our clients tackle complex challenges to better meet the needs of their audiences. How do we do it? By defining their story, communicating it simply, changing behaviour and delivering results. And, if we're really doing our jobs properly, we'll win a DBA Effectiveness or Cannes Lions award along the way.

In a world that's constantly changing, we're proud to be one of the few agencies that has stood the test of time. Welcome to our home, our people and our thinking. Welcome to RY.

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