

October 2022



The Purpose
Priorities Report:

How to respond in the new Era of Accountability



Porter Novelli is proud to publish its fifth annual study of corporate reputation.

In this report, we decode the current state of consumer expectations for corporate Purpose and the role of Purpose in overall corporate reputation.



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Welcome to our latest report

Fifty years ago, Porter Novelli was founded on the belief that by partnering with the right clients, we could make a positive impact through the art of communication, while also achieving better business results. Though it would take another four decades for much of the business world to embrace this once radical concept, what we now call “Purpose,” corporations have finally started to balance the concerns of all stakeholders not those of just shareholders.

At no time was this change more apparent than during 2020-2021. Throughout this period of uncertainty, change and social upheaval, many companies pledged to refocus their corporate practices and make a difference to society.

These promised changes, ranging from environmental to diversity and beyond, were often lofty, ambitious and necessary. They are commitments audiences are unlikely to forget anytime soon, and as we will see in our research, they’re increasingly holding

organizations to account.

Porter Novelli’s continued efforts to understand consumer trends related to Purpose have yielded a huge repository of research that spans three decades.

This report represents our most recent insights, and we hope this analysis combined with data helps your business consider how you can commit to **doing business better**. We understand these challenges are complex and demanding, and we’re here if you’d like to talk about how to approach them.

Thank you.

David Bentley
CEO
Porter Novelli



Key Findings & Actions

What the research uncovered: Audiences want organizations to do better – and they're holding them accountable

Era of Accountability

84%

of respondents believe companies should demonstrate how they are following through on their promises to people, the planet or society

Deep Dive

ENVIRONMENT

78%

of consumers believe companies should have a point of view on environmental sustainability

DE&I

32%

of consumers will start or increase purchasing from a company if it changes the way it operates to address diversity and inclusion

POLITICS

44%

of consumers will stop or reduce purchasing from a company if it publicly comments on a political topic with a view that is the opposite of a consumer's own view

48%

of consumers will stop or reduce purchasing from a company if it makes a political party donation to a candidate that supports issues that are the opposite of what the company says it supports

Benefits of Doing Business Better

71%

correlation between Purpose and consumer willingness to try new products

71%

correlation between Purpose and consumer willingness to switch to a Purpose-led company's products

68%

correlation between Purpose and consumer willingness to forgive a company for its missteps

What to do about it: How to start Doing Business Better today

Put people first.

When in doubt, start with your people. Employee engagement is central to organizational success – they have the power to shape your business.

Don't just say, do.

Actions speak louder than words. Backing up what you say with what you do is imperative.


Avoid Purpose-washing.

It's essential to build a strategic communications filter to ensure you're being clear and not overstating the nature of your commitments.

Start small.

It's the small choices made every day that help companies pursue their Purpose.





Consumers aren't giving companies as much reputational 'credit' for Purpose as they did in the past.

84%

believe companies should demonstrate how they are following through on their promises to people, the planet and society

Consumers want better business, not Purpose platitudes

Over the last five years, expectations for companies to lead with Purpose has trended up, but Purpose credibility has trended down. Consumers aren't giving companies as much reputational "credit" for Purpose as they did in the past.

The average company Purpose score in 2018 was 6.89 out of 10. In 2022? It's 6.02

This erosion of Purpose credibility tells us that in an age of skepticism, companies must do more than make promises or try to address Purpose via a one-off campaign. They need to make full-scale organizational change to demonstrate a long-term, authentic commitment to doing business better

The Purpose premium

Three components comprise brand reputation: quality, performance and Purpose. In 2018, we sought for the first time to quantify the reputational benefit of leading with Purpose.

How much does engaging with Purpose correlate with strong corporate reputation?

The contribution was not insignificant. Across Fortune 200 companies, Purpose contributed 13 percent to overall reputation — meaning companies committed to Purpose could reputationally outperform those that focused solely on quality and performance.

Reputation Correlations



- Quality products & services
- Reliability
- Security
- Well-run & managed
- Trustworthy
- Affordable
- Customer-focused



- Socially responsible
- Environmental
- Philanthropic
- Advocate
- Inclusive
- Transparent



- Innovation
- Profitability
- Creative



Purpose continues to highly correlate with overall reputation, but companies need to work harder – make even more authentic commitments – to earn top Purpose scores.”

Andrea List, Data & Insights



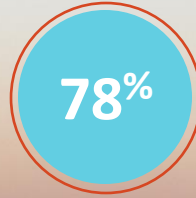
A deeper dive into the elements of Purpose:

Environmental Sustainability is the new table stakes

Though sustainability has been a central tenet of Purpose in the past, consumer concerns have grown so acute it is imperative that every business –not just ones that identify as Purpose-driven – have robust corporate commitments that deliver on environmental sustainability and impact on society.



of consumers will start or increase purchasing from a company if it shares a point of view on environmental sustainability that is aligned with the consumer's own view



of consumers believe companies should have a POV on environmental sustainability



A deeper dive into the elements of Purpose:

DE&I

When consumers are faced with a mountain of choices, they look beyond product features and price to guide decision-making. They're buying their values – namely their desire for a more diverse, equitable and inclusive society. And this isn't about marketing or diversity-washing. Consumers want real DE&I commitments all the way up to the executive office.

32%

of consumers believe that companies should operate to address DE&I or encourage consumers to support social/environmental issues

32%

of consumers will start or increase purchasing from a company if it changes the way it operates to address diversity and inclusion

29%

of consumers will recommend that same company to family or friends



Since the racial reckoning that intensified in 2020, DE&I has been THE platform of the season...but not every company has been able to deliver on their lofty goals. In this moment, every company has an opportunity to show up authentically by acknowledging how much progress has been made thus far, how much more needs to be done and how they are going to get there from an operational standpoint. This simple demonstration of accountability is humbling but goes a long way in building trust with consumers, employees and other stakeholders.”

Suzy An, Justice, Equity, Diversity & Inclusion

A deeper dive into the elements of Purpose:

Politics can be punishing. Brands need to tread lightly.

Wading into politics is tricky – even the best of intentions can be misinterpreted. The data shows that consumers are wary around businesses' foray into the political discourse: only 39 percent of respondents believe companies should comment on political topics in the news.

Beyond what companies say in a political dialogue, there is also increasing pressure from stakeholders to hold brands accountable for their actions within the political landscape. This includes greater scrutiny on corporate contributions to candidates, campaigns or political action committees (PACs) that are in opposition to environmental or social commitments.

48%

of consumers will stop or reduce purchasing from a company if it makes a political party donation to a candidate that supports issues that are the opposite of what the company says it supports

39%

of consumers believe companies should comment on political topics in the news

44%

will stop or reduce purchasing from a company if it publicly comments on a political topic with a view that is the opposite of the consumer's own view



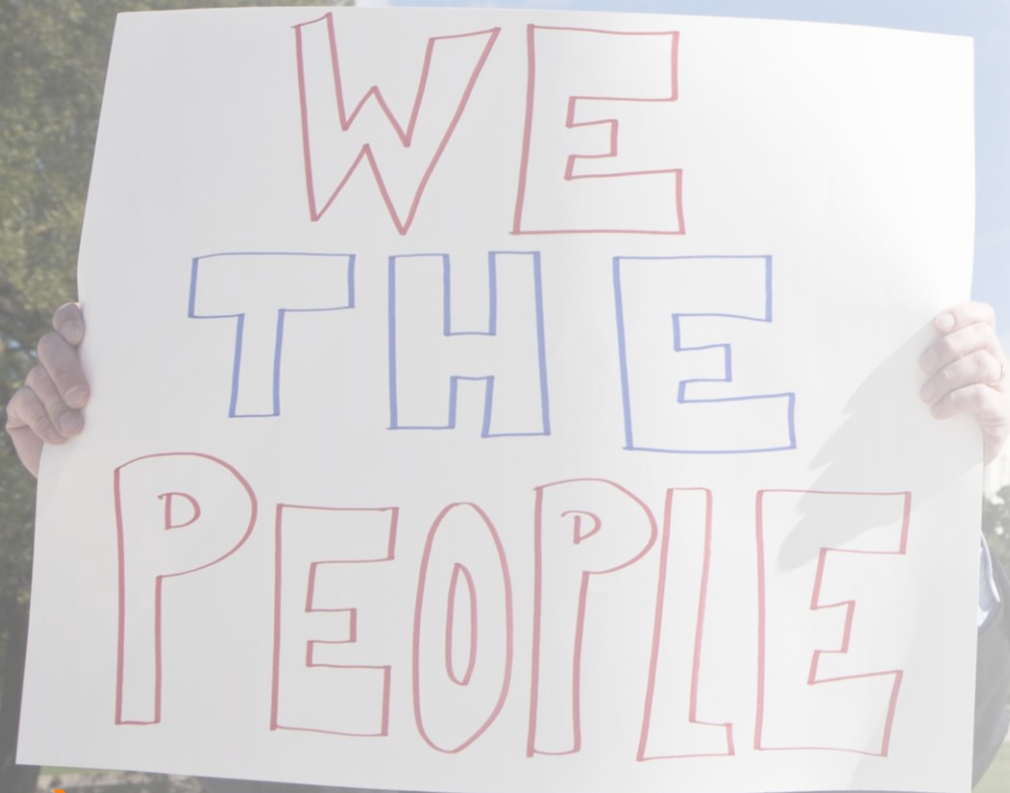
A lot of time and energy is spent wondering what to say and when. But the better questions to ask are: What do our stakeholders expect of us? Do we have a track record of activity, investments or initiatives aligned to the issue? Is the issue connected to our business or our audiences in a significant way? Defining and demonstrating your role in the world – doing business better – is key for knowing when, and when not to, enter the political dialogue.”

Cali Pitchel, Brand Strategy



Doing Business Better

Our research shows that quality and strong bottom-line performance alone do not necessarily equate to being a superior brand. Companies must tackle environmental sustainability as a foundational factor of better business. Furthermore, consumers expect a commitment to people through social responsibility and DE&I. This means companies must consider both people and planet in how they go to market, not just in their marketing.



At Porter Novelli we call this doing business better. Organizations who do business better:



Define and demonstrate their role in the world



Harmonize business and stakeholder expectations



Communicate at the speed of culture



Connect ambitions to authenticity



Shape their reputation with consistency and care



> The financial rewards of Doing Business Better

Organizations who believe that Purpose is merely ornamental should think again.

Our data shows significant correlations between a company's Purpose score and consumers' spending behavior and attitude towards that company.

71% correlation between Purpose and consumer willingness to try new products

71% correlation between Purpose and consumer willingness to switch to a Purpose-led company's products

68% correlation between Purpose and consumer willingness to forgive a company for its missteps

The Better Business Matrix

We have developed the Better Business Matrix to enable companies to self-diagnose their own reputation, based on the key criterion described in the report.

Although most Purpose-oriented businesses will prioritize at least one of the categories of people, planet and society, the majority of consumers want to see all three addressed as part of a Purpose-driven agenda.

As environmental sustainability and social issues become foundational to Purpose, consumers are more likely to positively reward companies for DE&I efforts. Businesses that understand the interdependence of people, planet and society are leaders in better business.

PURPOSE PREMIUM

Committed to People

Social Responsibility & DE&I

Better Business Leader



Automotive

T-Mobile

Communications



Food & Beverage

TIAA

Financial Services



Retail

intel

Technology

Good Business

Quality & Performance

Committed to Planet

Environmental Sustainability

FOUNDATIONAL BETTER BUSINESS



The Better Business Matrix: **Where are you?**

So, where do you fall on the Better Business Matrix?

Are you meeting your customer expectations for environmental sustainability? Do your employees feel supported? Are you invested in the communities where you operate?

Doing business better requires a close examination of your role in the world. Better business leaders understand their role and act with authenticity; they use unique corporate assets to solve problems; are people led; and score high on quality, performance *and* Purpose.



How to start Doing Business Better today

1

Put people first.

When in doubt, start with your people. Employee engagement is central to organizational success – they can exercise a renewed agency and power to shape your business. And they are the ones who put your Purpose into action.

If your employees approve of how your business is responding to the new influences and issues that are important to them, then their voices can become surround sound for your brand advocacy.

2

Don't just say, do.

Actions speak louder than words. Backing up what you say with what you do is imperative. Consumers are becoming savvier – they're following up on the commitments companies make and holding them to account.

Any gap between what you say and what you do is a risk waiting to be exposed. It's important, therefore, to create a plan for closing gaps where they exist.

3

Avoid Purpose-washing.

It's essential to build a strategic communications filter when you want to talk about your Purpose and what you are doing.

Consider:

- Do you have permission to engage in the topic, i.e., are there programs, partners or investments that tell the story for you?
- Is this something your audiences care about or relate to?
- Can they learn more about what your organization is doing relative to what you're saying?

4

Start small.

It's the small choices made every day that help companies pursue their Purpose. If this report has you feeling like you are behind, you are not alone, and it's not too late...yet.

With the rise in audiences' expectations, the struggle to "course-correct" at speed has also increased. Change doesn't happen overnight – but acknowledging you need and want to do business better is the start of a journey many organizations find themselves on today.

Methodology

Now in our fifth year, we can confidently say Purpose provides a reputational premium. From 2018-2021, we analyzed this relationship by studying Fortune 200 companies. For 2022, we expanded beyond this annual list to look at companies who ranked highly in other categories beyond financial health. To ensure consistency, we included the Fortune 100 in our analysis, but we also included companies that performed well on the Fortune Best Companies to Work For, World's Most Ethical and Diversity Inc.'s Top 50, among others.

About the Report:

The 2022 Purpose Priorities Report presents the findings of an online survey designed and executed in August 2022 among an online sample of 7,000 American adults, ages 18+. The study was fielded by Dynata.

Respondents were asked to rate up to six companies they are familiar with and able to evaluate (positively or negatively), with each company rated by an average of 150 respondents. To calculate Reputation, Quality, Performance and Purpose scores for each company, respondents were asked to rate companies on a scale of zero to 10 (where zero is “poor” and 10 is “excellent”) on how well companies performed across 16 attributes of reputations: quality, reliable, secure, innovative, profitable, well run and managed, socially responsible, customer focused, trustworthy, environmental, philanthropic, affordable, inclusive, creative, advocates and transparent. A statistical analysis clustered each attribute into one of three pillars of reputation – Quality, Performance and Purpose (page 6).

The average overall reputation score across all companies analyzed was 6.70. Quality scores averaged to 6.47, Performance averaged to 6.4 and the Purpose average was 6.02. Companies who scored 6.5 and above across the Purpose attributes of socially responsible, environmental and inclusive would be considered “Leaders” in the Better Business Matrix (page 12).



List of all companies included in the Purpose review

3M	Boeing	Dollar General	Honda	Mathworks	Plains GP Holdings	Toyota
Abbott Laboratories	Bristol-Myers Squibb	Dollar Tree	Humana	McCormick & Company	Procter & Gamble	Trader Joe's
AbbVie	Campbell Soup Co.	Dow	Hundai	McDonald's	Progressive Insurance	Tyson Foods
Accenture	Capital One	Ecolab	Hyatt Hotels	McKesson	Prudential Financial	Unilever
Adidas	Cardinal Health	Eli Lilly	IBM	Merck	Publix Super Markets	United Airlines
Adobe	CarMax	Energy Transfer	Insulet	Meta	Purina	UnitedHealth Group
Aflac	Caterpillar	Enterprise Products Partners	Intel	MetLife	Quidel	UPS
AIG	Centene	Estée Lauder	Jiffy Lube	Michelin Group	Raytheon Technologies	US Bank
Albertsons	Charter Communications	Exelon	JM Smucker	Microsoft	REI	USAA
Allstate	Chevron	Experian	John Deere	Moderna	RiteAid	Valero Energy
Ally Financial	Chipotle	Exxon Mobil	Johnson & Johnson	Mondelez	Roblox	Verizon
Alphabet	CHS	Fannie Mae	JPMorgan Chase	Morgan Stanley	Salesforce	Visa
Amazon	Cigna	FedEx	Kellogg Co.	Nationwide	Sanofi U.S.	Visby
American Airlines	Cisco	FICO	Keurig Dr Pepper	Nestlé	Sephora	Volkswagen
American Express	Citigroup	Fidelity Investments	Kimberly-Clark	Netflix	Sherwin-Williams	Walgreens
AmerisourceBergen	Clinique	Ford Motor Company	Kohl's	New York Life Insurance	Shopify	Walmart
Amgen	Clorox	Freddie Mac	Kraft Heinz	Nike	Sony	Walt Disney
AB InBev	Coca-Cola	General Dynamics	Kroger	Nintendo	SpaceX	WarnerMedia
Anthem	Colgate-Palmolive	General Electric	L.L. Bean	Nordstrom	Stanley Black & Decker	Wegmans Food Markets
Apple	Comcast	General Mills	Liberty Mutual	Northwestern Mutual	Starbucks	Wells Fargo
Archer Daniels Midland	ConocoPhillips	General Motors	LinkedIn	Novartis	State Farm Insurance	Whirlpool
AstraZeneca	Costco	GlaxoSmithKline	Lockheed Martin	Nucor	StoneX Group	William Grant & Sons
AT&T	Cox Communications	Goldman Sachs	L'Oréal	Oracle	Sysco	Williams-Sonoma
AutoNation	CVS Health	Hanes Brands	Lowe's	Panasonic	Takeda	
Bank of America	Daiichi Sankyo	HCA Healthcare	Macy's	PayPal	Target	
Bayer	Dell Technologies	H-E-B	Marathon Petroleum	Penske	Tesla	
Berkshire Hathaway	Deloitte	Hershey Company	Marriott International	PepsiCo	Thermo Fisher Scientific	
Best Buy	Delta Air Lines	Hewlett Packard	Mars	Petsmart	TIAA	
BJ's Wholesale Club	DICK'S Sporting Goods	Hilton Worldwide	Massachusetts Mutual Life Insurance	Pfizer	TJX Companies	
BMW	Discover Financial Services	The Home Depot	Mastercard	Phillips 66	T-Mobile USA	





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