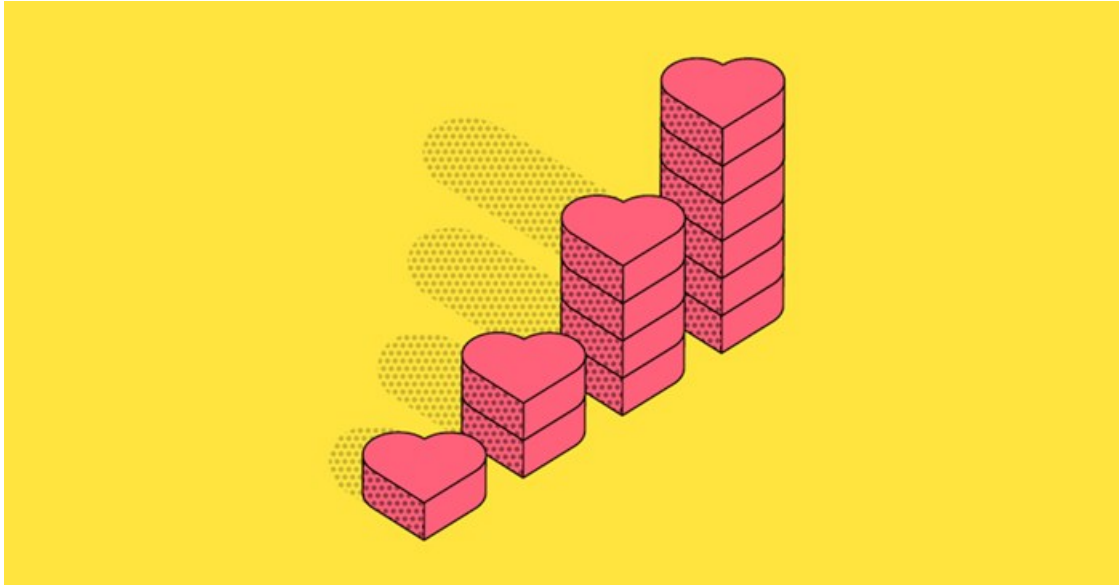


Purpose-led brands need all elements of environment, sustainability and governance

By  [Katlego Mashishi](#)

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While purpose is a powerful commercial force across the world, different economies demand different types of purpose thinking, and leadership. Many brands focus on social purpose, but what is needed is all three elements of Environment, Sustainability and Governance (ESG).



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Purpose-led brands are recognised as doing better business than those operating without any social orientation, or philosophy.

For example, having pivoted to a social focus at holding company level, in 2019, Unilever reported that its purpose-led brands grew 69% faster than the rest of its stable. As a result, many of Unilever's standard household names now actively communicate a clear social purpose. Sunlight supports women-owned small businesses. Lifebouy drives an H for Hand-Washing programme, which feels especially relevant to the Covid-19 era.

The West versus the rest

Interestingly, if you Google 'purpose brands' as a general concept, you receive a long string of returns, including pages of strategic analysis from consulting firms. But if you search for 'purpose brands in developing economies', there is very little to see.

One obvious reason for this is that in a global context, developing economies often are the purpose. They sit neatly next to the environmental, ethical sourcing and production processes brands seek to fix.

Equally, in struggling economies with high unemployment rates, a brand's social purpose doesn't influence mass market purchase decision-making as much as price and utility.

This doesn't mean purpose-led business is irrelevant to developing economies. In South African society, for example, the majority of brands operate with a strong social focus.

Hollard Insurance's Big Ads for Small Businesses campaign typifies a common approach in the region. The company uses its significant advertising assets to promote 12 small businesses across South Africa, and makes its billboards, street pole ads, radio spots, digital ad space and TV spots work hard for these small businesses, creating opportunities to grow better businesses and communities in the process.

Similarly, in Kenya, Nescafe's purpose-driven approach benefits directly the farmers and communities that grow its coffee.

A plan launched in 2011 supports local farmers and communities with training initiatives on good agricultural and processing practices, along with financial literacy programs. The plan has supported 50,000 farmers in establishing and sustaining their businesses.

Recognising the socio-economic importance of empowering women, the plan also features 8,000 women farmers. Nescafe won an award for best coffee in 2021, as chosen by Kenyan consumers – a fitting cherry on top of the purpose-driven cake.

Environment, Sustainability and Governance

Despite many notable exceptions, the prevailing commercial view of purpose seems to remain that of a marketing device, which often involves percentages of sales being donated to good causes. In developed countries, brand-led sustainability efforts often focus on ethical sourcing and climate risk.

Regardless of where you are in the world, it's clear that social purpose is an ever-present commercial force, with a lot of organisations focusing on one, or perhaps two, of the three Environment, Sustainability and Governance (ESG) elements.

Since this fragmented approach to purpose dominates in most markets, brands able to bring all three ESG elements together and achieve purpose integration are likely to gain significant, long-term competitive advantage.

However, moving past purpose fragmentation – a state where one aspect of ESG threatens to negate or dilute another – requires leaders willing to lean into complex social realities rather than look past them for quick marketable concepts.

Deep purpose matters

To my mind, the most powerful purpose-driven brand and marketing campaigns are likely to emerge – now, and in the future – as the by-product of an organisation's more deeply honed purpose, with ESG tenets at the core.

In fact, I sometimes think ESG should be renamed GSE, as it's the frequently overlooked Governance element that begets the Social and Environmental pillars.

According to S&P global, the G in ESG involves organisational decision-making and policymaking to the distribution of rights and responsibilities among different participants in corporations, including the board of directors, managers,

shareholders, and stakeholders.

Developing countries often present unique socio-economic histories and operating environments. The challenge for local and global organisations operating in these regions is to recognise such realities and address them in a way that takes the whole organisation forward, and which also achieves alignment between commercial success, social and environmental sustainability.

Purpose integration across the entire organisation, with a strong focus on Governance, is key. However, to achieve this integration, many organisations and their leaders will need to face up to the need for deep, systemic change.

Of course, it can be done

In today's fluid global economy, compelling, competitive purpose brands think beyond simple purpose marketing and BBBEE compliance. They consider the entire organisational value chain and entrench ESG thinking throughout; they partner with organisations that are aligned to their impact vision.

In other words, authentic brand purpose involves much more than snappy catch phrases and socially orientated marketing campaigns.

It looks to craft solutions and purchase behaviours that impact society positively and sustainably over the long term, and that are also tailored to a community's unique socio-economic challenges.

One thinks of the myriad new fintech brands offering money transfer services, whose products are so socially enabling in developing economies that they don't require purpose-led marketing.

Shelving the brand navel gazing and recognising that consumers want to be agents for social change, and that an integrated ESG ecosystem fosters that change, is a great place to start.

From there, empowering consumers to be the champions of social and environmental impact through marketing campaigns is a logical, and very executable, next step.

ABOUT KATLEGO MASHISHI

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