



# Marketplace Insights from Business in the Community

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News, research and the latest buzz on purpose and trust

2016's **Edelman Trust Barometer** shows trust in business has increased back to pre 2008 levels with Technology the most trusted sector. However the key trend is the difference between more trusting 'informed' (elite, college educated) citizens and the 'uninformed' mass population – most pronounced in the 'unequal' USA and UK. Edelman also cite an 'inversion of influence' with the most trusted spokesperson on a company being 'a person like me' (employees), not the CEO. 57% of the general population think CEOs do not focus enough on positive long-term impact.

Is trust in business tangible? This is one of several questions around trust which the **PwC Trust Insights** poses. Their report [Understanding the value and drivers of organisational trust](#) features a model of trustworthiness. It references three 'trust drivers'; Competence, Experience and Values. PwC says that being a trustworthy organisation can deliver key organisational benefits which include driving performance; putting your organisation on the front foot in a crisis; overcoming stakeholder scepticism; and allowing organisations to be true to themselves and be authentic.

**The Crisis in Trust – Why PR is not the answer** is a compelling read from ex-Edelman boss turned PR cynic Robert Philipps. He states that CEOs shouldn't try to 'sell trust', instead trust is an outcome from trustworthy behaviours. PR was about control, but in today's tech age nothing can be controlled – businesses must adapt to a more open, flexible style and this builds trust. Crucially, difficult business decisions need to be made if trust is to be truly built (e.g. pricing, wages). Philipps calls for 'Public Leadership', and profit *optimisation* not profit maximisation.



**Three things purpose is... and three things it's not** is a helpful quick read featured in new sustainability magazine Salt. "Purpose means putting positive change at the heart of your products, services and strategy". More than a mission statement, CSR or environmental sustainability, it is a growth, purchase and investment trigger.

**The Business Case for Purpose** from EY's Beacon Institute and Harvard Business Review features opinions from executives about how purpose is utilised by their organisations. Whilst nearly all see the value, less than half of the 474 leaders surveyed use 'purpose' to inform decisions, with even less embedding it truly. Interestingly 'Creating value for the customer' was the most commonly cited element of organisational purpose, closely followed by 'Positively impacting wider society' (compared with 'Contributing to a sustainable world' which was much further down. This suggests, as expected, that more immediate stakeholder benefits trump over longer-term, more intangible benefits) A drawback, in BITC's opinion, to this work is the almost non-existent definition of purpose; the report refers to it being 'beyond shareholder value' however this could mean *anything* for employees to unite around – socially focused and viable in the long-term, or not.

**BrandZ Top100 Most Valuable Global Brands 2015** by Millward Brown and WPP present the latest brand value data for the world's global brand markets covering Consumer and Retail; Food and Drink; Financial; Commodities; and Technology sectors. Key findings include the rise of technology to transform brands; trust rankings; and how the value of a brand is created. The reports states brands in the Top 100 are now worth \$3.3 trillion, an increase of 14% in the last year alone. Since WPP launched the BrandZ™ Global Top 100 in 2006, total Brand Value rose 126 percent.

9 out of 10 Millennials would switch brands to one associated with a cause, claims **2015's Cone Communications Millennial CSR Study**. They are also more likely than the average US average to share products rather than buy, pay more for a product, or take a pay cut to work for a company that shares their values.

**Profits from Purpose – Directions Report 2012 - Salterbaxter** This report is a few years old but is a really interesting look at the evolution of the brand purpose and how brands use this concept to drive consumer engagement, build trust and develop new markets for their product or services. It seeks to demonstrate that a brand purpose without sustainability behind it is not enough; the brand needs purpose and purpose needs to be couched in a sustainability agenda.