Chapter 7

BRANDED BENEVOLENCE

What's the Trend?

Companies increasingly put brand purpose at the center of their businesses to show a deeper commitment to doing good beyond just donating money or getting positive PR.

Toms Shoes has a chief giving officer.

Founder Blake Mycoskie is particularly proud of sharing this fact whenever he talks about the company that he was inspired to start back in 2006 after seeing struggling children in a village in Argentina who had no shoes to wear.

Toms is a fitting choice to start any conversation about brands doing good. While the idea of corporate social responsibility has been around for decades, Toms' well-known One for One program to donate a pair of shoes for each pair purchased is more than social responsibility.

At most large brands, efforts for the social good have been relegated to a subdivision of another low-priority department such as public relations or human resources. Despite donating millions of dollars to charity, the value of their efforts is often uncertain.

An ultimate example of this disconnect: in 2010 Facebook founder Mark Zuckerberg donated $100 million to New Jersey schools to help reform education. Nearly five years later, the effort has been widely criticized because the money went to expensive consultants and achieved little lasting educational reform.

Big challenges will always need big solutions, but the idea of a socially responsible brand today necessarily goes beyond donating millions of dollars. Consumers expect more commitment—and more stories of results.

At its core, the trend of *Branded Benevolence* focuses on the many ways that brands are now making a difference in our daily lives by through charitable deeds, employee commitments, and powerful media and storytelling that all go far deeper than simply donating large sums of money to good causes.

Can a Vending Machine Inspire World Peace?

One of the most popular digital marketing campaigns of the past few years was barely online, except for a short recap video posted to YouTube. Instead, the campaign went out into the real world as Coca-Cola installed "Small World Machines" in various locations across Asia.

The concept of this particular campaign was to place paired vending machines in two different locations, each featuring a video camera and interactive touch screen. In order to get a Coke from the machine, people on either end of the virtual machine would need to touch hands on a virtual screen and experience a "moment of happiness," as it was branded by Coke.

The emotion came from two sister vending machines—one in New Delhi, India, and the other in Lahore, Pakistan.

The video rapidly went viral as people celebrated the optimistic thought that a moment of happiness inspired by a vending machine could have the power to bring the world together—through a single shared moment between people from countries that had been longtime rivals.

It's easy to dismiss this campaign as yet another moment of commercial cleverness simply aimed at selling more soda from the most recognizable brand in the world. Certainly everything about the effort is perfectly on message for Coke, even down to the perfect little jingle at the end.

Coke has consistently devoted marketing dollars and creative efforts to this type of entertainment, which offers a bit of theater in a branded way, while also serving up a world-changing message of tolerance and togetherness.

It is a strategy that world leaders could do well to adopt as a way to change perceptions and perhaps even bring about real societal change in the process.

Of course, it's hard to imagine that geopolitical change is Coke's ultimate intention when doing these types of campaigns. Even so, social good as a tangential outcome is arguably just as effective as if it were the goal in the first place.

Perhaps this is even truer if it happens to *be* the intention, which was the case with another brand in mid 2014, when one of the most well-known entrepreneurs in the world chose to give away his company's biggest secrets.

How to Give Away Your Secrets

On June 12, 2014, entrepreneur Elon Musk stunned the technology and automotive industries simultaneously with a single blog post. On that day he announced that Tesla Motors would make hundreds of patents available to rivals and technology companies in order to accelerate the pace of innovation.

Far from being a risky business strategy, Musk's philosophy was based on the necessity for continued innovation, as he shared *BusinessWeek*: "You want to be innovating so fast that you invalidate your prior patents, in terms of what really matters."

The announcement was a predictably huge victory in the media for Musk and Tesla Motors, but it was hardly the first example of a company committing resources to build an open source platform to move an industry forward.

Back in 2006, then-CEO of Sun Microsystems Jonathan Schwartz made a bold bet on the future of open source technology by committing Sun to an open source software business model rather than a hardware-based model. In the time since, other technology companies have also made similar commitments to open source models.

These technology commitments of Musk or Schwartz individually only represent moments in time or strategic moves to try and establish market dominance for a particular platform—yet they do create an interesting backdrop from which to consider the idea of this trend of *Branded Benevolence*.

In a world where it has become commonplace to see all kinds of large commitments to social causes, how have consumer expectations of what impact those brands will have on our lives or the world at large changed?

A growing body of research into the topic of how companies are impacting the world may have the answer.

Greater Expectations

In 2013, after 20 years of tracking American consumer attitudes towards businesses' involvement in social issues, consulting firm Cone Communications released a new report with a single conclusion: social impact was more important than ever. Their study found that 91 percent of consumers want to "see more products, services and retailers support worthy issues."

A Nielsen corporate social responsibility survey from 2014 found that more than half (55%) of global respondents said they are willing to pay extra for products and services from companies that are committed to positive social and environmental impact—an increase from 50 percent in 2012 and 45 percent in 2011.

As further proof, a study published by Accenture in June of 2014 titled "The Consumer Study: From Marketing to Mattering" surveyed more than 30,000 consumers in 20 countries around the world. An overwhelming 72% responded that they felt business was failing to take care of the planet and society, and that this was a problem.

The report ultimately went on to conclude that "today's citizen consumer has higher expectations of business; dissatisfaction may be the product of traditional approaches to sustainability, centred on philanthropy and CSR."

The conclusion is simple: people expect more from business today—and businesses need to respond. As the stories in this chapter illustrate, many of them are doing exactly that.

Rise of Conscious Capitalism

In January of 2013, Whole Foods CEO John Mackey co-authored a book about the growing necessity for something that was increasingly being termed "conscious capitalism" as a way to describe the practice of doing business with a conscience. In his book, Mackey takes readers inside the tough choices Whole Foods has been making to either to avoid selling something (thereby losing revenue) or choosing to pay employees more or provide better benefits (therefore increasing operating expenses).

Other retails brands have been announcing similar choices, from CVS pharmacy committing to not sell tobacco products to Starbucks committing to have 100% of its coffee ethically sourced by this year.

The bottom line is, as more brands build on this level of purpose, the challenge will no longer become how to integrate some sort of social good into the way a brand does business. Instead, in 2015 the real challenge will shift to who is best able to relay that story of benevolence in a powerful and emotional way to connect with consumers.

Why It Matters

For years brands in many industries have become adept at the idea of soft branding community efforts. This longstanding technique of having a brand as an invisible supporter and patron was seen as the ultimate way to support something without it feeling overtly promotional.

Brands once believed that if they were associated with a particular social good, people would not trust their efforts. Today brands can earn that trust through positive business models, benevolent acts of charitable good, socially responsible sourcing and even entertaining brand messages of togetherness.

It is building of this type of trust that makes the idea of *Branded Benevolence* so valuable. In 2015, more brands will realize that doing business in a socially responsible way is only half of the challenge. The second part is putting your actions front and center to show what you believe and why you believe it.

Who Should Use This Trend?

The idea of injecting more kindness into how an organization interacts with customers or does business is almost universally applicable for companies in any industry. In particular, this trend can make a big difference for brands that have existing social-good programs but are struggling to make them more strategic and integrated into something bigger.

How Can You Use This Trend?

- ✓ **Give time alongside money** – Nothing can doom a well-intentioned effort more quickly than only offering money without any other commitment. As consumers get savvier about tax-deductible promises, it is important to think outside the donation. How could your employees get involved with the cause? What else can you offer beside money? Answering these questions can help you add more significance and make your efforts more human in the process.
- ✓ **Make kindness a goal** – An important element to remember about *Branded Benevolence* is that the trend also goes far beyond social good. Coca-Cola donates millions of dollars to causes each year, but their most memorable effort, featured in this chapter, was essentially a marketing campaign with a bigger vision. Sometimes adding value to culture means sharing an important message in an entertaining and shareable way.
- ✓ **Offer unexpected sacrifices** – In 2014, several brands made high-profile sacrifices as a way to demonstrate their own benevolence. Tesla opened their patents to the automotive industry. CVS stopped selling cigarettes, despite a full-year loss of revenue estimated at nearly $2 billion. These brands illustrate that sacrifice can be a powerful way to demonstrate *Branded Benevolence*; you are choosing to give something up because you believe in something bigger.

Chapter 22

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The 2016 Perspective

If there is one sign of hope for the role of companies in our culture, it is that kindness continues to be a priority for an increasing number of companies year after year. In fact this kindness, whether to the environment or customers or society as a whole, is rapidly becoming the ultimate competitive advantage in a world where consumers are increasingly making purchase decisions based on an on demand real time knowledge of a company's ethics and business practices.

In one of the highest profile marketing campaigns of the past year from the travel industry, Southwest Airlines' launched a new campaign called "Transfarency" to spotlight their fair and transparent model for charging travelers for everything from seats to amenities. As Chief Marketing Officer Kevin Krone described it, "we don't hide fees … [and] disagee with the concept of charging fees for things that used to be considered a normal part of flying. What you see is what you get." The move continues to be unique among US based airlines and helps Southwest enjoy loyalty and customer satisfaction scores that eclipse those of their competitors.

Across the year, other brands also made big purpose driven statements around a variety of issues that matter for their businesses and their customers. Salesforce CEO Marc Benioff, for example, committed to making gender equality real by methodically going through all the company's salaries to ensure women's salaries were on par with men's for the same work.

Moving into 2016, the idea of brand purpose is commonly discussed in business strategy meetings, and has become a critical part of how leaders think about the value their companies offer to the world. Purpose matters deeply to consumers, potential employees and current employees alike – which means Branded Benevolence will continue to be a major trend shaping how businesses inspire brand loyalty and attract the best talent over the next year and beyond.

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