

The
RepTrak
Company™

ANA Presentation: Power of
Purpose

June 2020

Agenda For Today

- Introduction
- Global Reputation
- Higher Purpose
- Activating Purpose
- Implications
- Q&A



Stephen Hahn-Griffiths
Executive Vice President
RepTrak

shahn@reptrak.com
@shahngriff

Introduction: The RepTrak Company

We help companies **do and say the right thing** to maximize business and societal impact. We provide business leaders with empirical understanding of the underlying sentiment associated with their company -- and deliver **actionable insight** on how to protect and enhance business value.

Global Reputation

2020 Global RepTrak

2020 Global RepTrak Methodology

Q1

January 2020

153

Nominated companies

295,580

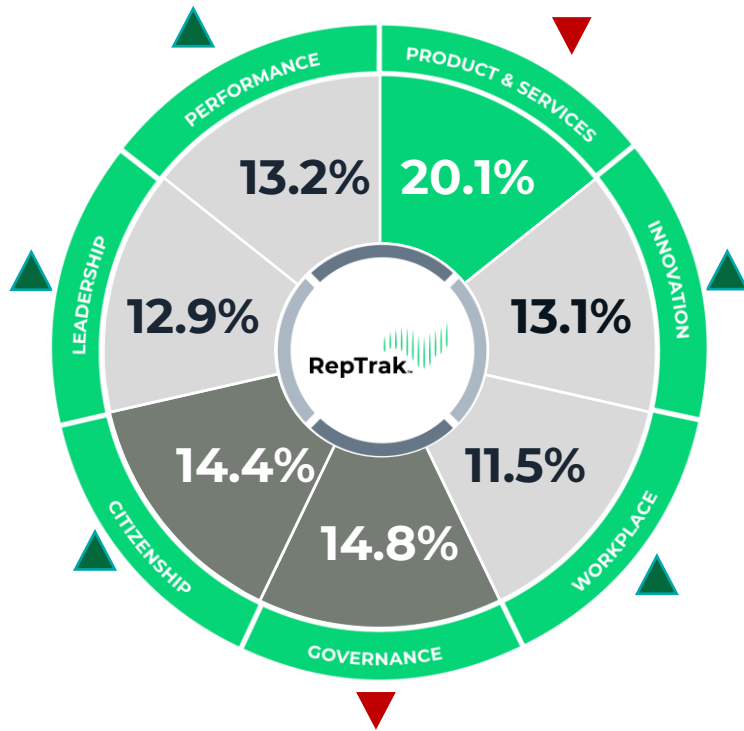
Ratings captured

15

Countries

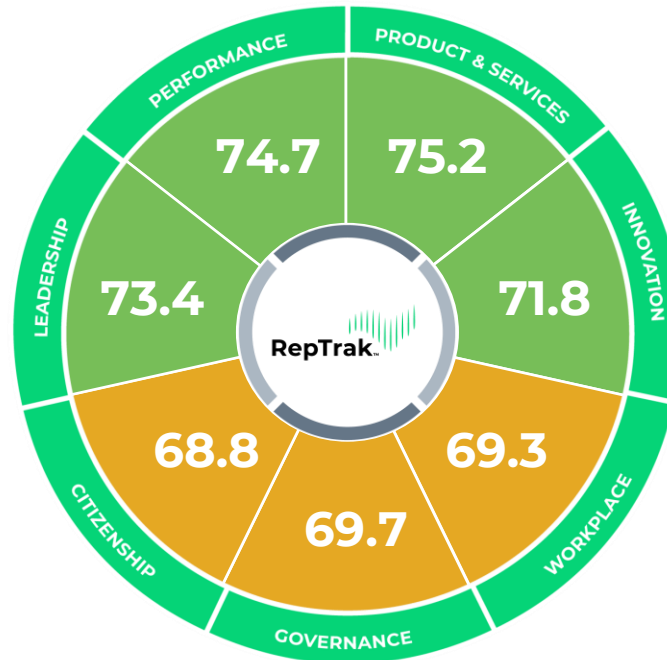
How the Global 100 Perform on What's Important?

2020 Global Reputation Drivers



Arrows indicate difference vs. 2019 importance

2020 Global Performance of Top 100

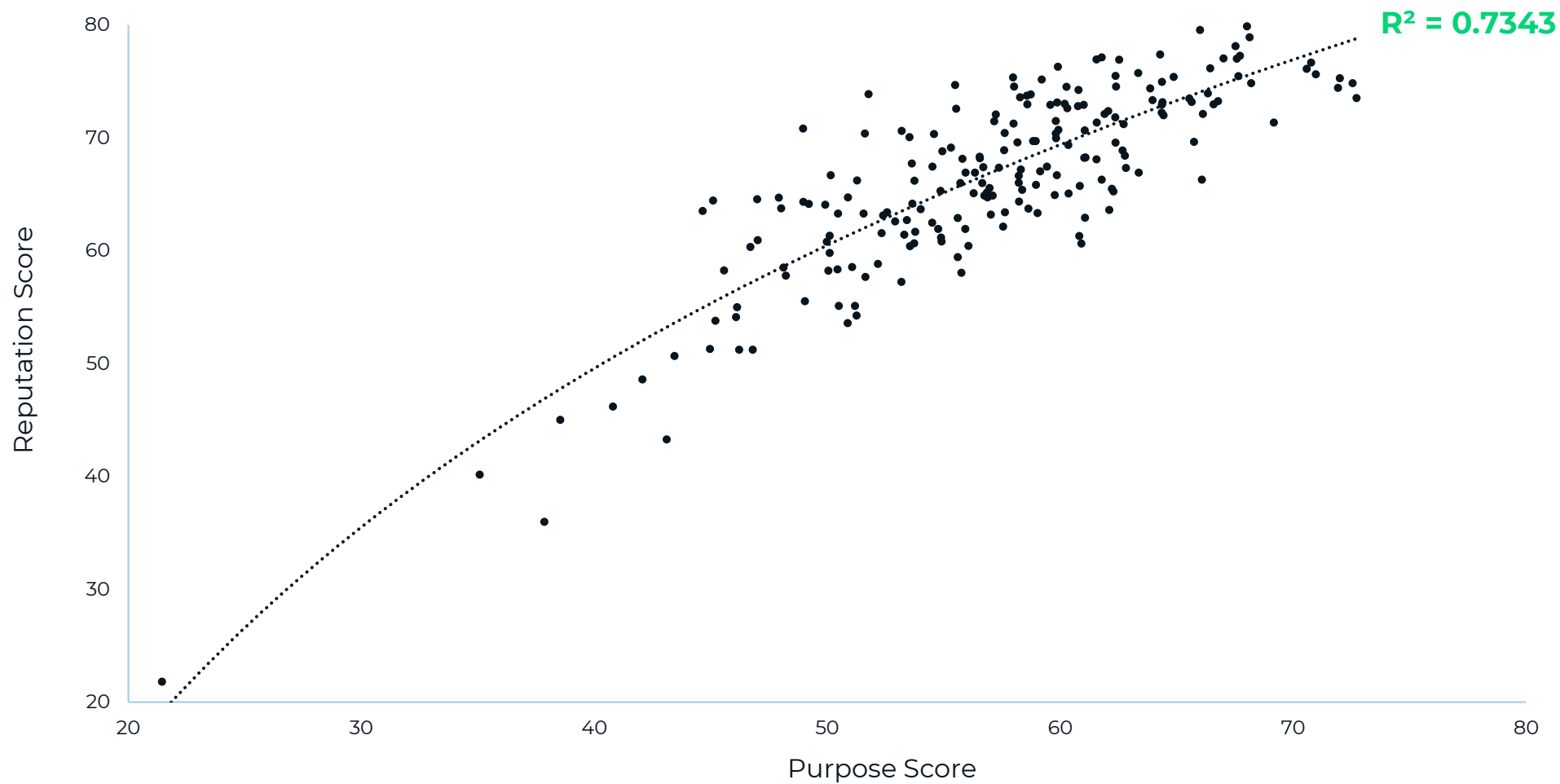


- Top 100 Global companies score highest on **Products & Services** the most important Driver
- However, the Global 100 are not as strong on **Governance and Citizenship** which accounts for almost 30% of Reputation

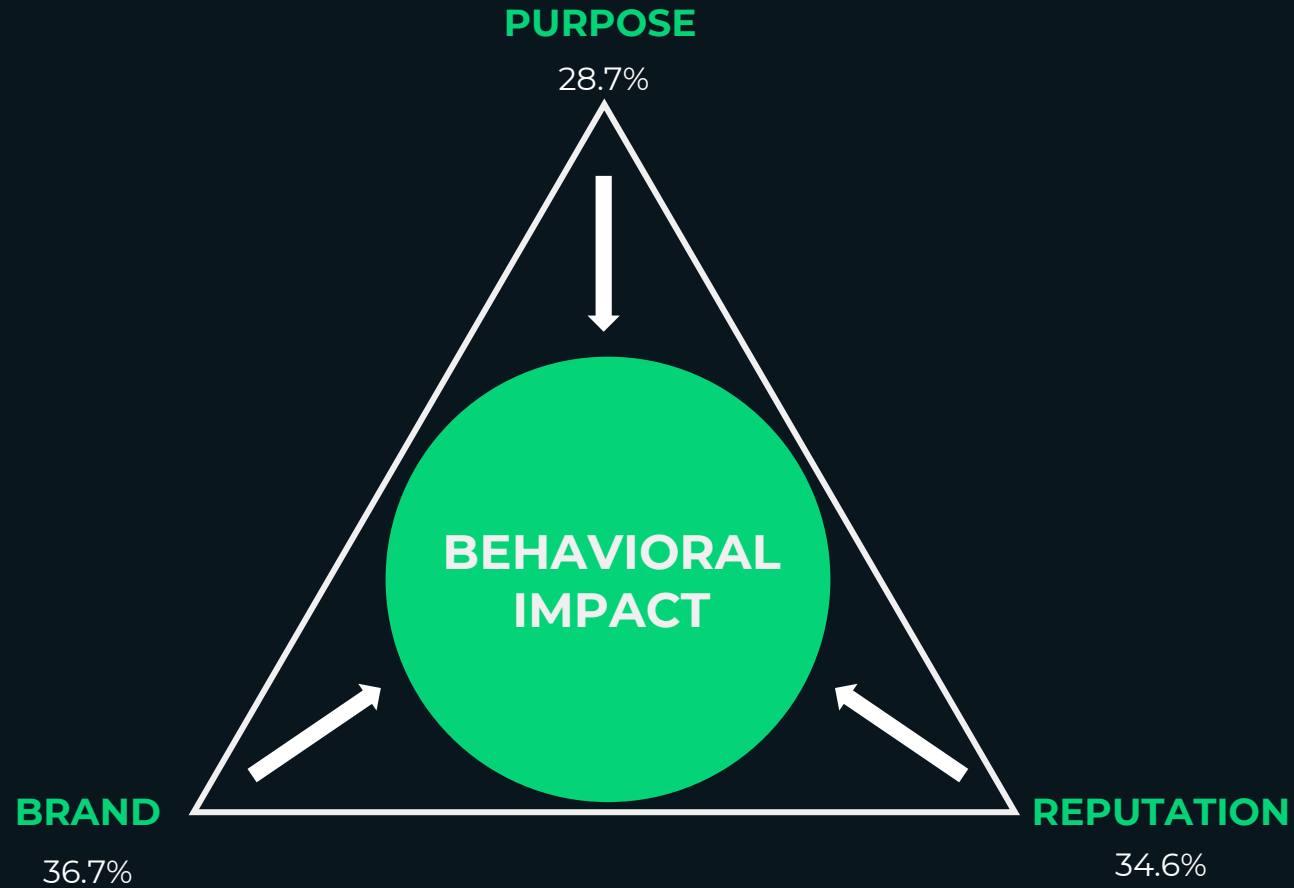
Next Frontier: Higher Purpose

A breakthrough in measuring purpose and reputation

Key Discovery: How Purpose Drives Reputation



Purpose At The Apex of a Powerful Behavioral Trifecta

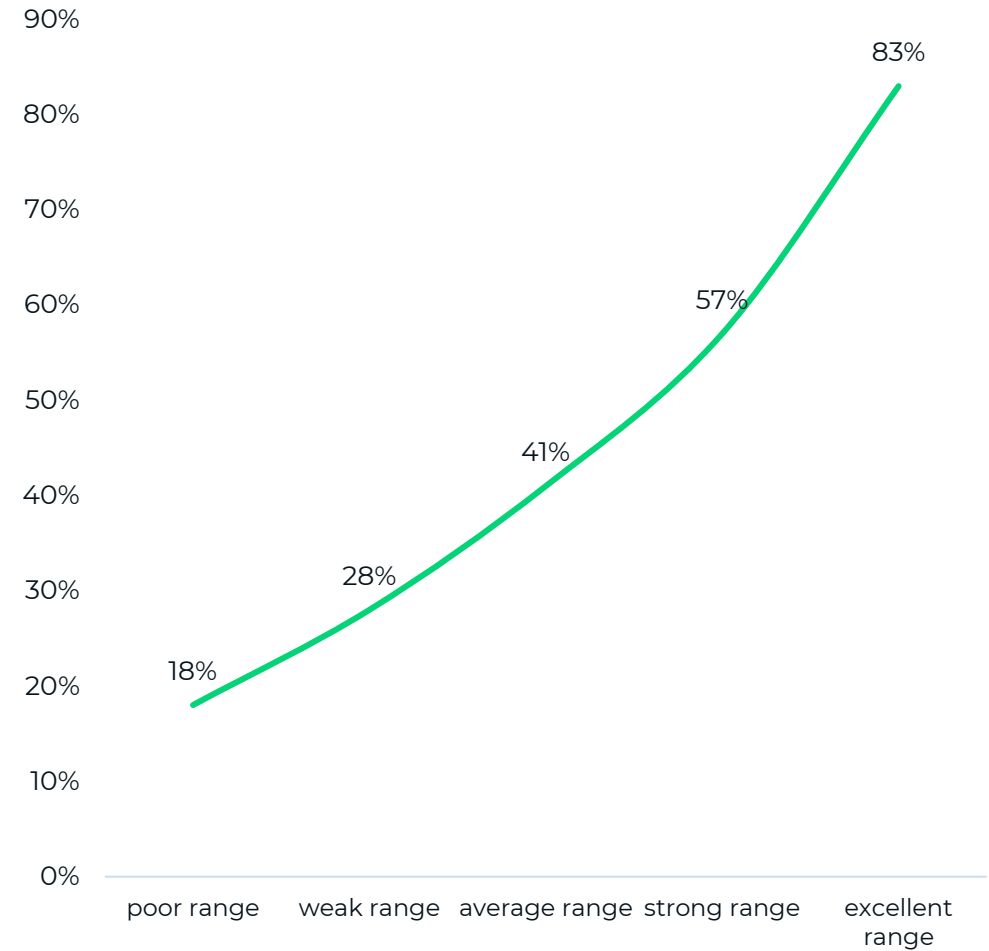


Purpose: Accelerates Sales

Levels of purchase intent increase exponentially as belief in purpose goes up. Specifically, a 5-point lift in purpose, yields a **4.4% increase in purchase intent.**



Purpose vs. Purchase Intent



How to Think About Higher Purpose: Why You Exist

Your company's higher purpose is based on a stakeholder **belief system** that's in part:

- Emotional
- Rational
- Visceral

But Activating A Higher Purpose Is Challenging

Beware of “Purpose-washing”

To believably activate and deliver on its higher purpose – a company needs to know what to authentically

do and say.

Few Companies are Highly Purposeful

Given underlying stakeholder skepticism

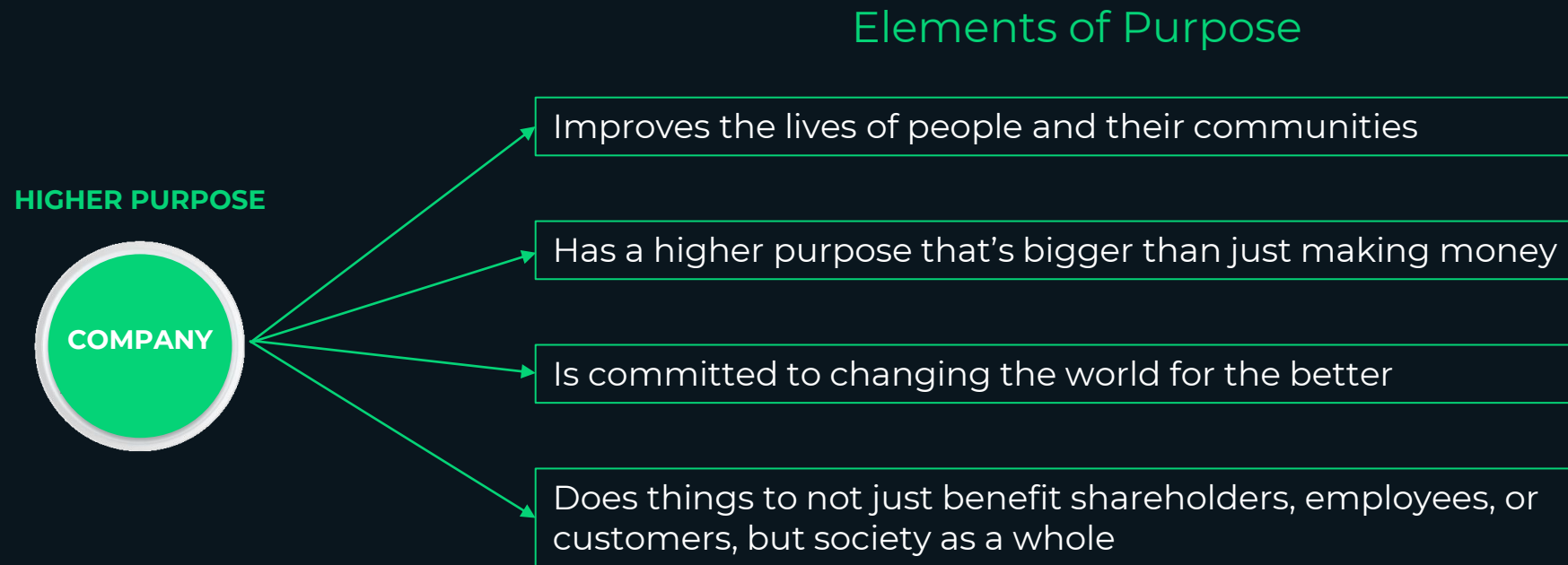
only 3%

of companies are believably viewed as being strong in purpose.

RepTrak: Purpose

A normative measurement and diagnostic system

How We Measure Higher Purpose: Gauging Belief



Note: Based on the Purpose Power Index developed in association with Strawberry Frog

Understanding What Moves Purpose: Drivers

PRODUCT MORALITY

Sells products and services that make every day better, and positively contributes to society

EGALITARIANISM

Believes in fairness and equality -- including gay rights, gender equality, and rights of racial minorities

SUSTAINABILITY

Is environmentally responsible in how it operates and seeks to make products and services sustainably

SOCIETAL WELFARE

Promotes philanthropy and charitable giving, and supports the welfare of the communities it serves

DATA PRIVACY

Advocates for consumer privacy, data protection, and the responsible use of personal data

EMPLOYEE ADVOCACY

Cares for the health and well-being of its employees, and their potential to thrive

CHAMPION OF PROGRESS

Is committed to societal progress, and actively innovates new solutions to advance humankind

Purpose Insight: Global

Key learning on being believably purposeful

Power of Purpose Drivers: What Matters Most?

In fulfilling your purpose – being a champion of progress, winning on product morality and leading in sustainability are the most important.

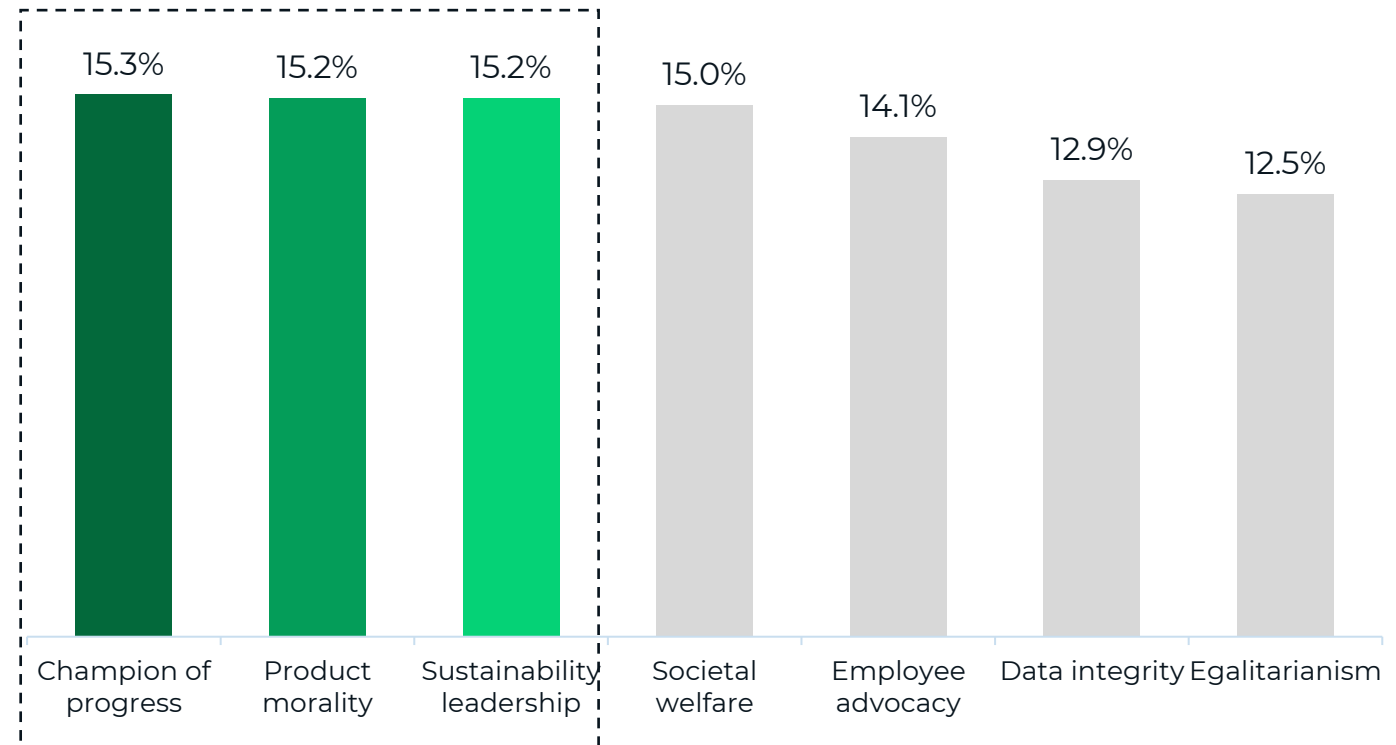
Together, they account for influencing **46% of corporate purpose.**

Legend



Adjusted R-Squared = 0.74

2020 Global Driver Importance

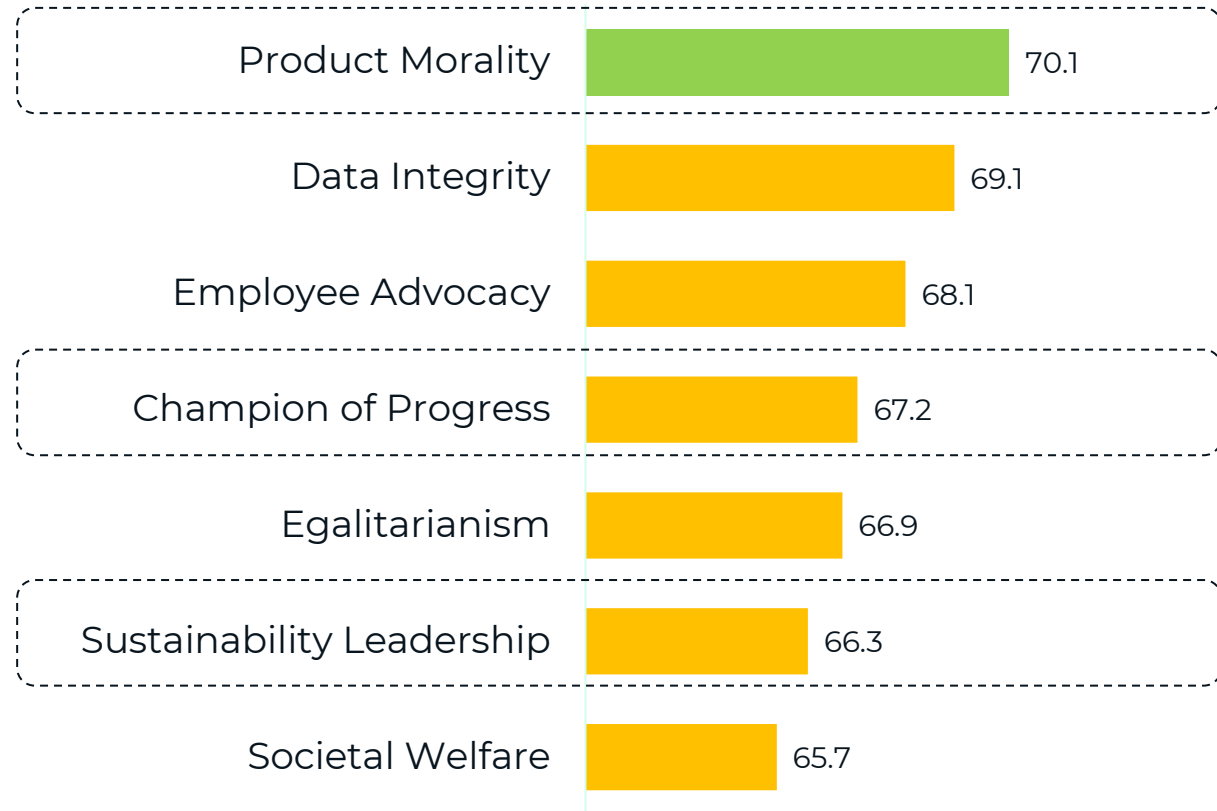


How Top 100 Global Companies Perform on Purpose

2020 Top 100 Purpose Driver Scores

Companies are predominantly average – although typically stronger in terms of **product morality**.

The opportunities lie in being perceived as more of a **champion of progress and sustainability leader** (as two of the top drivers of purpose.)



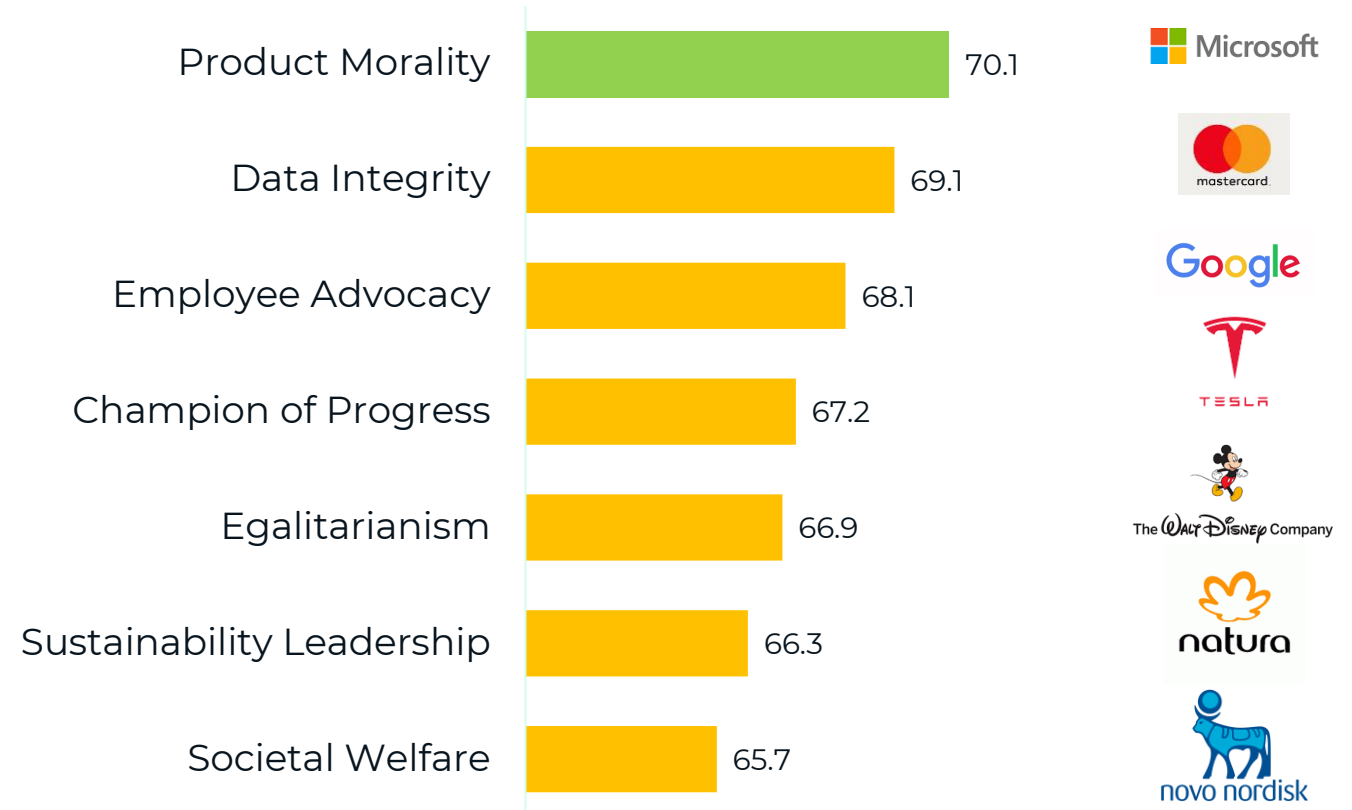
Top three drivers =

Source: 2020 Global RepTrak

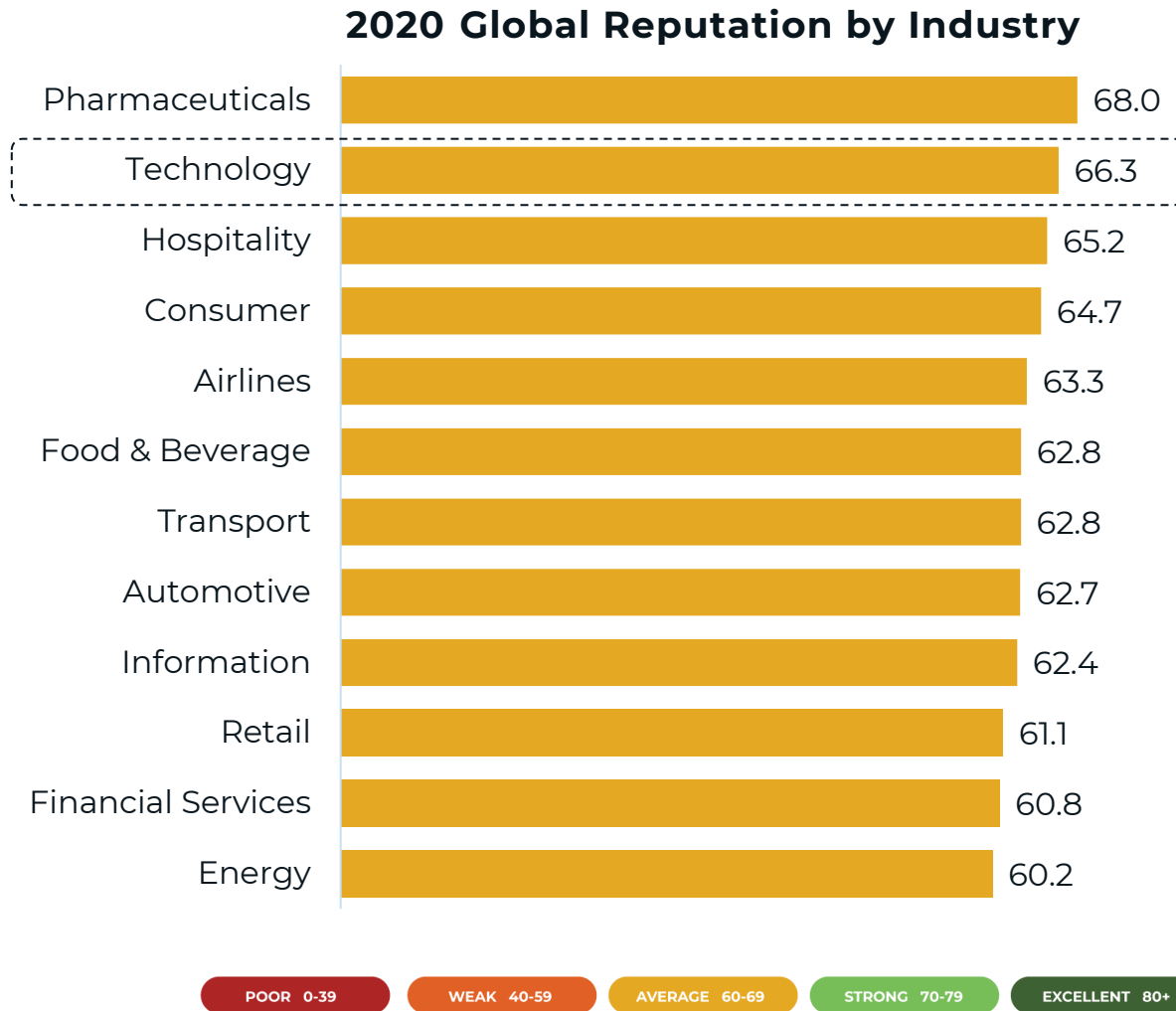
Different Companies Excel on Different Drivers of Purpose

2020 Top 100 Purpose Driver Scores

Each of the seven Purpose drivers are led by a different company.
Microsoft leads on product morality as the most influential aspect of Purpose.



Purpose by Industry: Typically Average, Tech is Surprisingly Higher



- Being strongly purposeful is not easy -- all industries represented in the global study earn a low-to-high average Purpose score in 2020.
- The Tech industry performs better than most, but companies in the tech space still **fall short on being viewed as purposefully strong.**

Case Study: Microsoft

“Empowering People to
Achieve More.”

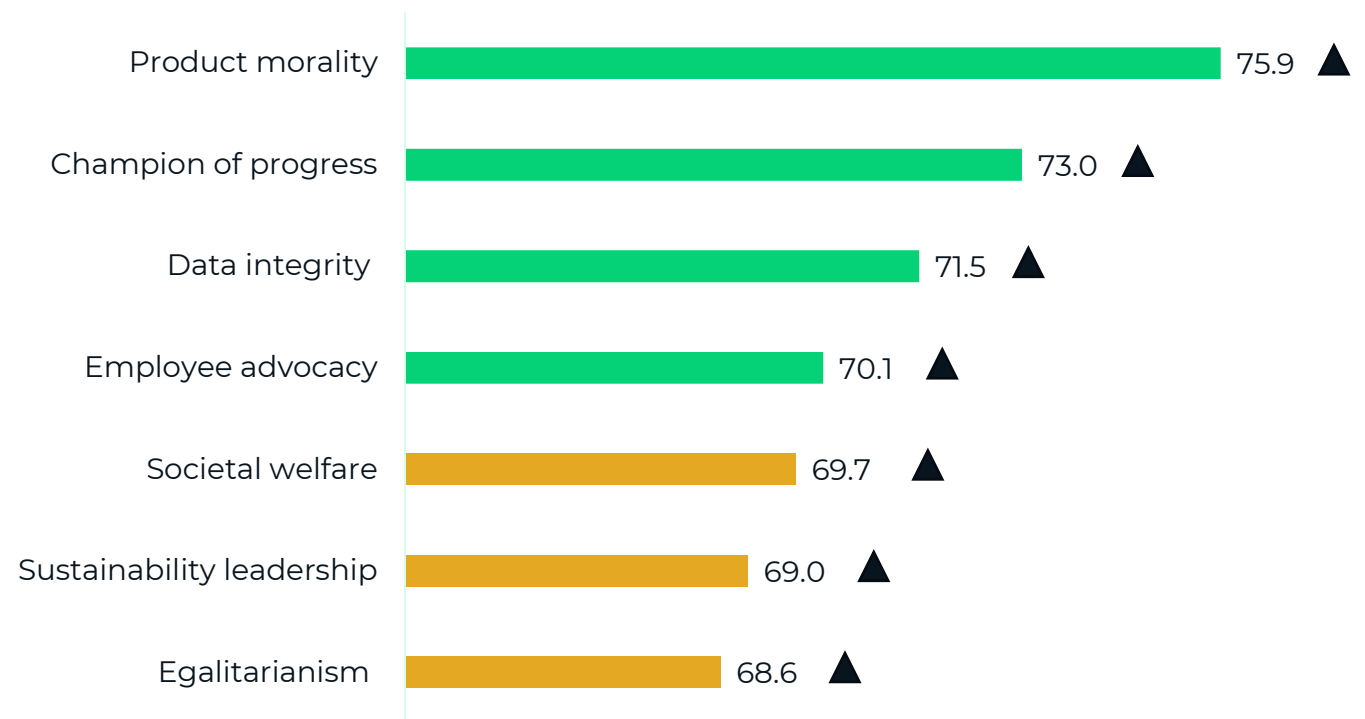
Microsoft’s global purpose score is:

71.0 points

(Strong)

Microsoft’s overall purpose score trends higher than the global average: **+5.3 points**

- Microsoft’s purpose breaks through to the global general public, being among the few companies to achieve a strong purpose and strong performance across key drivers. Across the 7 purpose drivers, Microsoft is strongest on product morality – to truly excel in purpose activation it would need to **improve on sustainability leadership and egalitarianism.**



Arrow indicates if the score is higher/lower than global average

Microsoft Activates Purpose: “Empowering People to Achieve More”

Corporate Responsibility

“At its core, responsibility is about earning and sustaining the trust of the customers and partners we empower and the communities in which we live and work. Without trust, none of our progress is possible”

Satya Nadella, CEO, Microsoft



Trust and
responsibility



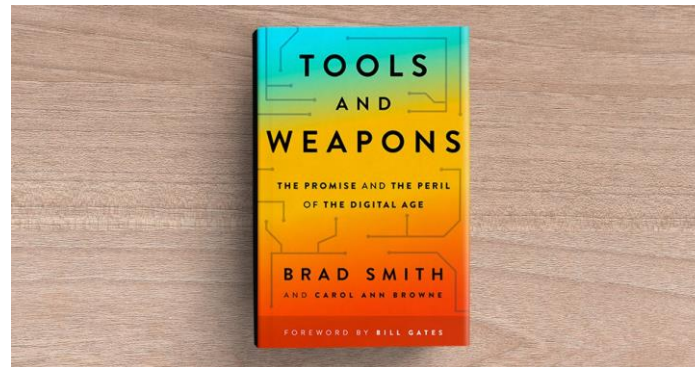
Closing the
opportunity gap



Protecting
our planet

Thought-Leadership

Microsoft President Brad Smith and Caron Anne Browne released a best-seller narrating Microsoft’s approach to the Tech Industry’s emerging challenges, including data security and cyber attacks.



Founder’s Legacy

In addition to their ongoing initiatives, the Gates Foundation has funded +\$300M towards a COVID-19 vaccine. They have also partnered with the New York City Department of Education to support 67 new schools with a \$51M grant.

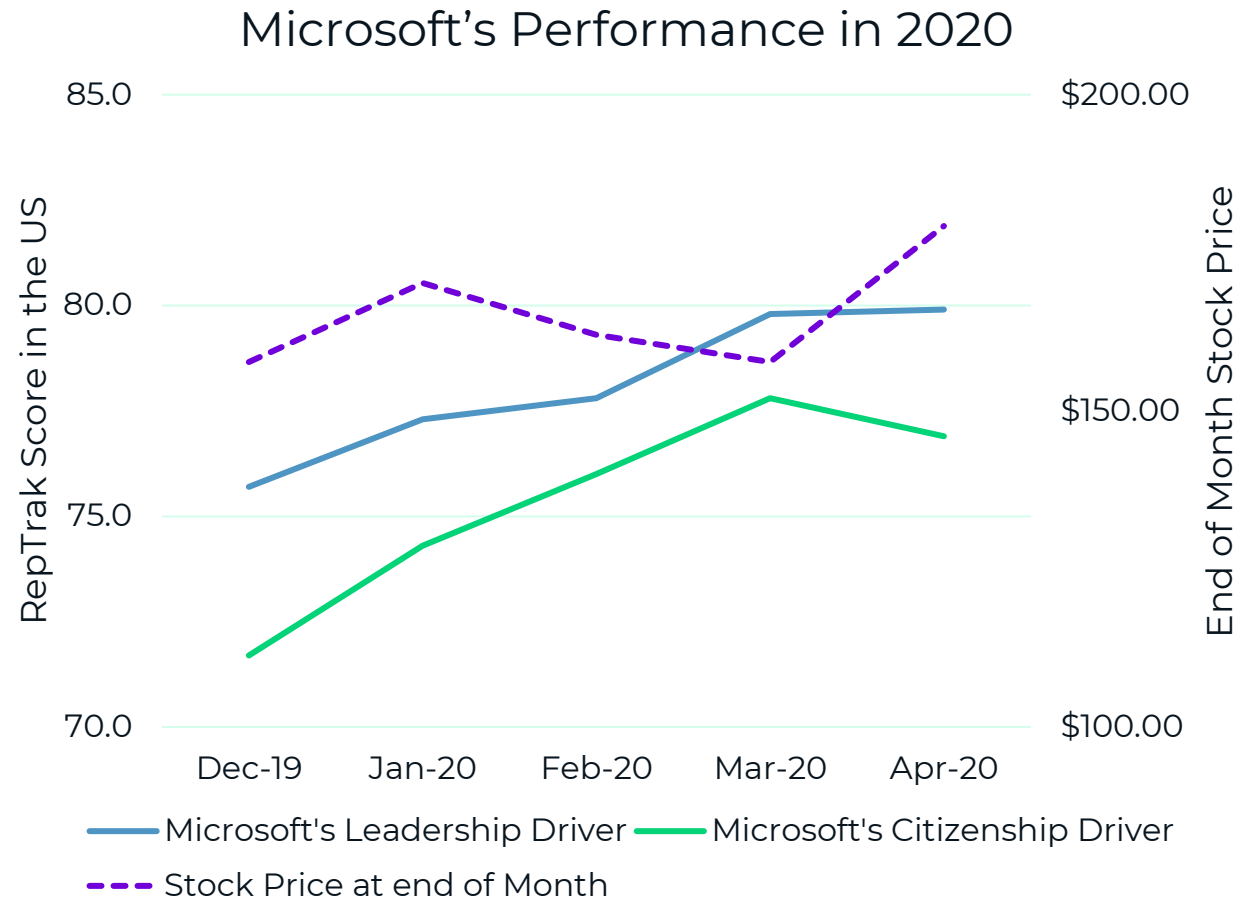
BILL & MELINDA
GATES *foundation*

Microsoft's Purpose Yields Resilience

While the market struggles, Microsoft's stock price quickly rebounded after a drop in February and March.

On the other hand, perceptions of its Leadership and Citizenship have trended positively since December 2019.

Microsoft was among the first to commit to paying all hourly vendors and workers, even as the shift to remote work at its headquarters reduces the need for their labor

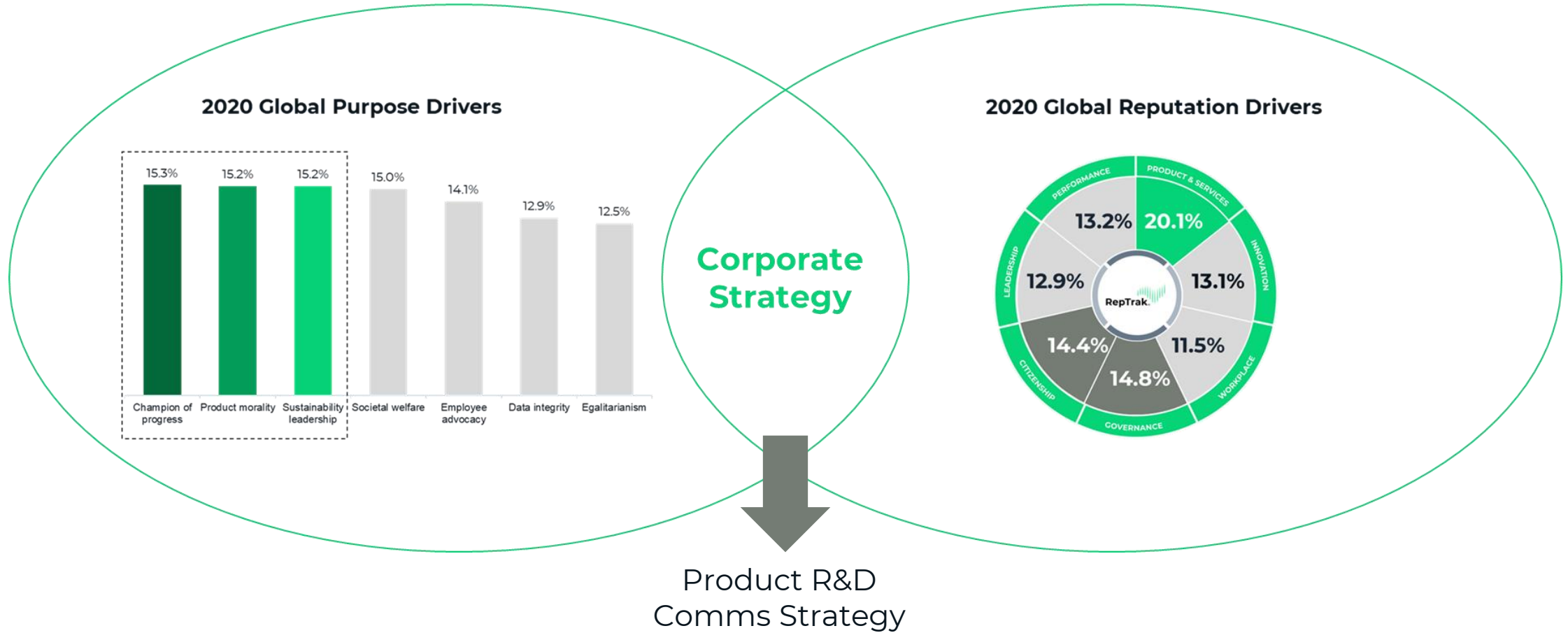


Stock Price Source: Yahoo Finance, Nasdaq's Real Time Price, Currency in USD. Capturing closing price during end of moth.
RepTrak data from the US Continuous Tracker (Dec 2019 – April 2020)

Implications

Opportunity to innovate, differentiate, and do and say the right thing

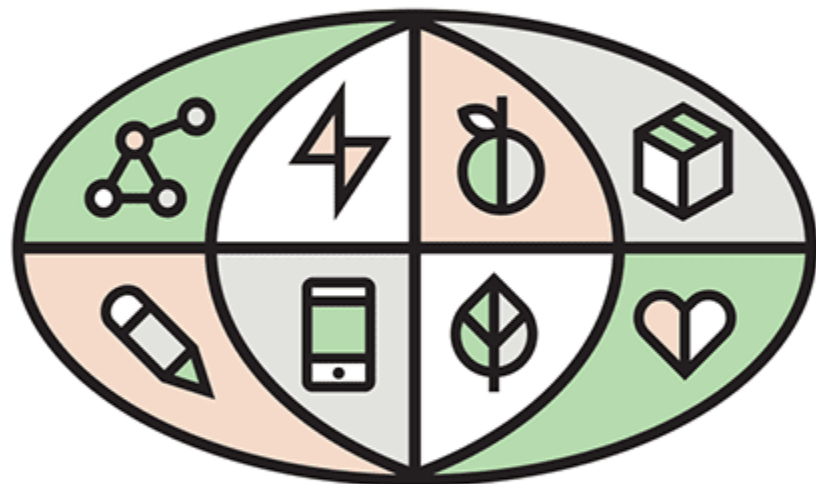
Implication: How to Purposefully Do and Say the Right Thing



Future of Purpose

New Model for Measuring Purpose

FAST COMPANY
WORLD CHANGING
IDEAS



Belief in Purpose: The Purpose Model

The **3 core elements** to assess your corporate brand purpose.

Drivers

Purposeful recognition

- People
- Planet
- Profit
- Product (integrity)
- Process

Purpose Score

Belief in company ideals

- Beyond profits
- Improving lives
- Better world
- Benefit society



Business Impact

Business outcome

- Purchase
- Advocate
- Engage
- Invest in
- Work for

Q&Q: Purpose

Appendices

Additional Slides

Reputation Model: Normatively Measuring Reputation

THINK

What do your stakeholders **think** about your company?

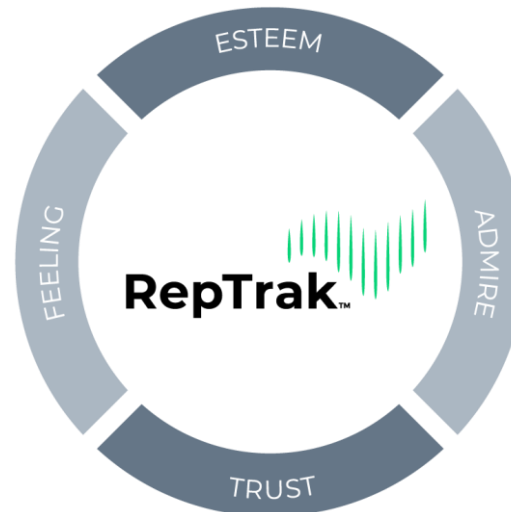
Reputation Drivers

PRODUCTS & SERVICES
INNOVATION
WORKPLACE
GOVERNANCE
CITIZENSHIP
LEADERSHIP
PERFORMANCE

How your stakeholders **assess key business areas** that drive your reputation

FEEL

How do your stakeholders **feel** about your company?



The **emotional connection** stakeholders show towards your company

DO

What actions **do** your stakeholders want to take?

Business Outcomes

PURCHASE
RECOMMEND
CRISIS PROOF
VERBAL SUPPORT
INVEST
WORK

The **predicted business outcomes** your stakeholders demonstrate

Unlocking the Power of Higher Purpose: North Star



When your organization has a strong purpose based on doing good, it is the north star that helps to guide all decision making. It ensures that the big picture around the human, environmental, ethical, financial and political issues are considered in making decisions. When this is in place, it reduces the risk for your business.

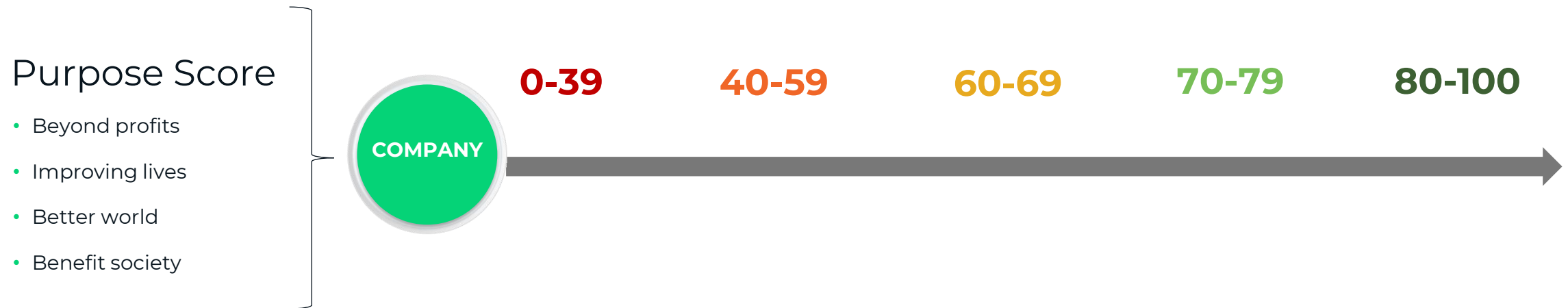
Higher Purpose

*is a driver of elevated
business success:*

*Sales
Loyalty
Advocacy
Engagement
Employer Brand
Investment*



Scaling Belief in Purpose: Normative Assessment



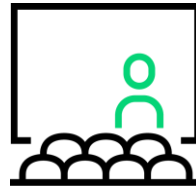
Purpose Enactment: Assessing Stakeholder Belief

The **3 elements** to assess purpose enactment.



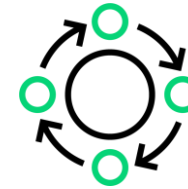
Courage

Not afraid to be bold/controversial when it comes to acting on its higher purpose



Communication

Actively and authentically communicates its higher purpose



Action

Has/would take specific actions to fulfill higher purpose

Purpose Activation: How Are You Expressing Your Purpose?

The **4 elements** that help you to better activate and fulfill your purpose.



Clarity

Clear understanding of what the company's higher purpose is



Resonance

The company's purpose is meaningful and aligns with what I care about



Differentiation

The company's purpose sets it apart from other brands



Motivation

The company's purpose motivates me to buy or use its products

What About Covid-19?

Key Considerations

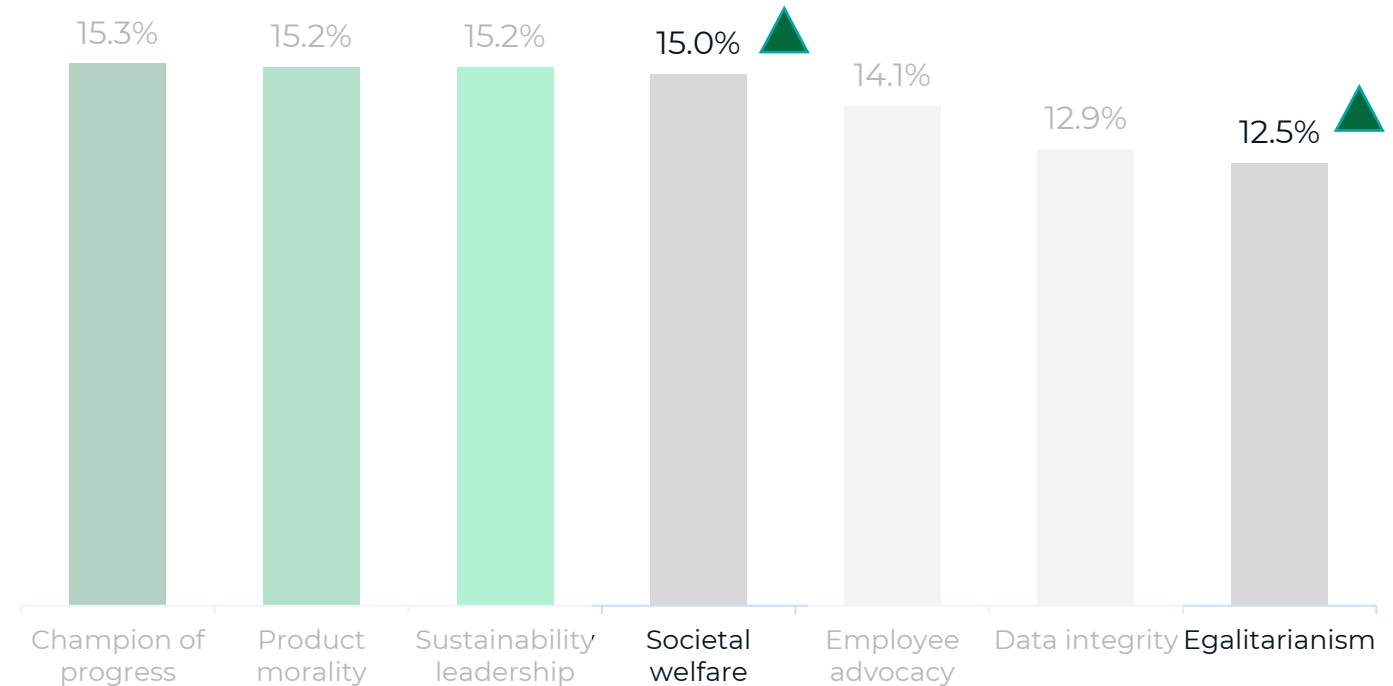
Power of Purpose Drivers: News Flash

Hypothesis:

This study was conducted in the early days of **Covid-19** and prior to the global elevation of the **#BlackLivesMatter**.

It's highly likely that expectations of purposeful action related to **societal welfare and egalitarianism would have since increased.**

2020 Global Driver Importance



Source: 2020 Global RepTrak

