

Purpose Differentiates in an Age of Disruption

By Dr. Jeff Vanderwielen and Dr. John Izzo

What makes a good company successful in an age where we are blessedly cursed with a wide selection of products in every category? With technology being a widespread disruptor, the business landscape is rapidly changing and making some companies obsolete almost overnight. Do you recall Blockbuster? In our new book [The Purpose Revolution: How Leaders Create Engagement and Competitive Advantage in an Age of Social Good](#), we show that in the present marketplace where almost everything is commoditized, it is critical to build relationships with customers that connects to shared values.

Today, consumer preferences are increasingly shaped by buyers focused on purpose. Sixty percent of customers currently report making socially conscious buying decisions and 83 percent of customers say that buying from a green company is important. What a change from the past, where consumers were primarily concerned with product quality. Muhtar Kent, chairman and former CEO of Coca-Cola, framed it this way: “In the old days, you made a good product, manufactured it with quality so that it tasted good, and then made it available. All you had to do was have the product be well understood through good advertising.” Of course, good products still matter, as do all the other traditional differentiators, but true relevance now comes from connecting with customers’ deepest values and the ability to build an authentic relationship. The value of relationship can be significant. For example at Unilever, their brands that have made a purpose connection with customers, such as Dove and Ben & Jerry's, are growing 35% faster than the rest of their brands.

The challenge for sustainable companies is communicating corporate commitments in a way that builds relationship with the savvy green consumer. A Unilever study reveals that 33 percent of consumers choose to buy from brands they believe are doing social or environmental good, and that an estimated €966 billion opportunity exists for brands that make their sustainability credentials clear. Seventh Generation believes in creating ingredient transparency with its customers and several years ago began highlighting the key value attributes of its products on the labels. For example, on laundry detergent: “No dyes, optical brighteners or synthetic fragrances, Seventh Generation Laundry Detergent...[is] made with plant-based ingredients [and] is a USDA Certified Biobased Product 97%.” The company believes so strongly in customer education on this issue that it spearheaded ingredient transparency for all cleaning-product companies with the [Cleaning Product Right to Know Act](#), which became law in California in 2017.

Sustainable consumers may care more about the environment than they do about their own wallets. Joey Bergstein, Seventh Generation’s CEO, said a 2014 Earth Day ad- which didn’t even mention the products – had a larger impact on sales volume than did all the coupons they offered for a year. In the ad, the company tackled an issue that it felt was important to its

customers and invited them to get involved directly. The campaign was much more than a simple marketing effort. It solidified Seventh Generation's relationships with its customers and reinforced its mission for good.

Because we never know what will resonate with consumers, it's critical to test your purpose initiatives for business impact and find out what resonates. Today, the marketing is ultimately about building a more authentic relationship with consumers centered around your shared values. Find out how in [The Purpose Revolution](#), which shows business leaders what today's consumers truly want and offers practical strategies on winning in an age of social good.

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