



CATÓLICA-LISBON

CENTER FOR RESPONSIBLE
BUSINESS & LEADERSHIP

PURPOSE-DRIVEN CONSUMPTION

BUILDING THE DIALOGUE

BETWEEN COMPANIES AND CONSUMERS

RESEARCH NOTE #4

CENTER FOR RESPONSIBLE BUSINESS AND LEADERSHIP



**CATÓLICA
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BUSINESS & LEADERSHIP

This research note was developed by the Center for Responsible Business & Leadership (CRB), a unit of Católica Lisbon School of Business and Economics. The Center is a strategic initiative in CATÓLICA-LISBON's ambition to be a catalyst for IMPACT creation, through knowledge development and innovation, in order to place responsible business at the core of corporate strategy.

Responsible Business (RB) is becoming an essential part of corporate strategies and the CRB aspires to develop critical knowledge among students and executives to face the sustainability trends as opportunities. Our aim is to contribute to CATÓLICA-LISBON mission to be a top business school and create a position of intellectual leadership, while finding the right answers for the world's toughest challenges.

We believe that corporations able to act as a Responsible Business, integrating all its dimensions into their strategies and culture, will be the leading companies of the future.



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Introduction

Consumers of the 21st century are looking for companies, brands as well as products that inspire them to do good. As engaged stakeholders, consumers are prioritizing sustainable consumption decisions so that Purpose becomes a more integral part of their lives. In this research note we integrate the rise of sustainable consumption into the concept of Purpose-driven Consumption and Purpose-driven Brands. Purpose-driven Consumption is a term that is still less explored by researchers and business leaders. Consumers as decision-makers are important players in the business ecosystem and are critical to the success of companies and associated brands. Creating a holistic customer experience can differentiate companies but, most importantly, it can create a generational engagement based on the emotional, cognitive, social, and physical consumer responses to the business purpose (Grewal et al., 2017). This engagement can be long-lasting and represents a source of competitive advantage to companies that share the same values with their customers. Igniting the dialogue about the role of Purpose between companies and consumers is the goal of the current research note.

The Rise of Sustainable Consumption

At the end of 1980s, ethical or sustainable consumption started to gain relevance in the public agenda, championed by *Our Common Future's* Brundtland Report (WCED, 1987) that proposed the often-quoted sustainable development definition: “the development that meets the needs of present without compromising the ability of future generations to meet their own needs” (WCED, 1987, p. 37). The pivotal moment of change was the 1992 Earth Summit and the implementation of the Agenda 21 to guide the next decade, with the Rio Declaration and the establishment of the Commission on Sustainable Development by the UN later that year. As a result, it was agreed that price incentives and more efficient technologies were required to enable consumers to lighten the footprint of their shopping, giving way to the notion that dematerialization was the path to reduce the environmental burdens of consumption and materialistic lifestyles (Ahuvia, & Wong, 1995).

Despite almost two decades of over consumption and access to many low-priced goods with heavy environmental price tags, from fast fashion to low-cost traveling, it was not

until around 2010 that owning “lots of stuff” started to become a stigma (Ahuvia, & Wong, 1995; Griskevicius, Cantú, & Van Vugt, 2012). Led by a growing movement of conscious consumers who started advocating for the end of excess consumerism, the need for more organic food production free of pesticides and locally sourced, or ethically sourced fashions and more inclusive value chains, sustainability became increasingly relevant in the business agenda (Kearney, 2010; Shen, Richards, & Liu, 2013; White, Habib, & Hardisty, 2019). In 2015, the launch of the 2030 Agenda for Sustainable Development by the United Nations General Assembly led the way to a new stage in the development of the CSR field, which is evolving into the concept of responsible business (Moreira da Cruz, Pires de Almeida, & Blom-El Nayal, 2020a). This path was possible with the adoption of seventeen [Sustainable Development Goals](#) (SDGs) and its 169 associated targets, which created for the first time a universal language for sustainability. The need for a strategic call to action was recognized by many countries - developed and developing, as well as private and social institutions, in a global partnership aiming to promote an integrative ecosystem that spurs economic growth and people-centred economies, while tackling climate change, improving health outcomes, giving broader access to education and reducing inequalities.

Purpose-driven Consumption

As more and more consumers wish to be part of the solution to current sustainability challenges, they are shifting their consumption spending to where their hearts are. According to Nielsen (2018), consumers in the US spent approximately \$128.5 billion on sustainable fast-moving consumer goods (FMCG) in 2018. Since 2014 these sustainability minded shoppers have grown the sustainability product categories by 20% with a compound average growth rate (CAGR) four times greater than conventional products. In 2021, sales expectations for sustainable FMCG goods are expected to reach \$150 billion, an increase of \$14 billion - \$22 billion. Amongst the holistic range of factors that affect these sustainability minded consumers are the social, environmental and economic triple bottom line principles (Elkington, 1977), as well as their sense of health, wellbeing and individual self-identities.

In fact, an increasing number of consumers no longer wish to feel detached from market dynamics but instead engage by investing their money and voting with their purchases for the greater good.

These are what we call purpose-driven consumers - consumers that are driven by companies and associated brands that are contributing positively to a sustainable world and conscious capitalism.

This trend is changing the way consumers relate with companies and brands, shifting to a dialogue that is more collaborative in nature. This is in line with the notion of Purpose defined by Moreira da Cruz and colleagues (2020b, p. 8) who suggest that "Purpose is the *reason for being* of a company, one that is able to unify all stakeholders around the same systemic aspiration and, by consequence, be a guiding light for decision making, bringing to the company a sustainable competitive advantage".

"The purpose has to be rooted in the business."

"It has to be important to the CEO and the leadership team, but it must begin with what impact you're trying to make in your customers' lives".

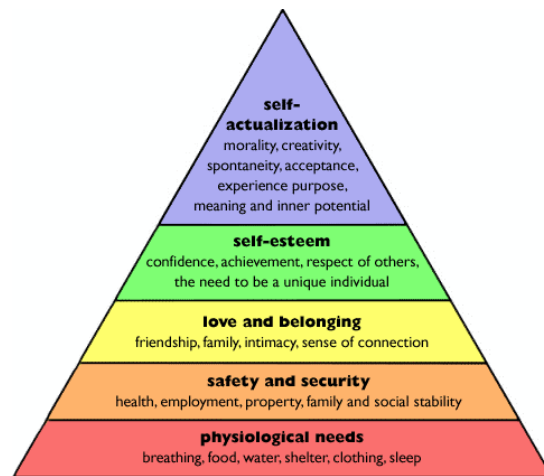
Jim Stengel

President and CEO of The Jim Stengel Company consulting firm and former global marketing officer for consumer products company Procter & Gamble
(*Harvard Business Review*, 2020, p. 6)

Satisfying consumers' needs via the sense of Purpose

Considerable research has been done on classifying the needs of consumers, often starting from psychologist Abraham Maslow's hierarchy of needs to understand personal growth and spiritual attainment. This hierarchical needs' pyramid, based on the satisfaction of biogenic and psychologic needs, suggests that the order of each need is fixed. Ideally, consumers start from bottom up in the hierarchy until their dominant motivation fulfils their self-actualization stage (Figure 1). This stage suggests that consumers value different product benefits depending upon how they enrich their experiences and fulfil their sense of Purpose (self-actualization). Overall, the model suggests that individuals must achieve a certain level in the pyramid before activating the next need in the upper stage. Social psychologists and marketers embraced this concept since it allows to understand consumers' decisions with respect to certain types of products that have benefits people might search for, depending on the stage of their economic situation or emotional and spiritual development.

Figure 1: Maslow's Hierarchy of needs



Source: Adapted from Solomon et. al (2013)

After revising and validating the original concept behind the pyramid, more recent research suggests that, overall, fulfilling a diversity of needs appear to be universal and important to well-being (Cherry, 2020). Yet, an important departure from Maslow's theory is that "a person can report having good social relationships and self-actualization even if their basic needs and safety needs are not completely fulfilled" (Illinois News Bureau, 2011). That is, the order in which the higher and lower needs are met, may overlap. The complexity of the levels of each need may also change if the external environmental changes. For instance, if the economy improves and jobs are secured, the spending habits of individual are likely to increase. But most importantly, it should be noted that in order for consumers to be able to achieve or fulfil their needs up to the self-actualization phase, companies and associated brands play also an important role, satisfying consumers' needs on experience, and purpose-centred actions.

Purpose-driven brands

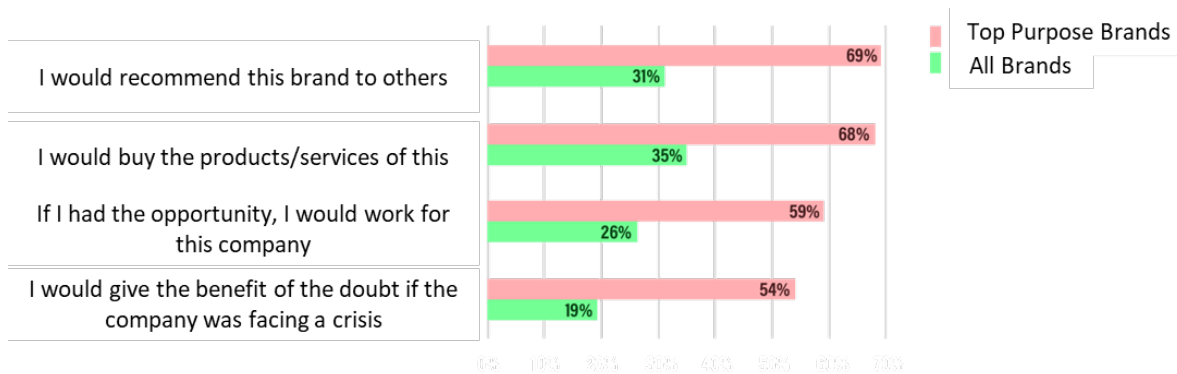
Companies that have a purpose-centric mission are designed to inspire a call to action through the brands they endorse – *purpose-driven brands*. These operate according to an elevated level of moral principles and authenticity that take into account sustainability-related principles (e.g., social, environmental, economic). Purpose-driven brands are thus, the face validity of a purpose-driven company, a reflection of its actions and image. In cases of single or narrow product companies, like Tesla, the company *is* the brand. In other cases, like Unilever, the company may own several brands and the majority of them should reflect the company purpose-driven orientation.

Purpose-driven Brands and Consumers

Consumers view themselves, more than functional buyers, as engaged stakeholders with a mission capable of sustaining, shaping, influencing their eco-system and even co-developing with a brand. Among the key attributes that attract consumers to one brand over another are culture (70%), transparency (65%), treatment of employees (69%), ethical values (64%), and sustainability (54%) (Accenture 2018). In fact, when consumers disagree with a brand's proposition, they are likely to criticize and walk away, sometimes never coming back. In other words, consumers now seek out brands with which, they identify with and share the same values in an authentic way. This is why organizations are realizing the need to go beyond the basic monitoring requirements and make a difference by contributing to stakeholder needs and aspirations. To illustrate, below are some of the consumer insights concerning the advantages of purpose-driven brands and businesses (Purpose Power Index, 2019¹; Figure 2).

¹ The Purpose Power Index is an index created in 2019 with the goal of understanding in more detail consumers' perceptions around brand purpose. This index suggests that consumers acknowledge top purpose-driven brands that develop products and services that benefit the planet.

Figure 2: Purpose is Great for Business



Source: The Purpose Power Index

Examples of Purpose-driven Brands

"To achieve your goals in business, you have to enable customers to achieve theirs."
 "If your customer can't say to another person, 'Here's what I get from this company and here's how they improve my life', you don't have a story to tell."

Jeanne Bliss

President of the consulting firm Customer BLISS and cofounder of the Customer Experience Professionals Association (Harvard Business Review, 2020, page 8).

Consumers are increasingly looking for business examples that ignite social and environmental progress and leverage their business models as a force for good. Examples of such businesses include Ben & Jerry's whose followers advocate the social mission and activism of the ice-cream maker for years, making it one of the most successful purpose-driven brands in the market and a keystone of Unilever's Sustainable Living Brands portfolio, who acquired them in 2000 (Unilever, 2020).

The Sustainable Living Portfolio of brands is part of the 10-year commitment of Unilever to minimize the ecological footprint while increasing positive social impact. Globally renowned as a consumer goods corporation with over 400 food and personal care products, the company has been focusing on acquiring top brands to its portfolio rather than the development of new products. Among the acquisitions that followed the brand's sustainable living initiative besides Ben & Jerry's, include REN, Seventh Generation, and the Dollar Shave Club, Dove, Lipton, Hellmann's among other. A press

release issued by the brand in 2019 shows that Sustainable Living Brands were growing 69% faster than the rest of the business and delivering 75% of the company's growth, a sign that investing in purpose-driven brands aligned with purpose-driven consumers pays off (Unilever, 2019).

A recent case study about Unilever's strategic acquisition of purpose-driven brands refers that, some of the identified benefits of the company when acquiring smaller purposeful brands, such as Seventh Generation, was the chance of tapping into an (initial niche) customer base of eco-conscious consumers (Javalgi & Bhagyalakshmi, 2017). In the case of Seventh Generation, this step allowed the brand to strengthen its presence in the sustainable and bio-based product segment despite some industry observers being initially concerned about mainstreaming Seventh Generation and the implications for the brand's original loyal customers. This strategic acquisition enabled Unilever to become one of the first multinational corporations to benefit from rising demand for high-quality brands with a purpose.

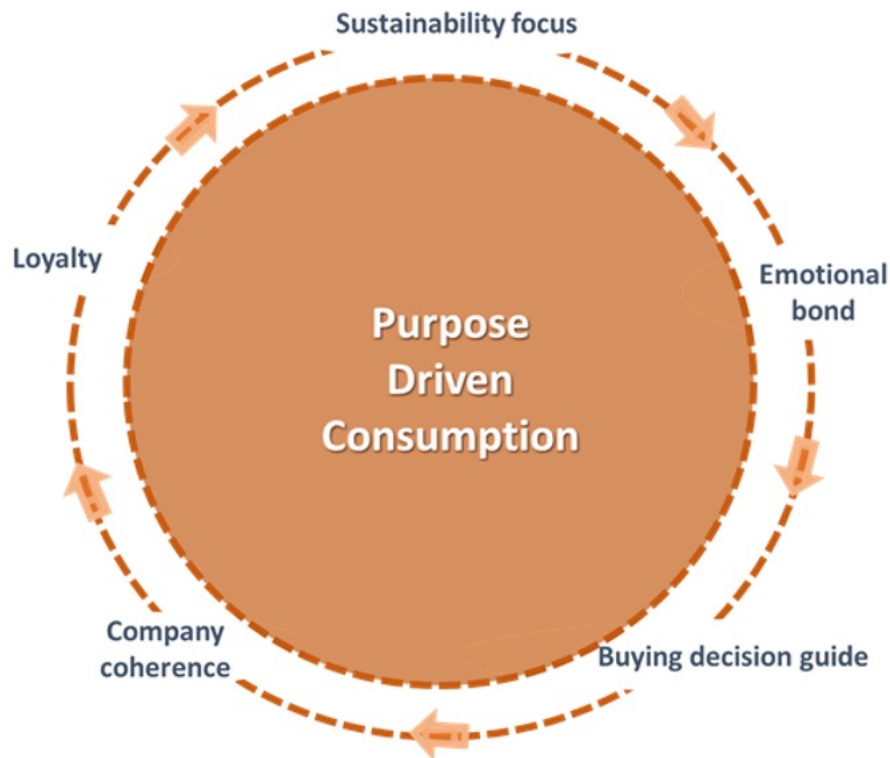
Unilever is a great example of a company able to create an environment where consumers understand the purpose behind the brand. Here the perception of the company's and its brands' purpose can be achieved and understood through the portfolio of products offered to customers and not necessarily by one product or one brand. Moreover, through coherent external communications about the company's practices such as being transparent in the information provided about corporate practices (e.g., sustainable production methods and the relation with suppliers), Unilever was able to create an emotional bond and a sense of purpose that goes behind any product but is attached to the company's portfolio and how it is communicated. If consumers sense inauthenticity in communication efforts that publicly advertise societal issues that are not aligned with corporate practices, they may become distrustful or sceptical resulting in *woke washing* episodes that are damaging to the brand's image (Vredenburg et al., 2020).

The Components of Purpose-driven Consumption

From a consumer standpoint, consuming with a purpose-driven orientation is to seek brands that share the same set of values that reflect one's identification with societal issues, for which an emotional bond can be created (Grewal, 2017). Often these values are translated into products that are sustainable, that show for instance, a level of

transparency with respect to the origin of (eco-friendly) materials or that, along the value chain, social and ethical principles were met. When these principles are met, one's sense of wellbeing, life satisfaction, and serenity is increased (Wilson & Murrell, 2004; Wong & Fry, 1998).

Figure 3: The Components of Purpose-driven Consumption



Source: The Authors²

The Purpose Driven Consumption Framework shows how consumers **focus** on **sustainable products** and **services** that trigger an **emotional bond** with **customers** and inform their **buying-decision**. Then, if there is a consistent company **coherence**, leads to a **long-lasting** customer **loyalty**.

² Inspired on "The components of Purpose" in Moreira da Cruz, Pires de Almeida and Herédia Colaço, 2020b.

Table 1: A Detailed View of the Components of Purpose-driven Consumption

| Sustainability focused | Emotional bond | Buying decision guide | Company coherence | Loyalty |
|---|--|--|--|--|
| Consumption with a sense of economic, social and environmental contribution to the world is central to the modern consumer. Choosing products and services that show a solution to environmental or social challenges seems to be a key component driving consumer's decision making. It is therefore crucial that companies' offering includes these two sustainability dimensions (environmental and/or social) as well as a sense of economic opportunity and fairness. This is a crucial component where the "journey" starts, then leads to emotional bonding. | Purpose is defined as a central goal disposition of an individual to self-organize life and a reflection of one's personal identity (Kashdan & McKnight, 2009). It is the reason behind one's existence. When consumers self-identify with a company's or a brand's values and practices, bonds are created. A dialogue then starts, representing a potential adoption and a long-term engagement between the consumer and the company/brand | During the purchase decision-making process, consumers go through multiple stages until they decide to buy (or not) a product/service. During this process, Purpose is starting to work like a guiding "north star" that helps consumers identify with brands aligned with their values and consequently, facilitate the decision-making process, since consumers want to buy products that help them on their quest to change the world for the better. | When consumers make their buying decision they are also influenced by the context and coherence of the company they are buying from. Showing symmetry and fit between their purpose, values and corporate practice are factors consumers look into when evaluating purpose-driven brands (Vredenburg et al., 2020). Even if a product seems fairly sustainable and aligned with their purpose, should the company have a less ethical conduct or is not coherent throughout the value chain, it may negatively affect the perception of consumers about the company and its products. Consequently, it will affect its subsequent buying decision and loyalty. | Loyalty is a key factor in the marketplace. Customer acquisition costs are much higher than the retention cost. Loyalty to purposeful brands tends to be higher since it is built on an emotional bond, confidence, and a sense of connection with the personal purpose that creates long lasting relationships. |

Source: The Authors³

The Role of Purpose-driven Brands for Different Generations

When talking about stakeholders' consumption needs, specifically those of consumers, one size does not fit all. In other words, consumers are not alike and what drives a consumer segment from a particular generation is likely to be different from a consumer that comes from a different age cohort (Figure 4).

³ Inspired on "The components of Purpose" in Moreira da Cruz, Pires de Almeida and Herédia Colaço, 2020b.

Figure 4: Six Living Generations Side-by-Side

| | Silent Generation | Boomers | Gen X | Gen Y/ Millennials | Gen Z | Gen Alpha |
|-------------|---|--|--|---|---|--|
| | Born 1925-1945 | Born 1946-1964 | Born 1965-1976 | Born 1977-1996 | Born 1997-2010 | Born 2011 -2025 |
| Context | World War II Great Depression Vaccine research and development | Moon Landing, Civil, Women's Rights | Fall of Berlin Wall, Gulf War | 9/11 Attacks, Community Service, Human Rights | Climate Change, Activism | Technology, Ecology, Covid-19 Pandemic |
| Behavior | Were Workplace Loyal Retirement | Hard Working, Revolutionary, Collectivistic | Competitive, Materialistic, Individualistic | Confident, Oriented to Self, Diversity, Ethicality in Workplace | Dialoguer, "Communaholic" Realistic | Tech-savvy, Indulgent, Influential of Millennial Parents, Remote Working |
| Consumption | Receptive to Loyalty Programs Product Craftmanship, Quality, Budget Friendly | Ideology, Personal Computer, Vinyl and movies | Status, Brands and Cars, Mobile Phone, Internet | Experiences, Festivals and Travel, Google, Facebook | Uniqueness, Ethical, Apps, Social Media, Tablet devices | Traveling, Materialistic possessions, gadgets, Artificial Intelligence (e.g., Alexa, Siri) connection. |

Source: Adapted from Harvard Business Review (2009); Jha (2020), McKinsey (2018)

While the Silent generation and Baby-boomers are the age cohorts with largest disposable income, they also are value hunters. That is, they are focused on value for their money while seeking for product quality, convenience and prefer in-store shopping (Topic & Mitchell, 2019). Gen X, on the other hand, in spite being less digitally engaged than gen Y (also known as Millennials), are amongst the first cohorts to demand more corporate sustainability (e.g., greener production processes). Brought up in an age of uncertainty – both economically and politically, and with greater exposure to terrorism and activism, gen Y are the ones driving demand for more purpose-driven brands, quickly followed by gen Z (Medium, 2017). Being a large component of the global workforce by 2025, gen Y believes that, overall, the success of a business goes beyond financial performance, with values such as human rights, ethicality in the workplace and a strong sense of purpose, being the top business principles they stand for.

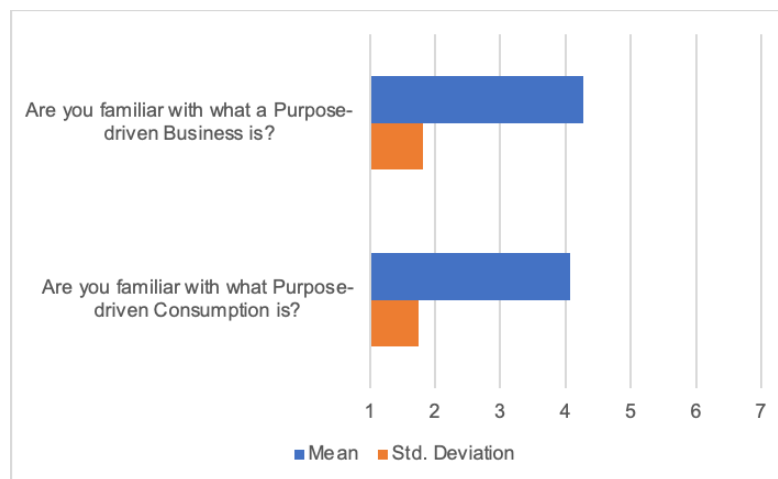
But while shopping purchase behaviour may evolve – what people consume and the retail outlets where they shop, understanding the underlying shopping psychology of each generation is critical. Retailers that are in tune with the shopping psychology of

different generations can adjust their offerings to match changes in consumer psychology.

CATÓLICA-LISBON Study on Purpose and Sustainability-Related Shopping Behaviour

A 2020 study conducted by researchers at Católica Lisbon School of Business and Economics explored consumers' responses to a wide range of social and environmental topics, such as which type of product and service categories consumers attribute most value when seeking sustainability. They were also asked about their perceptions concerning Purpose-driven business and consumption, what a purpose-driven brand is, as well as generational differences in sustainable shopping behaviour. Responses were mapped according to what consumers actually buy and the reasons they give for their purchase decisions. Findings from an international sample of 287 consumers mostly from generation Z (72%), followed by generation Y (16%) and generations X and Baby Boomers (12%) show that overall there is an average level of familiarity with Purpose-driven Business and Consumption concepts (Figure 5).

Figure 5: Level of Familiarity with Purpose-driven Business and Consumption

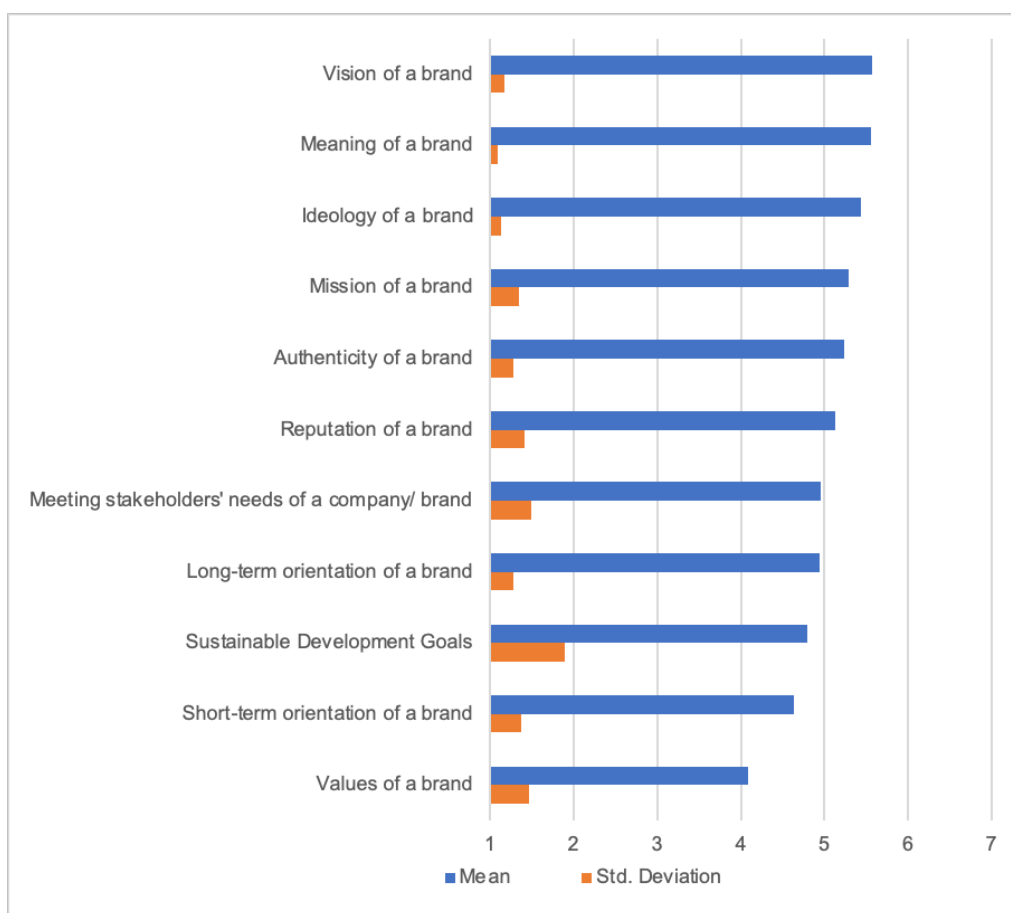


Note: All items were measured using a 7-point scale from 1 (not at all) 7 (very much); N=287

Source: The Authors

When enquired about the meaning of brand purpose, 88% of respondents⁴ show that their brand purpose perceptions are aligned with top 5 attributes such as Vision, Meaning, Ideology, Mission, and Authenticity of a brand. Also, brand purpose is related with reputation, meeting stakeholders' needs and long-term orientation of brands, followed by the SDGs. Although the short-term orientation of brands is still above the mean, respondents overall demonstrate a fairly good perception about the understanding behind brand purpose (Figure 6).

Figure 6: Perception of Brand Purpose



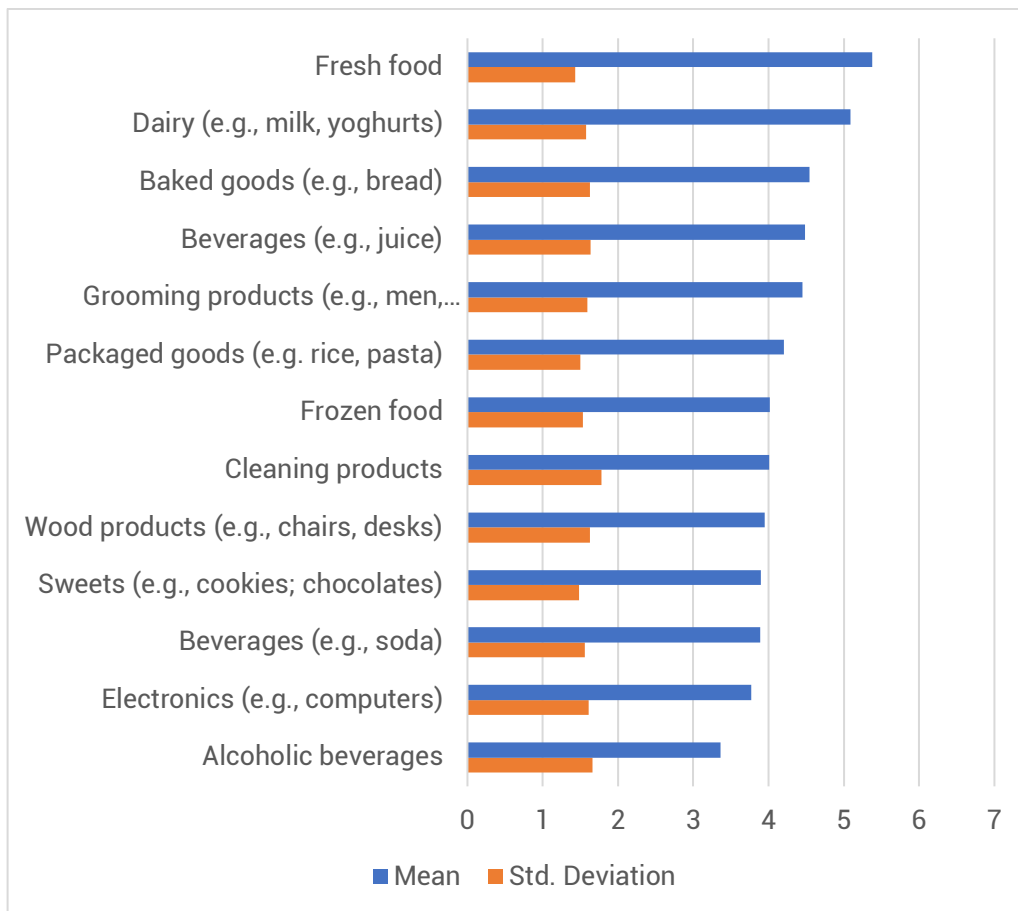
Note: All items were measured using a 7-point scale from 1 (not at all) 7 (very much); N = 252.

Source: The Authors

⁴ This percentage is calculated based on the number of answers (N=252) provided to this question from the total sample of 287 participants.

As previously stated, purpose-driven brands and companies aim to operate according to an elevated level of moral principles and authenticity that take into account sustainability-related (e.g., social, environmental, economic) principles. According to our study, consumers seem to acknowledge and credit those principles when evaluating products and services. For instance, when enquired about which categories consumers seek sustainability, results show that sustainable attributes are most valued in categories related with food & beverage, especially where freshness is sought (e.g., fresh food, dairy, baked goods, natural beverages such as juices), followed by beauty care products. At almost the same level are packaged goods, frozen foods and cleaning products, followed by more indulgent products such as sweets, non-alcoholic (e.g., sodas) and alcoholic beverages. Interestingly, wood products (e.g., chairs, desks) are amongst the least sought-after categories when it comes to sustainability alongside electronics. This in line with prior research that shows that often, consumers wilfully ignore sustainability in product categories where sustainable-related attributes conflict with other (preferable) product attributes such as aesthetics or price (Ehrich and Irwin, 2005) (Figure 7).

Figure 7: Categories where Sustainability is most Valued

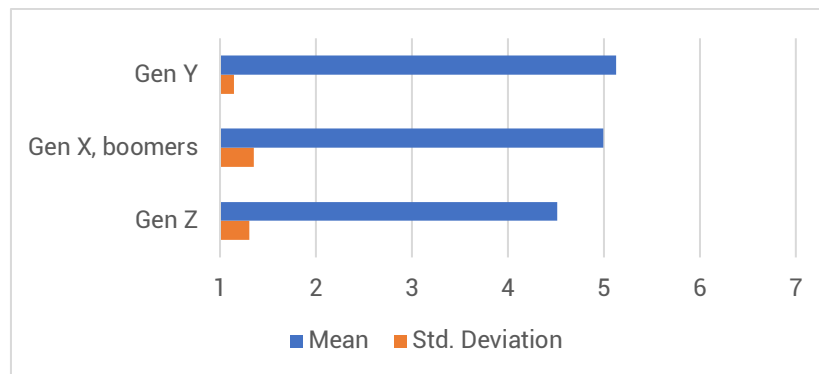


Note: All items were measured using a 7-point scale from 1 (not at all) 7 (very much); N = 287

Source: The Authors

When cross-analysing the results according to generation type, results show that **gen Y (Millennials) are those who are more likely to pay attention to ethical issues during decision-making**. Some of the appointed factors are (i.) a company/brand's ethical values, (ii.) refraining from purchasing from a company/brand because of its actions about a social issue (e.g., greenwashing), (iii.) or, the willingness to break loyalty with a brand/product if competitors with similar products have a social and environmental/purpose positioning. Generation X and Baby Boomers come in close second when evaluating ethical shopping issues, followed by Generation Z (Figure 8).

Figure 8: Ethical/Sustainable Purchasing Decisions



Note: All items were measured using a 7-point scale from 1 (not at all) 7 (very much);⁵ N = 283⁶

Source: The Authors

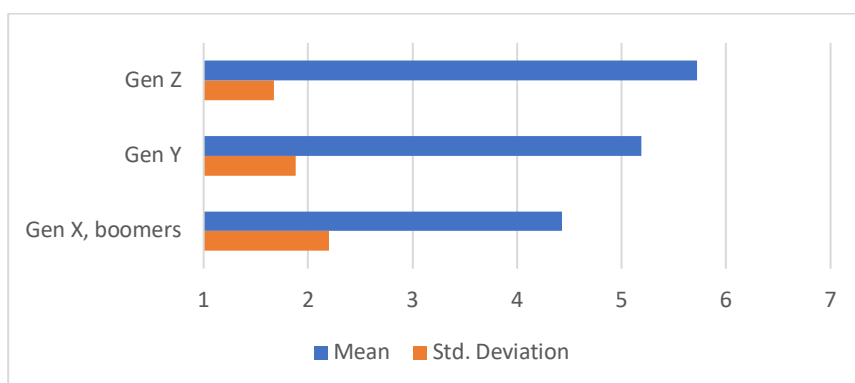
These results are also in line with recent academic literature that shows that Millennials are the most sustainably driven shoppers from the different generation cohorts today (Nielsen 2018). According to a 2019 study performed by the Leeds' Research Institute, generation Y considers firm CSR behaviour as the most important attribute, among seven others tested (CSR behaviour, quality, price, country of origin, brand image, ordering method and return policy), when making purchase decisions (Topic & Mitchell, 2019). Although generation Z is known also for its sustainability advocacy, they often consume for access (e.g., video streaming; car-riding services) and less for possession, when compared with older generations. However, most consumers in this generation are still young and about to enter the workplace, showing less stable shopping behavioural patterns.

Nonetheless, when it comes to sustainable habits, interesting findings were obtained. Generation Z is the one more likely to re-use a water bottle for a refill, followed by generation Y, X and the Baby Boomers (Figure 9). This might be partly explained by increasing exposure to global public policy measures and pro-environmental campaigns that ban the consumption of single-use plastics, already part of many school programs.

⁵ Measure: (i) the extent to which purchasing decisions are influenced by a company/brand's ethical values; (ii) whether respondents stopped purchasing from a company/brand because of its actions about a social issue (e.g., greenwashing); (iii) were willing to break loyalty with a brand/product if competitors with similar products have a social and environmental/purpose positioning.

⁶ 4 missed responses did not answer to this question.

Figure 9: Refillable Water Bottle Frequency



Note: All items were measured using a 7-point scale from 1 (not at all) 7 (very much); N = 248⁷

Source: The Authors

Overall, this study shows that generations play an important part in understanding the consumption decision-making process and in changing behaviour across a variety of important issues, in tune with the context in which they grew up. The way the younger generations relate with brands and the role of Purpose in their decision-making is more evident than ever. Gen Y is the generation with the greatest willingness to pay a premium for purpose-driven brands and prioritizes the consumption of experiences. In common with the younger generation Z, is the appetite for the social, cultural and technological changes along with the freedom of choice and the search for truth.

Generation Alpha

Still less explored by researchers due to its young age is generation Alpha. Born in and after 2010 is the youngest generation of our time and, already exerts an influence on the decision-making process of their parents, namely gen Y (Millennials). Born right after the 2008 financial crisis, this is a generation that is growing used to deal with the economic despair experienced by some of their parents and, similar to that experienced by the Silent Generation with the Great Depression of 1929. The difficulty of the current times with the Covid-19 pandemic is a contributing factor for having to adapt to a new normal that often, includes remote learning and physical isolation from their peers. Thus, this is a generation that tends to be highly connected with the virtual world through online gaming and artificial intelligence (AI) trends such as voice box assistants

⁷ From the total sample (N = 287), only 248 respondents answered to this question.

like Siri or Alexa. Pampered by their parents who are already a sustainably-driven generation, gen Alpha already shows some controversial behaviours. Instant gratification seekers, overindulgent and in favour of materialistic possessions tend to prefer indoor activities than real life (outdoor) play (Jha, 2020). What the future holds for this generation is still uncertain, especially when the world is dealing with the new normal as a result of the Covid-19 pandemic. As consumers are paying closer attention to what actions brands are taking and are acting accordingly, this generation is likely to be positively shaped by some of the measures some brands are taking, as discussed next.

Purpose-driven Consumption in times of Covid-19

“Customers aren’t afraid to stop doing business with a company that doesn’t take a stand or that doesn’t put customers first, especially when things get hard”.

Blake Morgan
Speaker and author of the book *The Customer of the Future*
(*Harvard Business Review*, 2020, p. 8)

According to a real-time market research platform study conducted by 4A's Research (2020), consumers are paying close attention to what companies and associated brands are doing to support Covid-19 relief efforts. For instance, respondents value brands' efforts in stopping regular production to accommodate the production of hand sanitizer, protection equipment and ventilators, and even the donation of meals for professional healthcare workers around the world. Below are some examples of companies that came forward, to help out in times of Covid-19. (Table 2).

Table 2: Examples of Companies Helping Out in Times of Covid-19

| | |
|---------------------------------|---|
| <u>3M</u> | Donated face masks, ventilators and money to Covid-19 aid effort. |
| <u>CROCS</u> | Donated 10,000 pairs of footwear to healthcare workers. |
| <u>HOME DEPOT</u> | Put a stop-sale on N95 masks in its stores and redirected shipments to donate to hospitals, frontline responders and healthcare providers. |
| <u>ANHEUSER-BUSCH/BUDWEISER</u> | Produced one million bottles of hand sanitizer donated to hospitals, frontline responders and healthcare providers. |
| <u>FORD</u> | Shifted from manufacturing cars to building face shields |
| <u>KROGER</u> | Donated \$3 million to coronavirus food relief efforts |
| <u>AMAZON</u> | Got people the items they need as well as the efforts they are making to stop price gouging on essential items, like hand sanitizer and face masks. |
| <u>H-E-B</u> | Donated \$3 million to relief efforts. |
| <u>GM</u> | Ceased auto production in two of its plants to focus on surgical masks and ventilators. |
| <u>SUPERBOCK</u> | The Portuguese beer brand, in partnership with <i>Destilaria Leiria</i> , turned alcohol used in beer production into gel sanitizer production. |
| <u>O FRASCO</u> | The Portuguese healthy conscious food brand that comes in a jar donated free meals to hospitals and healthcare workers in Lisbon. |
| <u>FOOD FOR HEROES</u> | The conjoint initiative between restaurants also donated free meals to hospitals and healthcare workers around many parts of the world including NYC. |
| <u>ROOMS AGAINST COVID</u> | A non-profit accommodation initiative to support Relocated Healthcare Professionals also provided free accommodation for those in need. |

Source: The Authors

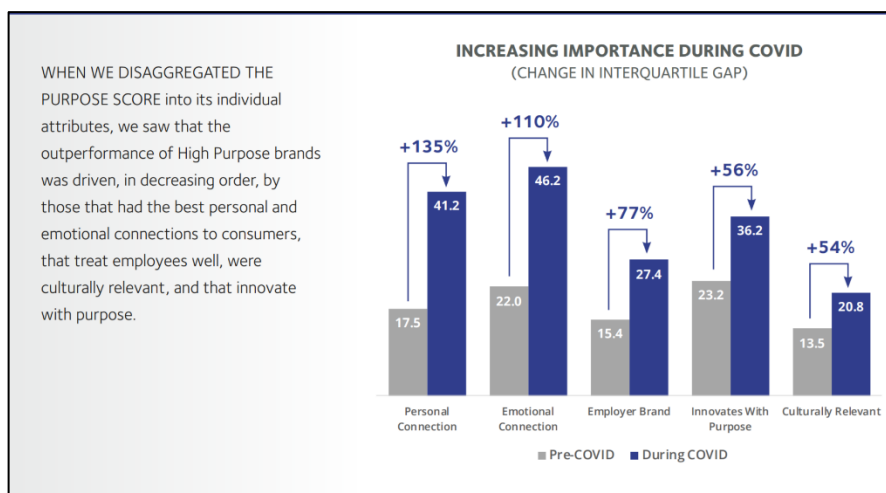
This research is consistent with another study conducted by Edelman Research (2020) which enquired 12,000 consumers across countries such as Brazil, Canada, France, Germany, India, Italy, Japan, South Africa, South Korea, the UK and the US. Once more, consumers recognize the need for brands to address social challenges and to develop a call to action that helps ignite consciousness about the need of protecting the wellbeing of employees, shifting production and pricing to accommodate imminent health-related needs while creating a sense of community.

The underlying sense of purpose and unity is clear with 71% of the sample agreeing that putting profit over people causes permanent distrust in a brand, while 62% feel that their countries are not likely to make it through the crisis without the aid of brands playing a determinant role in helping to tackle the challenges. In fact, the new reality that the world is living is leading consumers to trust and empathize with brands that are taking action to help society directly and indirectly.

This is reflected in the way people shop and the criteria they use as the new shopping normal is re-directing consumers to look for brand trust, safety, quality, value, convenience and ingredients as shopping drivers. As consumption behaviour is driven by habits, the consumption habits acquired during the crisis are likely to disrupt prior decision-making processes, accelerating the trends towards healthier, environmentally conscious choices (Roggeveen, & Sethuraman, 2020). Not only in the food, textiles and many other consumer goods' retail sectors but also in services industries such as Tourism and Travel.

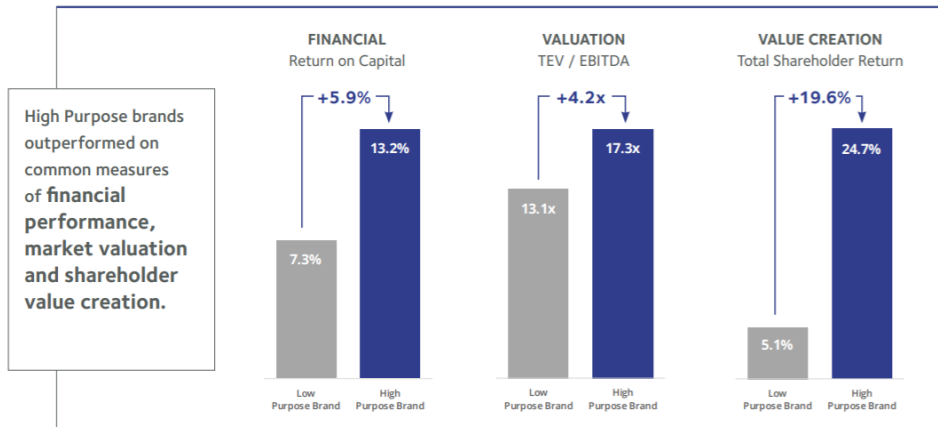
Moreover, we see that Purpose Driven Brands are outperforming others in what regards financial performance and consumer preference in a post-COVID time (Milano et al., 2020). High purpose brands have the potential to grow 4 times faster than others in the near future, as consumers turn their preferences to companies, they identify their purpose with. The COVID crisis is strongly increasing this trend. As we can see from the figures below, companies with an high emotional connection with their costumers outperformed others by 110% during the COVID time.

Figure 10: Importance of Brand Purpose during Covid-19



Source: Milano et al., 2020

Figure 11: The Importance of High Purpose Brands



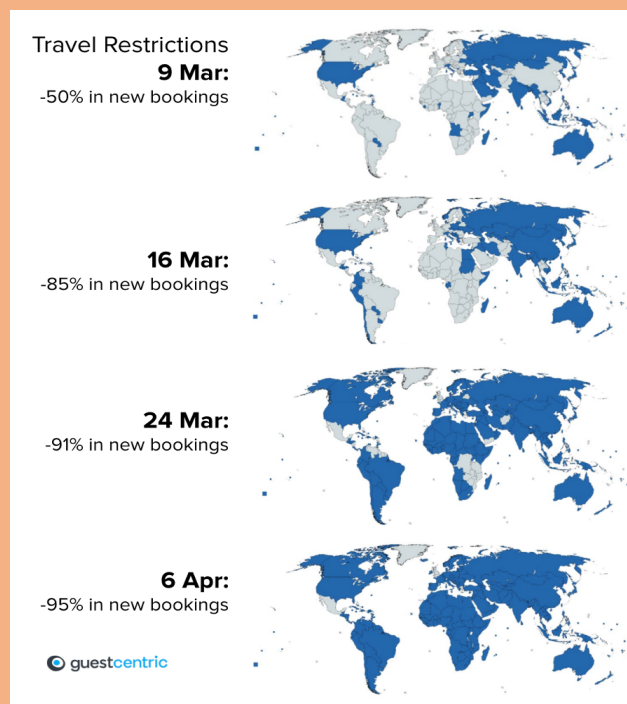
Source: Milano et al., 2020

The case of Tourism

Tourism and Travel has been one of the most disrupted industries due to Covid-19. Global travel stopped in less than 30 days (from 9th March to 6th April 2020) as borders closed and international air travel was shut down to stop the spread of the pandemic (Figure 10). This led to an unprecedented crisis in the hotel sector with the vast majority of hotels deciding to close and furlough all personnel until the economy reopened. Most hotels reopened three months later, with national tourism boards creating local certifications for health and safety guidelines and procedures, while hotels adapted their operations offering flexible cancellation policies, in-room dining options and chat-based guest services to enforce as much social distancing as possible. How these new rules will play out with consumers is still unknown, but it is critical to take action to generate trust for consumers to return to travel and hotels as soon as the pandemic subsides.

According to a recent study conducted by Harvard Business Review (2020, p.8), "a customer-centric purpose may be especially valuable in periods of uncertainty".

Figure 10: Global Travel Trends During Initial Stages of Covid-19



Source: Questcentric⁸

⁸ <https://blog.questcentric.com/the-hoteliere-action-plan-for-a-post-lockdown-world/>



Conclusion

As customers' distresses are being assessed and measures are being taken to address their needs and aspirations, the role of Purpose is becoming prominent in the business agenda (Moreira da Cruz et al., 2020ab). The increasing importance of Purpose within the corporate world is being recognized by major corporate leaders who are aligning core business practices and strategies to meet a purpose-driven orientation.

Much of this shift toward purpose is triggered by key trends in consumption. Consumers as stakeholders are increasingly desiring to connect with companies that express their voices. At a time when different generational cohorts co-habit in the workplace and around the marketplace, meeting customers' expectations is key to establish companies' competitiveness. Therefore, understanding these differences and aligning common points between the preferences of generations can open the dialogue between business and consumers that aim for a greater Purpose. From greater safety, to more transparency and authenticity, products and services' adjustments are being made at the core of business models which act as a force for good. From fast moving consumer goods (FMCG) to apparel or tourism, understanding the shopping psychology of generations opens an avenue of new opportunities for companies that have a purpose-driven orientation.

We believe Purpose-driven consumption is among the biggest trends of our time and is touching every generation. Its expansion potential is visible. Companies and brands should pay attention to this change and bring purpose to the core of what they do and to the products and services they sell, so that an open dialogue with their customers can be established. This opens an avenue for future research to understand the spillover effects of Purpose-driven strategies, the opportunities and its challenges. Further educating and engaging younger consumers (e.g., gen Z and Alpha) in purpose-driven actions are a means by which brands can become closer to their audience and build brand equity. Building the dialogue between purpose-driven brands and consumers has never been so crucial and is a trend that is here to stay!

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