



# A brand. New. Purpose.

Navigating the human and  
business impact of **COVID-19**

April 2020



# We're all in this together

COVID-19 has turned into a global crisis, evolving at unprecedented speed and scale. It is creating a universal imperative for governments and organizations to take immediate action to protect their people.

It is now the biggest global event—and challenge—of our lifetimes. As such, it is changing human attitudes and behaviors today and forcing organizations to respond.

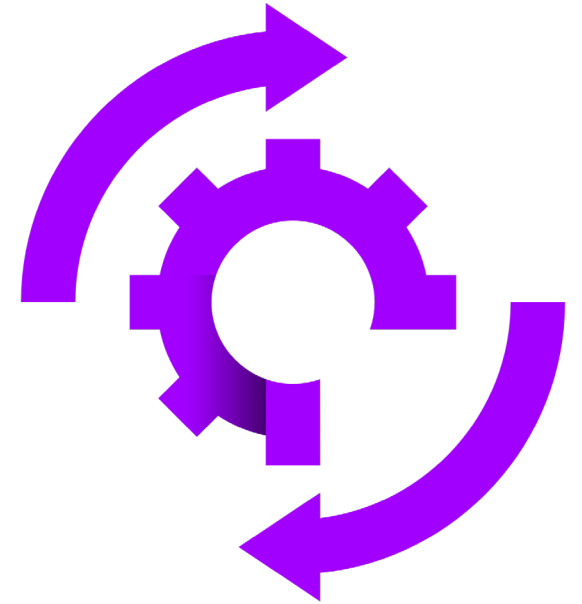
However, the need to respond won't end when the virus's immediate threat eventually recedes.

# The big reset

This is your test day. Not only do CEOs now need to draw on everything they've learned to deal with a world in pandemic and its aftermath, they need to learn new skills from lessons never before taught. How businesses and leaders respond is a central part of the story playing out in front of us.

## **Everyone is going through a reset.**

COVID-19 elevates the social impact of every business and throws a spotlight on the nature of our companies, our character and our brand(s).



# And after?

Questions that will be commonplace as we move into this decade will be focused around issues of human and business resilience and their intersection with purpose: Why does your company exist? How does it contribute to societal, economic and environmental progress? Is your supply chain both secure and ethical? Does your business model allow for “black swans” and “gray rhinos” to flex for known and unknown risks? How is the “contract” between business and society changing and where is COVID-19 accelerating that change?

We know that about 80 percent of companies heading into a downturn are slow to recover and that 17 percent of companies don’t survive a recession<sup>1</sup>. At the same time, 88 percent of CEOs believe our global economic systems need to refocus on equitable growth. And 94 percent say sustainability issues are important to the future success of their business.<sup>2</sup> The global corporate response to COVID-19 is separating, in real time, those CEOs who say nice things we all want to hear from those who do good things that need to be done.

**Taking the right actions now is the key task of the CEO because society will judge, and it will be both swift and unforgiving.**

# Leaders must give attention to four themes at the intersection of social impact and brand, right **now, next** and in the **never normal**...



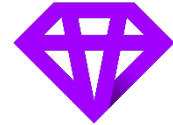
**1** Purpose, accelerated



**2** The Maslow uncertainty



**3** What's healthy for me becomes healthy for we



**4** Brand. New.

**Winners will combine the sprint on COVID-19 response with the marathon of longer-term socio-economic impact.**

**Losers will be, at best, forced to rebuild their brands, values and reputation from the ground up. Or, at worst, they will simply disappear.**

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**How will you emerge stronger?**

# Purpose accelerated

**It was already happening, but  
purpose matters more than ever.**

Over the past two years, we've seen the rise of "purpose" in customer choice-making. Accenture Strategy's Global Consumer Pulse Survey 2019 revealed that 65 percent of consumers want businesses to take a stand on issues that are close to their heart. That number rises to 74 percent for 18- to 39-year-olds. <sup>3</sup>



# Purpose accelerated



**Price, product quality and customer service are still key purchasing considerations. But they became table stakes long ago.**

Purpose, what the company stands for and how well it aligns with each customer's beliefs and personal values, has emerged as a key brand differentiator. Consumers increasingly demand fidelity of purpose and take action: 43 percent walk away when disappointed by a brand's words or actions on a social issue.<sup>4</sup> Many of these same consumers then go to their jobs at B2B companies, where they transfer their expectations for purpose-aligned and value-driven companies to their decision-making at work .

Customers, employees and investors were already urging organizations to reconsider their view of the world and scrutinize their place in it. Unsettled by changing societal values, climate change, depleting natural resources, and economic and political instability, people were starting to question long-held beliefs—including the notion that earnings growth is the sole reason for a company to exist. As a response, more and more companies have increasingly re-energized and re-focused on the corporate purpose at the heart of their business—because their customers, employees and investors demanded it.<sup>5</sup>

**43%**

**of consumers walk away  
when disappointed by a  
brand's words or actions  
on a social issue**



# And then came COVID-19

Companies can only compete on purpose when purpose permeates the entire organization, both in what they sell and how they operate. It must be present and identifiable in every product, service, action and word. 60 percent of consumers find it critical that a brand demonstrates its values with authenticity in everything it does. Those companies that demonstrated this were already outperforming the market by five to seven percent.<sup>6</sup>

No one is to blame. Everyone has to fix it. This makes COVID-19 a crisis unlike any other in living memory. It is likely to reset what being part of a society and community means. Treating others with kindness, having greater patience, making decisions for the greater good and going out of one's way to help are examples. The pandemic is testing our humanity and values. COVID-19 has given us all a common purpose and thereby elevated the very idea of "purpose".

**60%**

**of consumers value  
brands authenticity in  
everything it does**

# So what did **you do** during the pandemic?

**Now is the time for companies to activate this new shared purpose in an authentic way. It's time for CEOs and leadership teams alike to step up and take a proactive stance on the crisis at hand.**

Several are already doing so: Satya Nadella at Microsoft wrote to employees, praising them for “adopting a first responder mindset” and encouraging them to continue.<sup>7</sup> Arne Sorenson, CEO of Marriott International and Lance M. Fritz, CEO of Union Pacific are now co-chairing the Business Roundtable’s CEO COVID-19 Task Force.<sup>8</sup>

During the pandemic, both citizens and governments are turning to the private sector. A recent report from Edelman confirms that governments are seen as far more effective in combating the virus when they partner with business.<sup>9</sup> Indeed, the same study finds that 62 percent of employees trust their employer to respond effectively and responsibly to the COVID-19 outbreak and they also put more faith in information coming from their employer than any other source (such as government agencies, healthcare companies, traditional media or social media). This presents a new responsibility for many CEOs: serving as the “primary source of truth” for their employees and their families when lives are at stake. Past generations would have turned to the news or their local governments. That’s not the case today.

**62%**

**of employees trust their employer to respond effectively and responsibly to the coronavirus outbreak**

Companies are taking on this role of authority and responsibility—not just with their employees, but with their customers too. Faced with panic buying, supermarkets have introduced special hours for elderly shoppers after restocking and placed limits on customers and purchases to ensure supply. All sorts of companies are finding ways to contribute to the immediate crisis we are all facing. For example, Dyson in the UK is turning from manufacturing vacuum cleaners and hand driers to making ventilators at scale.<sup>10</sup> LVMH is manufacturing hand sanitizer rather than perfume.<sup>11</sup> These companies, and others like them, are finding ways to innovate—reminding us all that necessity is (still) the mother of invention.

## Unlikely heroes emerge

More vilified industries such as pharmaceuticals, alcohol, and even tobacco are moving mountains to get rapid diagnostics delivered, make hand sanitizer, and put plant-based vaccines into clinical trials.<sup>12</sup> Uber, which has been working very hard to build customer trust in recent years, has committed to providing 10 million rides and food deliveries to healthcare workers and people in need, free of charge.<sup>13</sup> And we're collectively gaining a new appreciation for the everyday heroes that make our economies and societies run, even at risk to their well-being: healthcare and emergency response workers, delivery and logistics service providers, postal carriers, sanitation and utility engineers, public transportation professionals and others.

# Crises drive innovation

**Innovation—where creativity and unmet needs meet—always comes to the fore in times like these. Leaders apply it to anticipate the changing patterns in consumption that will stick.**

Last year, our research already showed that 47 percent of consumers expect brands to translate their values and promises into new and innovative products and services.<sup>14</sup> Emerging from the current COVID-19 crisis, innovation will be more critical than ever to demonstrate a company's commitment to its transformed values and purpose.

As people are already innovating for themselves at home, winning businesses will create innovative products and services not only for their customers, but also with them. Innovation will be the engine that allows them to stay on top of behavior change—either by responding to new human habits or leading them.

After all, consumers are innovating at home in their lifestyles right now. And it's a well-known part of design history that tackling edge cases is where creativity frequently comes up with mass market solutions.

Some of these changes will be one-time business choices that reflect the true heart of the company. Other decisions will be lasting commercial choices, unlikely to ever return to normal. The wireless internet service provider that removed all data caps from home internet usage has radically changed market norms.

That, combined with a growing acceptance of a work-from-home culture, might change how/where we work and how we get charged for it. There will be many long-tail impacts on how companies need to navigate a newly sensitive society, even when the world is in recovery.

**47%**

**of consumers expect brands to translate their values and promises into new and innovative products and services**

# Drive purpose deep and wide

## 01

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### **Measure everything**

What you measure counts. Start to embed new metrics (alongside financial growth) to drive behaviors.

## 02

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### **Reward your people**

Check how you are set up for purpose to be rewarded. How do you motivate people?

## 03

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### **Co-create**

Drive to make customer experience and employee experience work together to deliver purpose at the points of creation and delivery.

# The Maslow uncertainty

The rise of purpose has often been linked to Maslow's famous hierarchy of needs, which shows how, as individuals or societies evolve, needs move up the hierarchy from physiological (e.g., food, warmth, shelter) to love and belonging, to esteem and finally self-actualization. While many (but not all) of us may have been focused on self-actualization just a few months ago, today we are finding ourselves back to the basics.



# The Maslow **uncertainty**



**An immediate effect of COVID-19 has been a shocking increase of anxiety around food, personal safety and health—an anxiety that is affecting many people for the first time in their lives.**

And while many companies have made their employees' health and safety their top priority, some have even gone further. In their efforts to help, they are viscerally responding and re-purposing what they are about. Examples include hotel chains offering themselves as health centers,<sup>15</sup> cruise operators offering ships as floating hospitals,<sup>16</sup> and fast food chains providing food for hospital workers.<sup>17</sup>



**Wise CEOs will pay very close attention to the needs of employees and customers in as close to real time as they can**



**Listening carefully—to assess where they, and we all are, in the hierarchy of needs—will be a critical CEO and corporate skill**

**Recent Accenture research<sup>18</sup> shows greater focus on essential rather than discretionary consumption:**

**+34%**

for personal  
hygiene

**+25%**

for cleaning  
products

**+21%**

for canned  
food

vs.

**-17%**

for beauty  
products

**-22%**

for home  
decor

**-30%**

for fashion

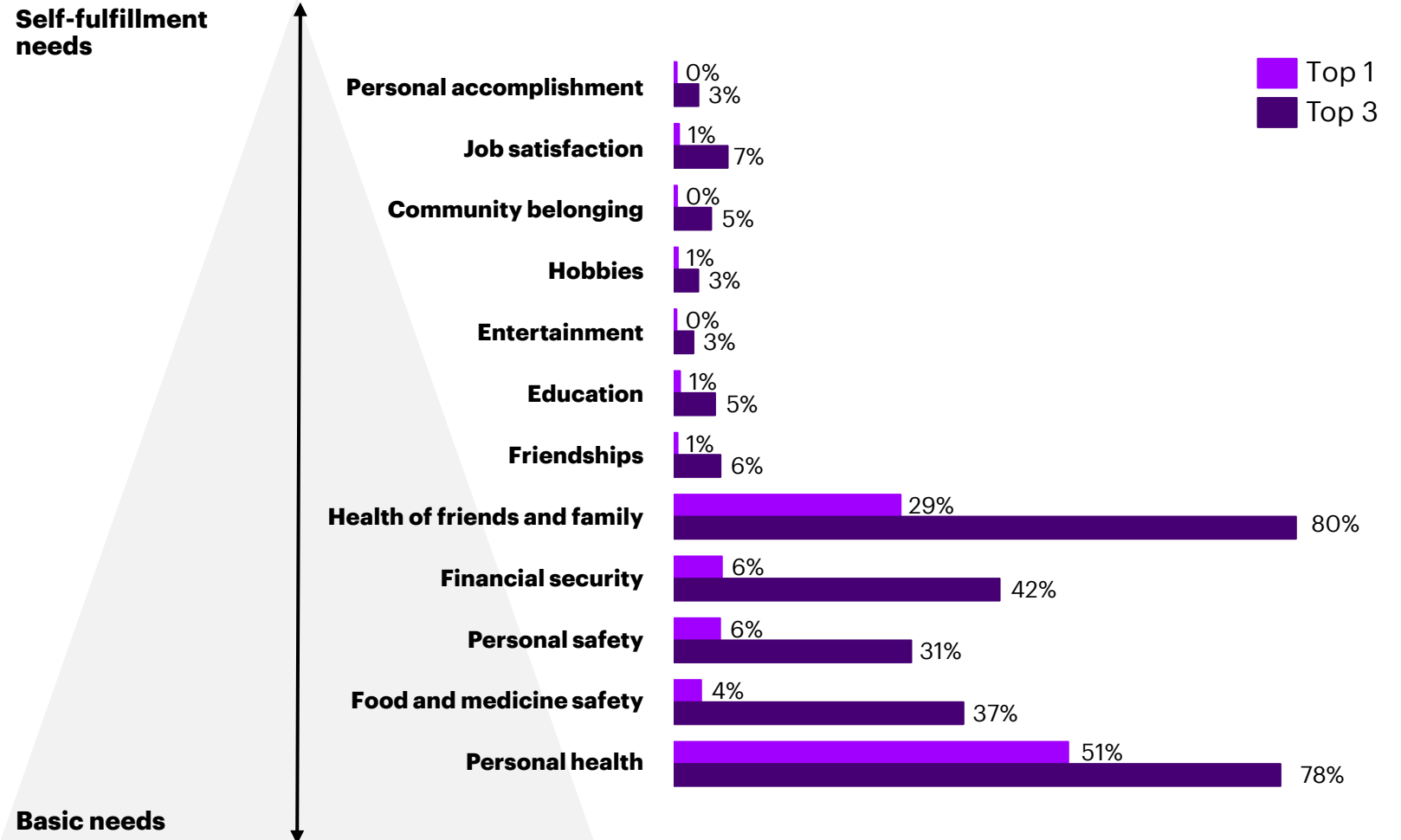


**As expected, consumers are very focused on their most basic needs at present.**

In time we will move back up the hierarchy, but at different speeds in different countries and industries. While some will struggle financially or suffer loss of family members, other households will continue to function as normally as possible.

# Consumers' basic needs at the fore

Proportion of consumers that rank needs as top 1 / top 3 priority



# React to the changing needs

## 01

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### **See the whole picture**

Use every method you can to obtain a holistic real-time picture of what consumers are thinking and about to do. This includes social media, search analyses, surveys, ethnographic research and market trends.

## 02

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### **Agree with the team**

In a period of deep uncertainty, agree with your team about the product/service commitments you can and should make now.

## 03

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### **Be able to respond**

Ensure your brand and business can structurally respond to what you hear, measured in days not months.

# What's healthy for me becomes healthy for we

**Consumption is not dead, but it's changing. For years, we were what we owned, what we drove, what we wore, what we ate.**

At work and in social settings, we were where we worked and what we did. Those ideas are now challenged—along with other symbols we once used to define our place in the world like nationality, religion and community—because what we buy and why we work have become more fluid. This shift is being driven by a range of factors, including concerns about climate change and, now, an even sharper focus on personal wellbeing.



# What's healthy for me, becomes healthy for we



**Before COVID-19, something contradictory was happening: We still wanted to buy, but we were starting to move away from using material objects to define ourselves.**

Even 20 years ago, a character in the film Fight Club said: “We buy things we don't need with money we don't have to impress people we don't like.” In the past few years, we have increasingly been seeking ways to show who we are without pointing to our possessions or what we do for a living—leading to the rise of experience and a more purpose-driven life.

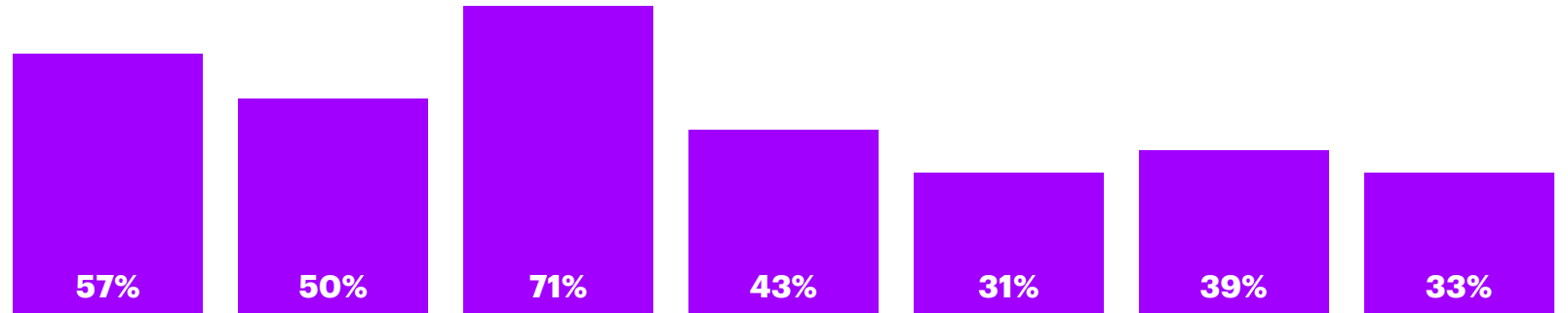
Consumers were starting to get picky about why they want, which led to a diverse set of personal purpose priorities. Not only are we increasingly expected to make “right” choices about what we buy or do, we are increasingly likely to be criticized if we don't. In Sweden, “flygskam” (flight shaming) and “tågskryt” (train bragging) resulted in an eight percent fall in airport passengers and two million extra train journeys pre-COVID-19. In our research, 70 percent said the world gives them some or many opportunities to be personally relevant.<sup>19</sup> Then came COVID-19.

**70%**

**of consumers believe the world gives them some or many opportunities to be personally relevant**

# A catalyst for behavior change at scale

When we re-emerge, we can expect to see patterns of consumption and purpose very different from those we saw before.



Proportion of consumers whose shopping habits have changed in the last two weeks

Net Change (% who agree less % who disagree)

Shopping more health consciously

Making more sustainable choices

Limiting food waste

Shopping more cost consciously

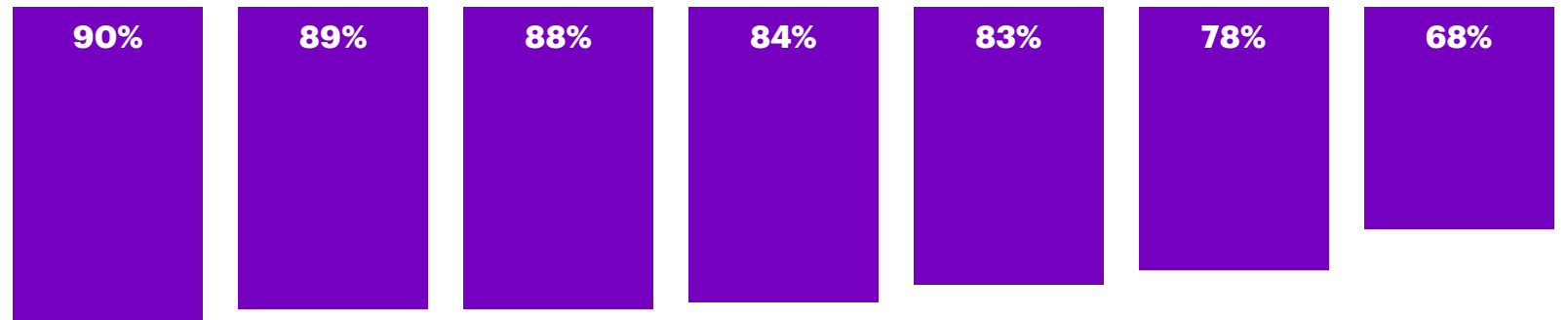
Buying more locally sourced products

Shopping at closer neighborhood stores

Doing fewer shops

Proportion of those who changed that are likely to continue habit post-outbreak

% likely or highly likely



# Fit into the new picture

## 01

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### **Study the context**

Set up human insights teams instead of consumer insights. Focus less on the number of people that are taking specific actions and more on the context that surrounds their decision-making.

## 02

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### **Enable definition**

How does your brand enable people to define themselves beyond what they consume, the work they do or the income they earn?

## 03

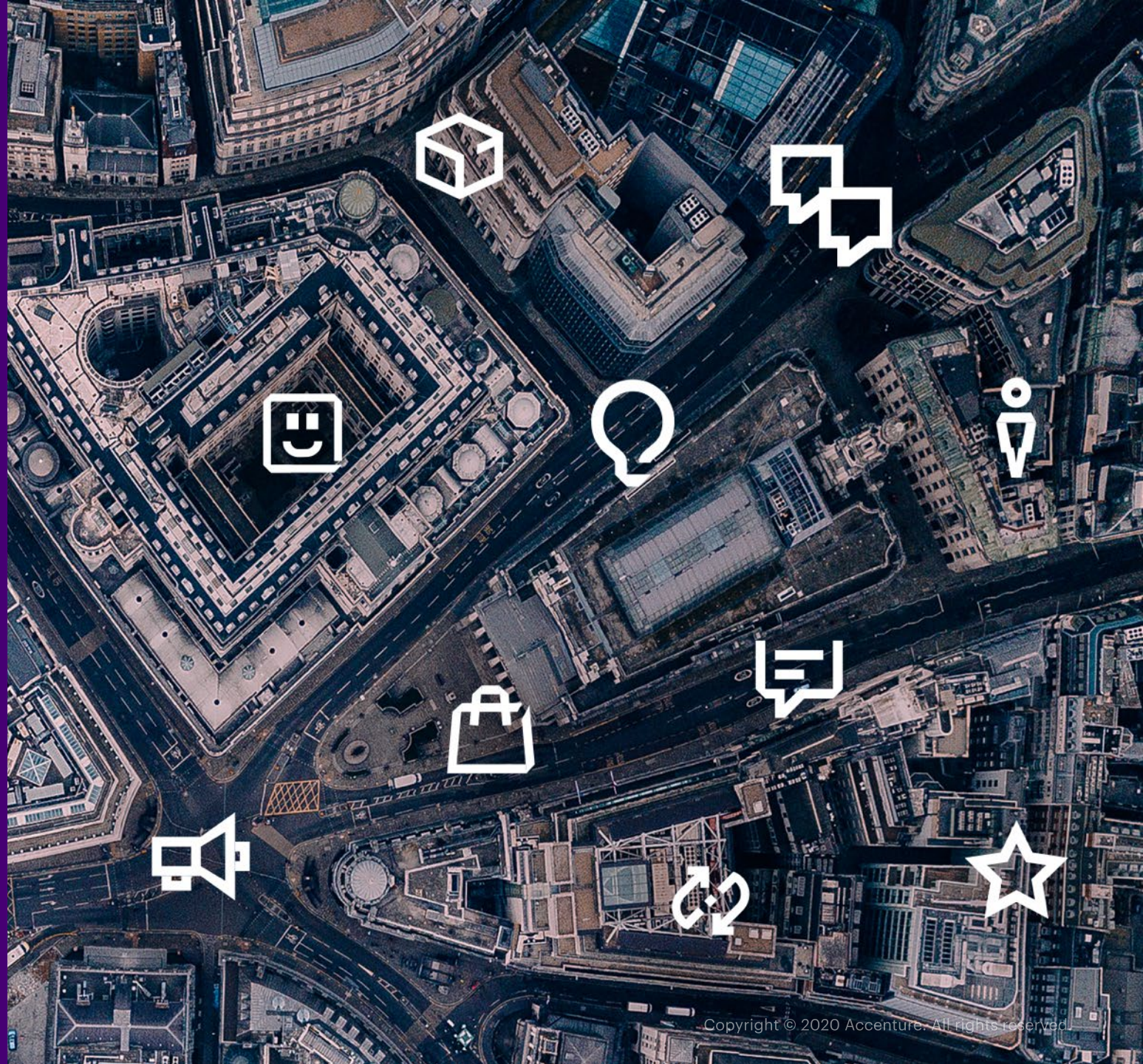
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### **Help people**

Imagine your brand in an ecosystem to help people navigate anxiety around ethical choices.

# Brand. New.

The bottom line is that brands are being reset right now. Your brand message, promise, rank and value are being reset. It's happening whether you like it or not. That's because you don't own your brand. Your customers, consumers and even employees do. They call the shots.



# Brand. New.



**A key lesson of the crisis, not lost on employees and consumers, is that we can change things really fast when we want to.**

Just look at how many companies have pivoted assets, capabilities and priorities to innovate and contribute. These demonstrations change the potential of brands. And they change our expectations of the leadership behind them.

Traditionally, brands are bundles of promises—promises kept when experiences happen. Now, accelerated by COVID-19, your brand is being judged on your actions, on your allocation of priorities, resources and decisions—not just on the experiences your organization delivers.

Digital has enabled an uncompromising transparency that brings the answers into the palm of every stakeholder's hand. This shift to virtual, so massively accelerated by COVID-19, makes it harder to rely on building personal connections with customers through physical experiences or in-person meetings between employees and customers. In the new digital normal, brands are easily exposed. They are and often feel naked. Shaken by customer-first and experience-centric narratives, brands have been stretched thin.

**Why you do something, how hard you tried, what was the good that came from it—those questions all matter more than ever.**



# Brand. New rules apply

**Think of your company and your brand as a living entity that, as described by former Disney CEO Michael Eisner, “is enriched or undermined cumulatively over time, the product of a thousand small gestures.”<sup>20</sup> Guiding the brand through the crisis and beyond will be a top priority for a CEO.**

**Brands need human-like traits.** In a “never normal” world, brands cannot be static constructs made up of keywords and expressed through immutable graphic assets. They live and breathe, adapt and evolve. Every decision and action taken that reaches customers and employees changes the brand.

**Most of all, human-oriented CEOs will reverse their thinking on relevance.** Brands have always sought to be relevant to users, but this needs to be turned around. Now the question is: How can brands make people feel relevant in a decade of “never normal”? This applies to both customers and employees. Relevant brands are rooted in human purpose. What is required is a true shift in perspective. A brand’s purpose will only be relevant if it sits within people’s own purpose, and not the other way around. If you’re not sure what direction to head in, your customers and employees will help lead the way.

**Great brands and companies will need to be relational, not transactional.** Relational brands use credibility, reliability and intimacy to create trust, which 76 percent of CEOs say will be critical to business competitiveness in their industry in the next five years.<sup>21</sup> Leaders of relational brands and businesses will know that silence can be golden; they will know when they are expected to speak and when they better shut up. They will use data to increase empathy, not just profits. Human-oriented strategic leaders will see today’s abundance of data about their audiences and customers not just as a way to increase the efficiency and effectiveness of their transactions, but as a way to get to know people better, grow with and around them, and innovate together to deliver against unmet needs. They will, in short, embrace the “humanization of data”.

# Take the values **down from the wall**

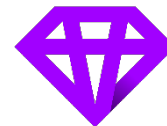
As you think about what's next in the tumultuous and unpredictable business environment ahead, stay grounded in the basics. What is your company's purpose? Why do you exist? How would the world be different if your company ceased to exist? What are the beliefs that guide you through turbulent times? We have discussed purpose quite a bit. Now, it's time to think about values. Many corporations have their values framed in their boardrooms. Maybe yours does, too. In the days, weeks and months ahead, it's time to take them off the wall. It's time to ask: "What would the founders have done and how would they have treated our people, customers, suppliers and others?"



**Many executives have been asking for guidelines on how to behave right now**



**Those guidelines are hiding in plain sight**



**They are in that boardroom, on the wall labeled: "values"**

# Recommendations

1



## Get off the wall

Take your organization's values off the wall and use them for guidance, every day.

The rotation to digital is over. The shift to virtual has been accelerated and the new focus will be purpose-led.

2



## Plan ahead for a brand marathon

It's a sprint now, but it's time to start preparing for the marathon of never normal as you outmaneuver uncertainty.

Test day won't go away. Wars are won in the general's tent. Make time to plan for the quarters ahead.

3



## Find metrics that matter

Identify the purpose metrics that matter. Know what you need to do (your North Star) and figure out how to measure it.

A corporate vision that cannot be measured, cannot be achieved.

4



## Love your employees

How you treat your employees is highly visible and everyone is watching.

Make that your number one concern. It is shaping your brand more than you know.

5



## Listen, observe

Watch the Maslow shift carefully. Listen hard, and focus on human insights.

Become an expert in detecting human signals, what they mean for your organization, and how you can respond at speed. This will drive a ferocious era of innovation—if you engage.

# Contacts



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