A hand is holding a camera lens in the foreground, with the lens's opening showing a clear view of a blue lake and green mountains under a blue sky. The background is a blurred version of the same scene, creating a sense of depth and focus on the lens.

July, 2018

# NO PURPOSE, NO BRAND!

HOW LEADING ENTERPRISES DEFINE THEIR CORPORATE POSITIONING ON THE BASIS OF A TRUE PURPOSE

GLOBEONE®

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# Management summary (1/2)

## PARADIGM SHIFT: EMOTIONS OUTWEIGH RATIONALITY IN PURCHASE DECISIONS

Purchase decisions are primarily made on an emotional basis and justified rationally only after the purchase. Consumers and customers are not only interested in what a brand produces, but also in the "why" - i.e. the motivation - behind. This fundamental insight has led to a paradigm shift in marketing, which is now increasingly used for the positioning strategies of leading companies and brands.

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## STATUS QUO: GERMAN BRANDS EMOTIONAL AND EGOCENTRIC, BUT NOT VERY MEANINGFUL

The majority of German brands already take an emotional communication approach (58%), but all too often they only talk about their own services (43%) or how they meet specific customer needs (36%). 82% of German brands fail to put the reason of their existence into a larger, meaningful context on the basis of a true purpose and thus miss the opportunity to make the why behind their brand more tangible for socially relevant target groups. The positionings were analyzed based on the official brand claims.

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## GERMANY LEADS THE INTERNATIONAL BENCHMARK

The international comparison shows that brands from the developed markets rather tend to address customers at an emotional level of fascination. Brands from growth markets, on the other hand, rather emphasize the rational benefits by pursuing a factual and product-related communication. Only 11% of the companies surveyed in the international comparison designate a true purpose in their official brand claims - Germany takes lead here with 18%.

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# Management summary (2/2)

## ECONOMIC AND ORGANIZATIONAL RELEVANCE TO SUCCESS

A true purpose is no end in itself: The clear focus on a true purpose is highly relevant for the company's success, in particular with regard to its profitability as well as its employee and customer satisfaction. Against this background, the suggested model supports companies with the reassessment and international comparison of their own positioning.

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## TAKING A HOLISTIC APPROACH IN THE DEVELOPMENT OF A TRUE PURPOSE

Anchoring the higher purpose in the organization is essential for bringing it fully to life and thus ensuring the long-term credibility of the brand. The claim is not only central but the most visible indicator of whether a company's higher purpose is to address the general public and to convey a value which is relevant to this public. A successful implementation goes way beyond the brand claim and covers all relevant organizational aspects.

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## COMMUNICATING THE NEW POSITIONING SUCCESSFULLY

The success of a positioning based on a true purpose also depends, to a large extent, on how it is communicated. Ideally, companies communicate their true purpose within the framework of a fascinating corporate story that allows the company to establish emotional bonds with its customers.

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Paradigm change: now focusing on the why behind the what

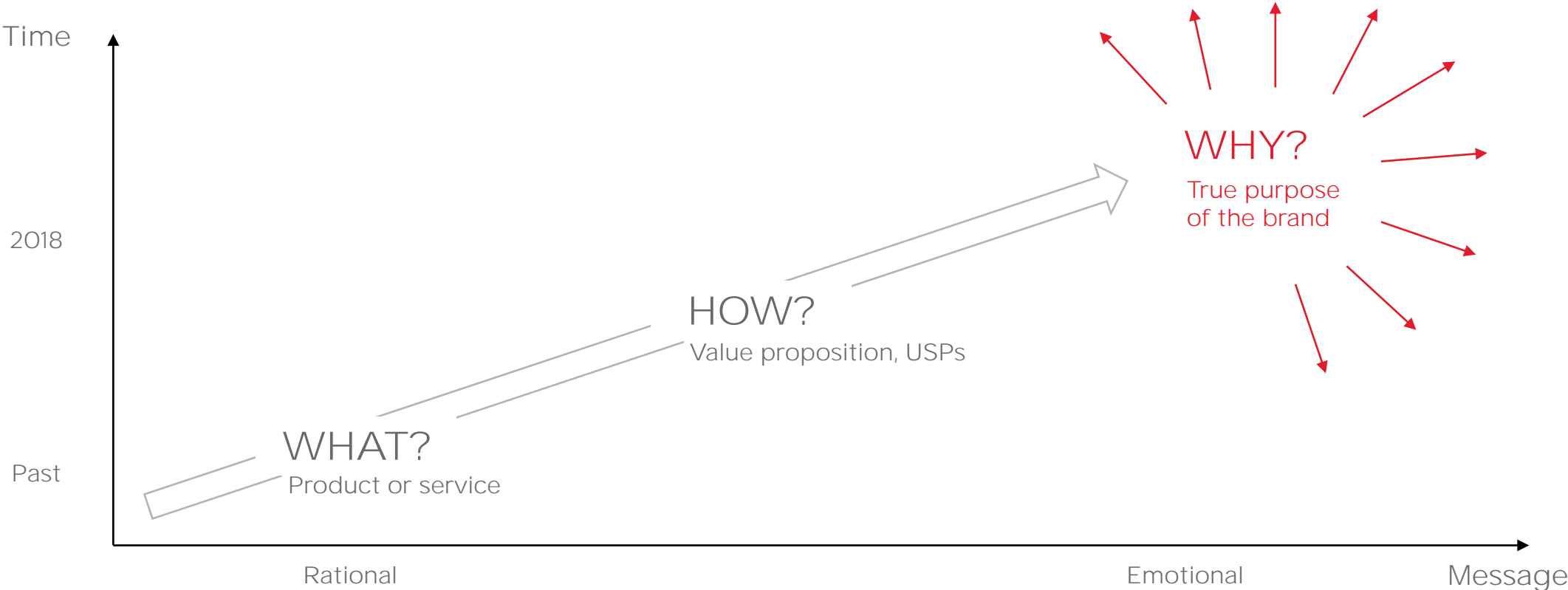
People don't buy what you do; they buy why you do it. And what you do simply proves what you believe.



Simon Sinek

British-American consultant and author of the book "Start With Why"

# More and more transformations towards a true purpose are taking place



Neurobiological investigations suggest the strong influence of a true purpose on purchase decisions

# Definition of purpose for corporations

purpose / 'pə : pəs/

1. The reason why something exists or is created
2. An idea which is the desired outcome of an action or effort
3. Intention, determination, motivation
4. Meaning

Creates added value for society  
(= meaning)

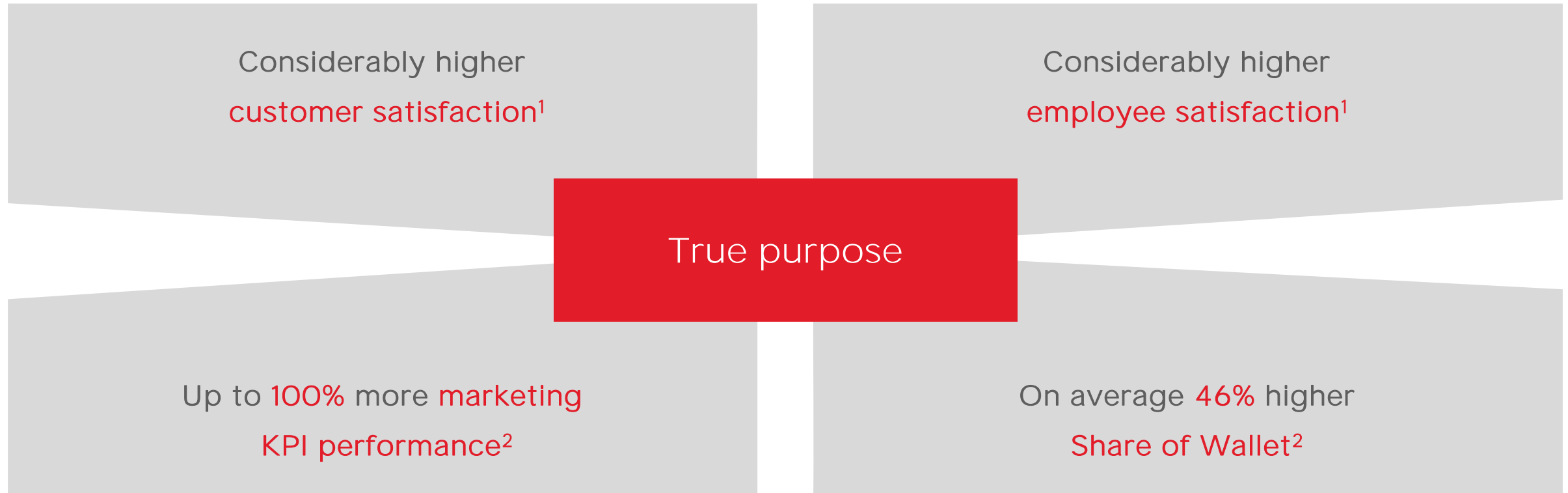
Inspires, energizes and drives  
(= motivation)

Answers the important question:  
For what reason does the  
company exist? (= why)

True purpose



# Positive economical and organizational effects of a true purpose



Empirical evidence supports the thesis that a true purpose is highly relevant for a company's overall success

# Survey design - Objectives, indicators, data basis

## Purpose Survey

Objectives: Country-specific analysis of the corporate positioning of leading brands in Germany and four more countries to show concrete potential for development

Indicator for the purpose: Official brand claims

Up to 50 top brands per country: Analysis by brand value and size

Method: Qualitative expert analysis with the support of independent evaluators

TOP brands	Germany	Switzerland	USA	China	Brazil
By brand value <sup>1</sup>	Best 30 German brands	Best 30 Swiss brands	Best 30 American brands	Best 30 Chinese brands <sup>2</sup>	Best 25 Brazilian brands
By company size	DAX 30	SLI 30	DOW JONES 30	Top 30 Chinese companies from Fortune 500	Top 30 Brazilian companies from Bovespa

# Claims of the following German brands were examined



Highest brand value

DAX 30

The image displays logos for various German brands, categorized into three sections:

- Red Section (Highest Brand Value):** Mercedes-Benz, Audi, BOSCH, EVONIK INDUSTRIES, MONTBLANC, BOSS HUGO BOSS, MAN, Schwarzkopf Professional HairCare for you, NIVEA, ALDI MARKT, PUMA, Persil, LIDL, EDEKA, and TUI.
- Grey Section:** BMW, T-Mobile, Allianz, SAP, adidas, Volkswagen, Deutsche Bank, Continental, BASF (We create chemistry), BAYER, Linde, COMMERZBANK, and Deutsche Post.
- Blue Section (DAX 30):** thyssenkrupp, DEUTSCHE BÖRSE GROUP, VONOVIA, ProSiebenSat.1 Media SE, e-on, RWE, Henkel, Munich RE, HEIDELBERGCEMENT, infineon, DAIMLER, FRESENIUS, FRESENIUS MEDICAL CARE, and Lufthansa.

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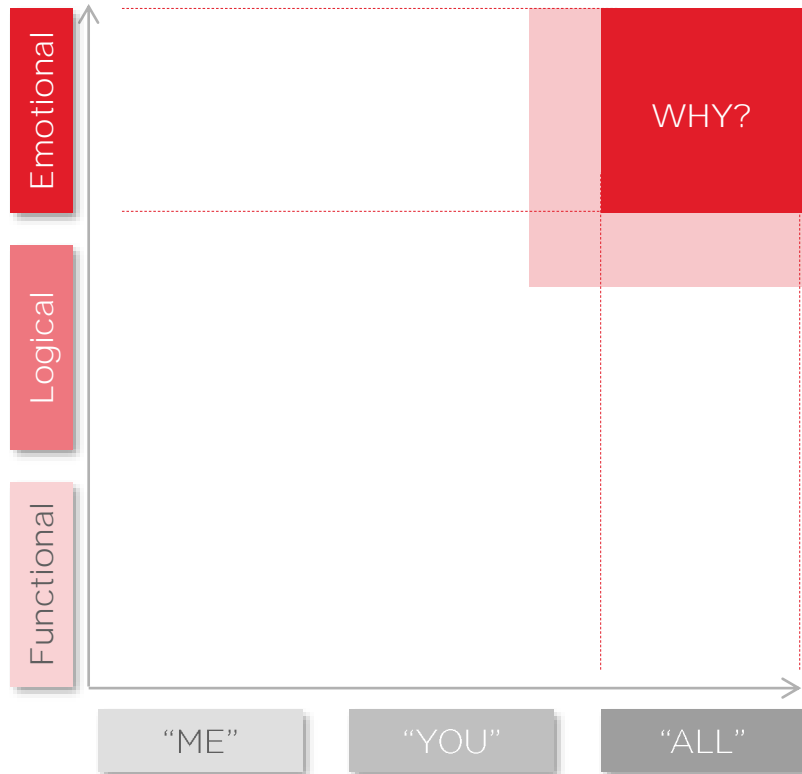
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# Two-dimensional analysis of claims by addressees and values



## Addressee dimension

**Me:** Egocentric (= brand, enterprise, industry sector)

**You:** Customer-oriented (= consumers, stakeholders)

**All:** Socially relevant (= the majority of society, relevant social groups)

## Value dimension

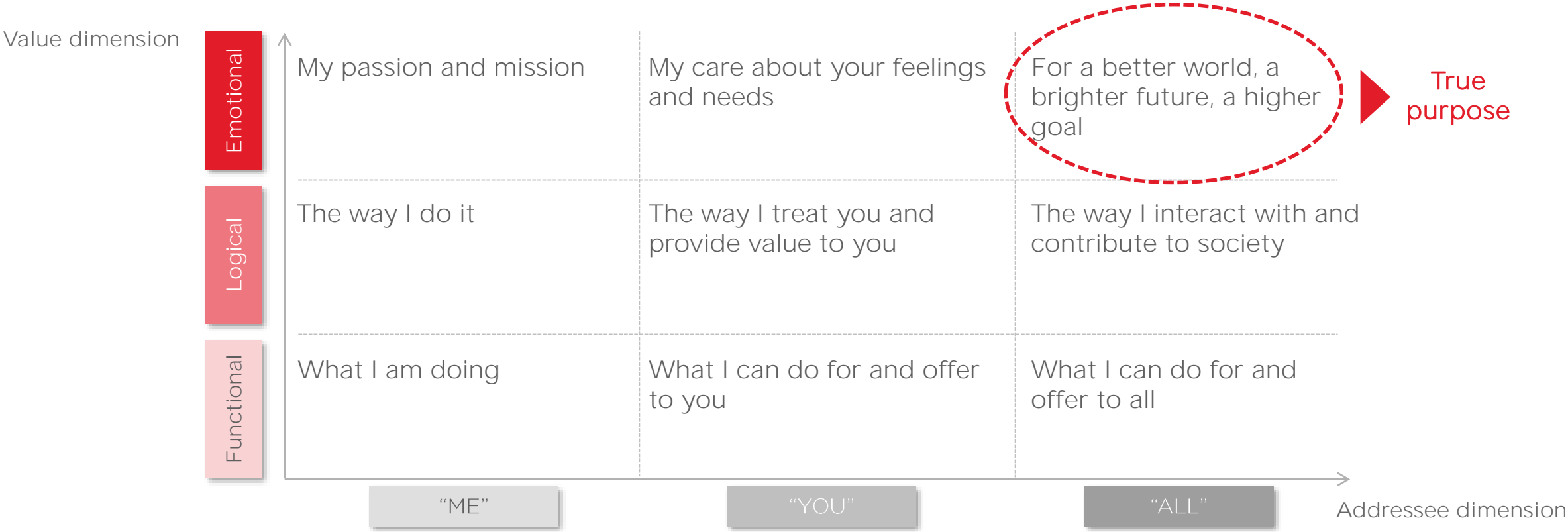
**Functional:** Material values, product itself

**Logical:** Rational benefit, what the brand mainly does

**Emotional:** Sentiment, improvement of a facet of the societal well-being, moral claim, spiritual value

Claims reflecting a true purpose are typically located in the upper-right quadrant

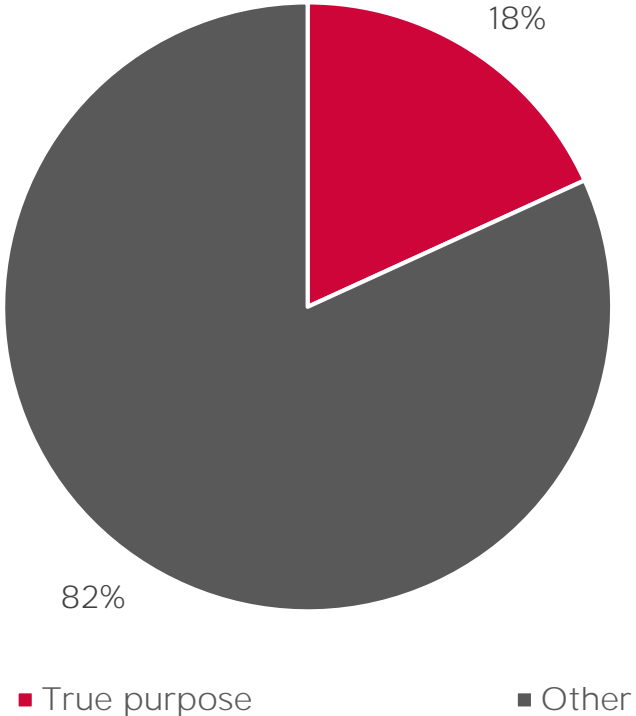
# Globeone's framework for the analysis of external positioning statements



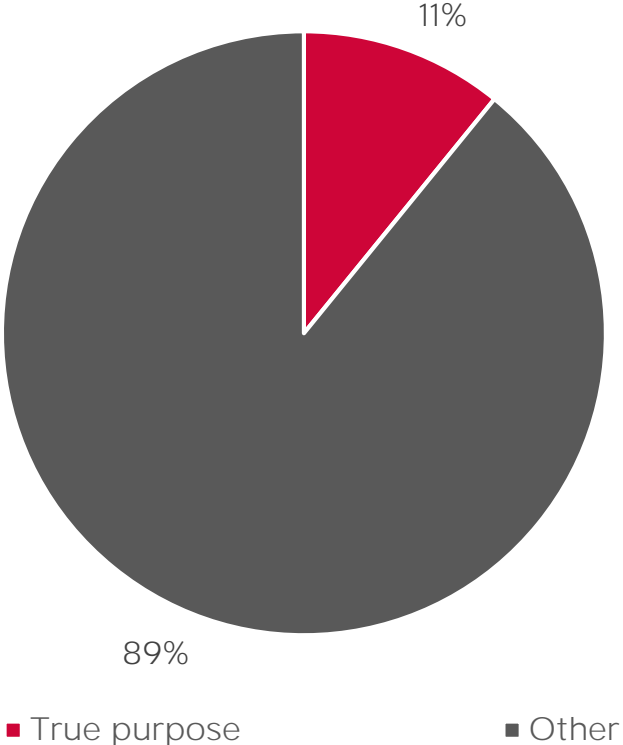
A true purpose consists of the combination of “emotional” (value dimension) and “all” (addressee dimension)

# Only 18% of the German brands relate to a true purpose in their claims<sup>1</sup>

## Germany



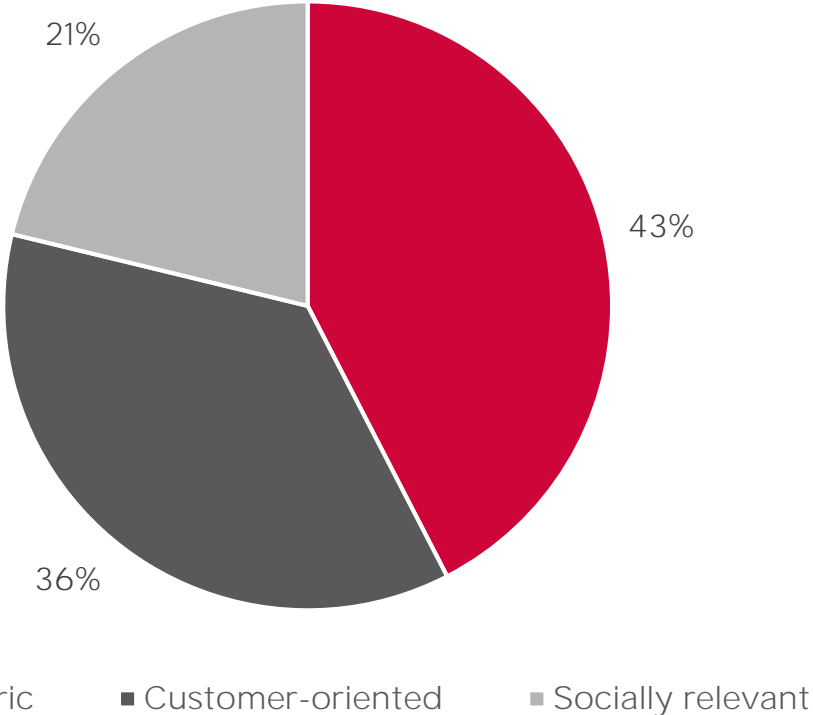
## International



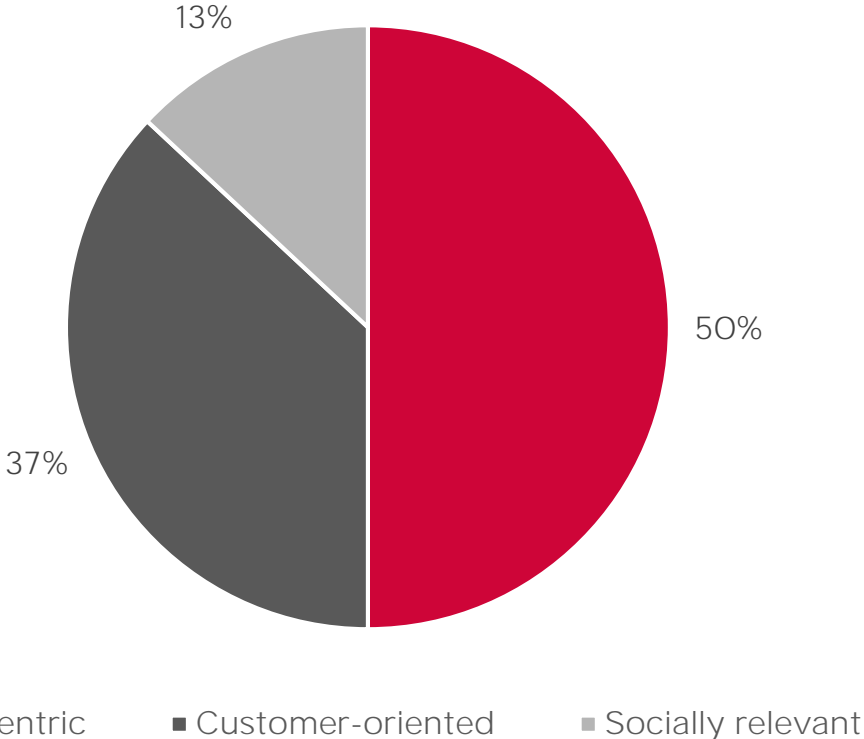
<sup>1</sup> 73% of the companies surveyed have a brand claim which was used as an indicator in the analysis whether a company has a purpose or not.

# Strong egocentricity: a majority of companies speak about themselves

## Germany



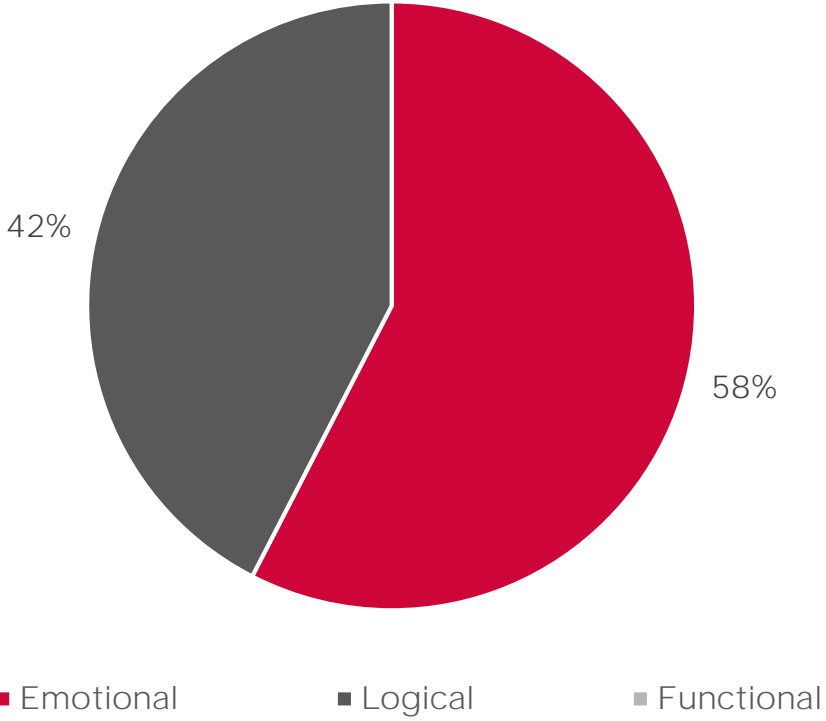
## International



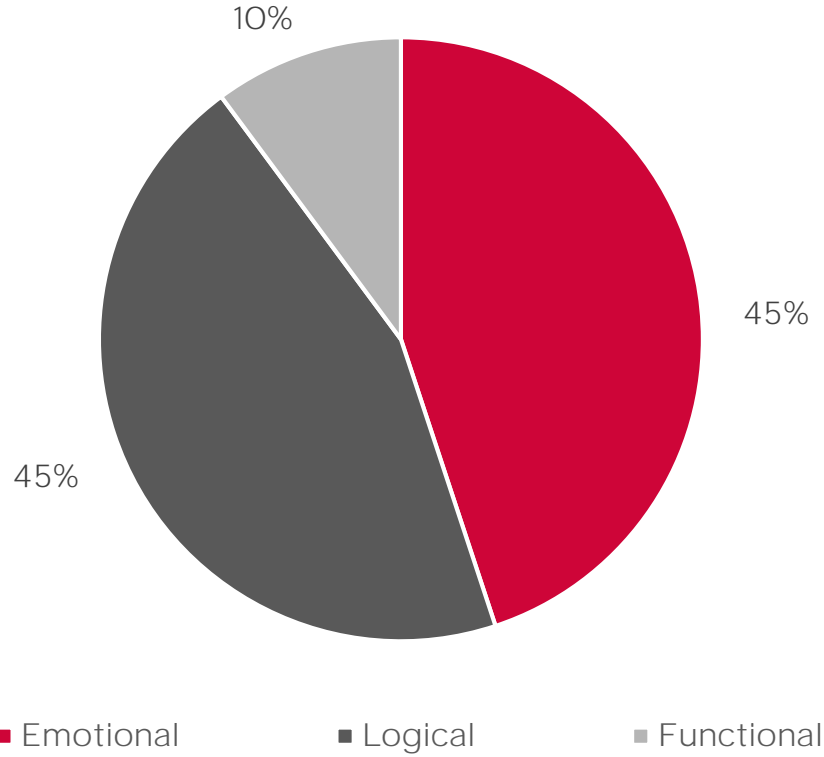


# A large majority already adopted an emotion-driven communication

## Germany



## International



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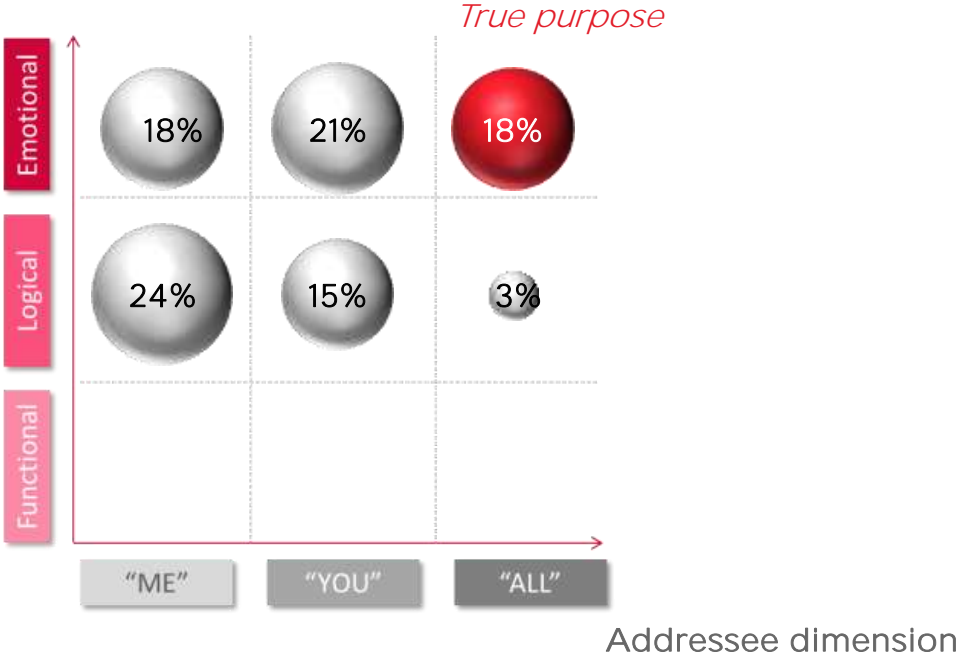
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# 82% of the German companies fail to relate to a higher purpose

## Germany

Value dimension



## Addressee dimension

German companies (42%) mostly speak about themselves in their brand claims (“Me”)

Only about one third of the companies (36%) make a statement regarding their customer relation (“You”)

Even less companies (21%) address a larger group of stakeholders or the overall society (“All”)

## Value dimension

No claim of a leading German company only speaks about a product or service (“functional”)

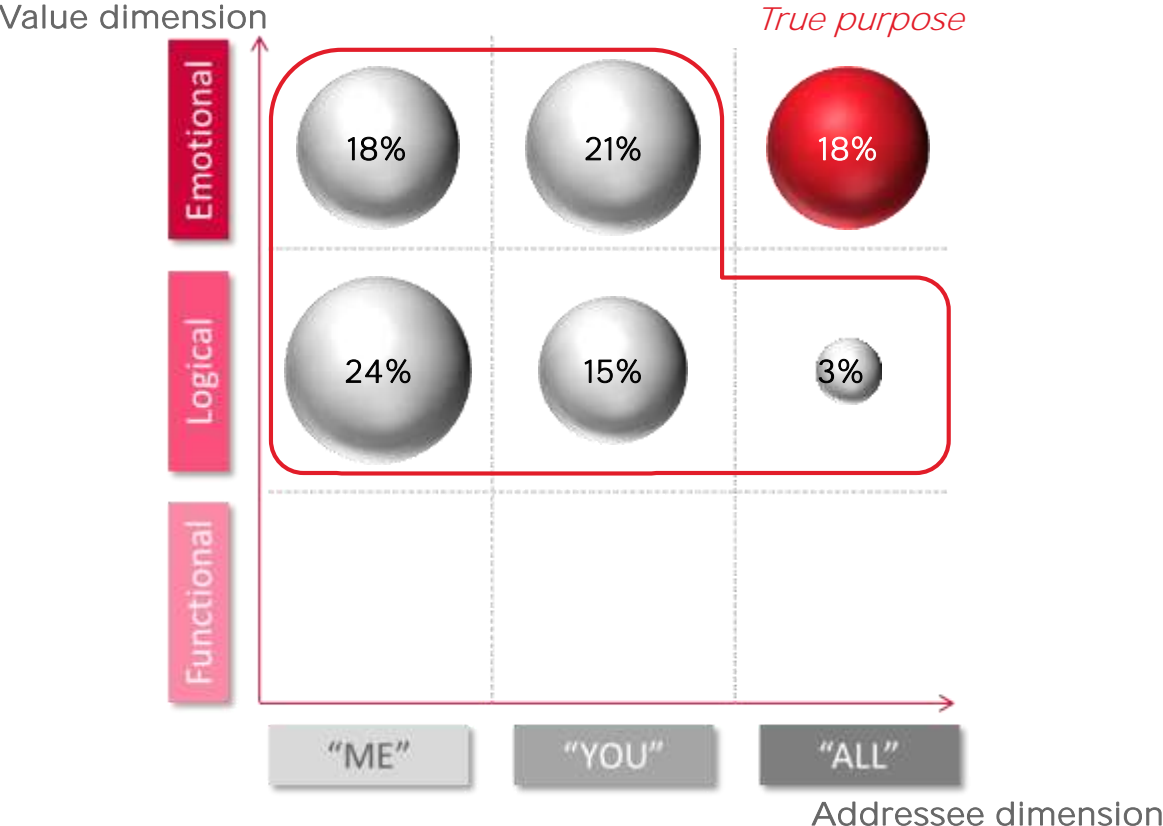
42% of the claims are based on a logical cause-and-effect relationship (“logical”)

The majority (57%) speaks about an emotional aspect

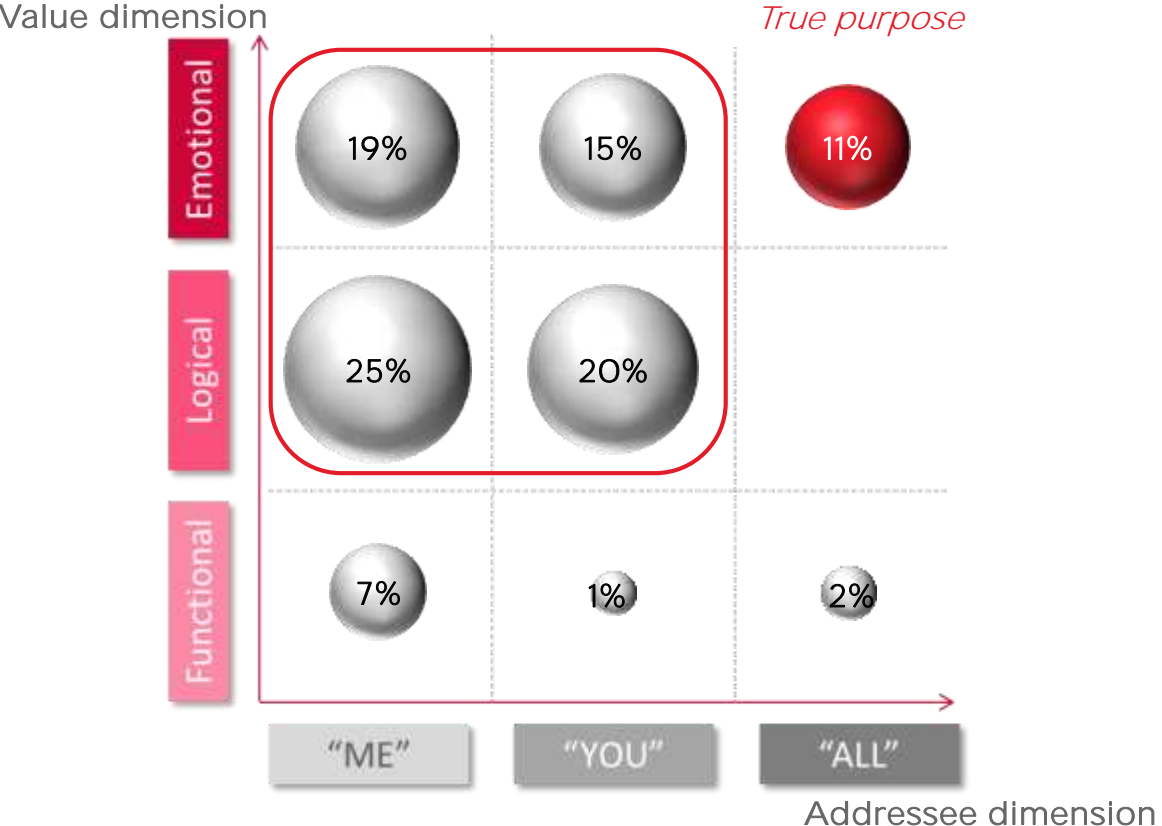
Only 18% of the claims of German companies communicate a true purpose

# There is considerable scope for improvement - also internationally

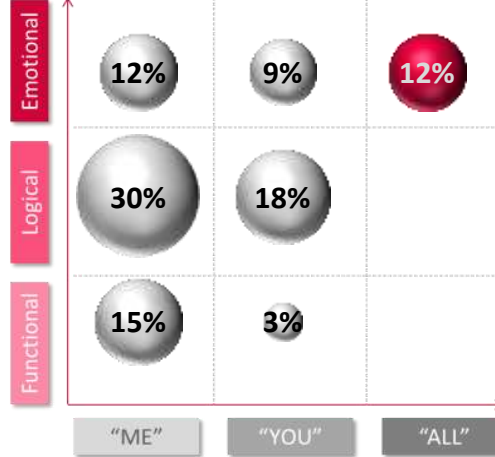
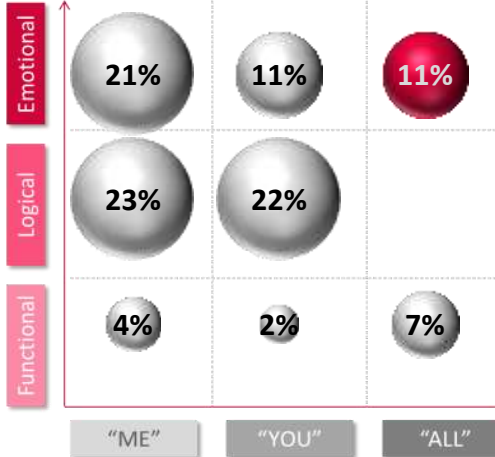
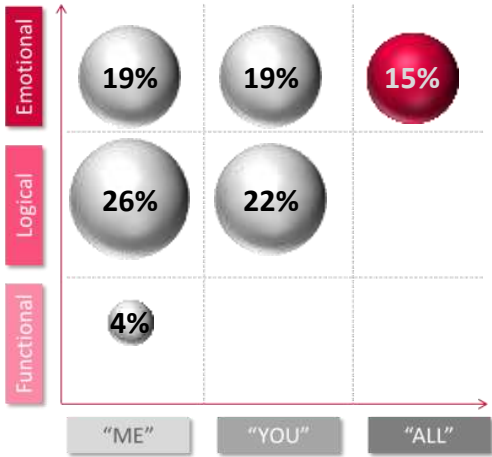
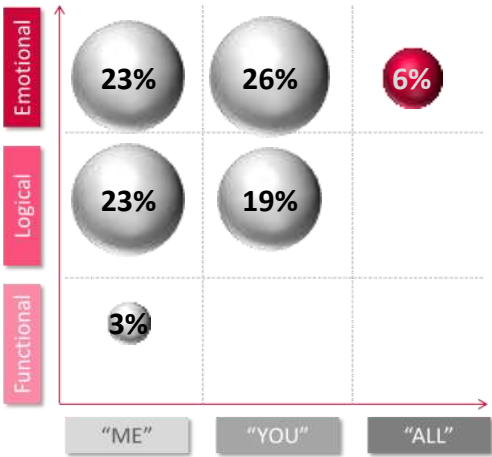
## Germany



## International



# Rather emotional in developed, more factual approach in growth markets



# Examples: “Functional + Me”

Value dimension

Emotional	My passion and mission	My care about your feelings and needs	For a better world, a brighter future, a higher goal
Logical	The way I do it	The way I treat you and provide value to you	The way I interact with and contribute to society
Functional	What I am doing	What I can do for and offer to you	What I can do for and offer to all
	“ME”	“YOU”	“ALL”

Addressee dimension



*National steel company*

Selection



*Integrated cloud applications & platform services*



*Investor relations*

# Examples: “Logical + You”

Value dimension

Emotional	My passion and mission	My care about your feelings and needs	For a better world, a brighter future, a higher goal
Logical	The way I do it	The way I treat you and provide value to you	The way I interact with and contribute to society
Functional	What I am doing	What I can do for and offer to you	What I can do for and offer to all
	“ME”	“YOU”	“ALL”

Addressee dimension



Selection

*Run simple*



*Professional haircare for you*



*Forever faster*


# Examples: “Emotional + All”

Value dimension

Emotional	My passion and mission	My care about your feelings and needs	For a better world, a brighter future, a higher goal
Logical	The way I do it	The way I treat you and provide value to you	The way I interact with and contribute to society
Functional	What I am doing	What I can do for and offer to you	What I can do for and offer to all
	“ME”	“YOU”	“ALL”


Addressee dimension

Selection




*Life is for sharing*

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*Invented for life*

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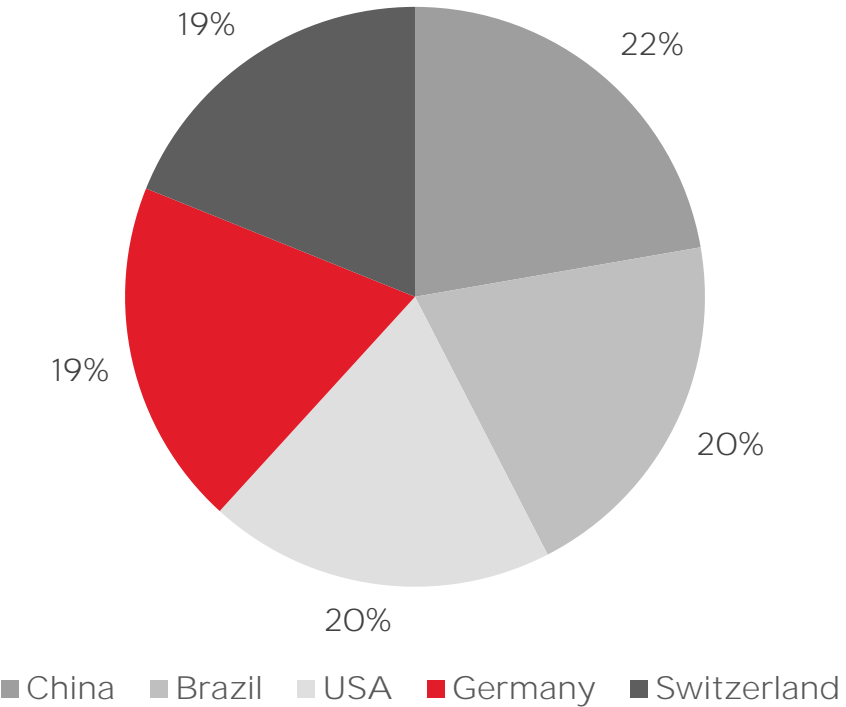


*Science for a better life*

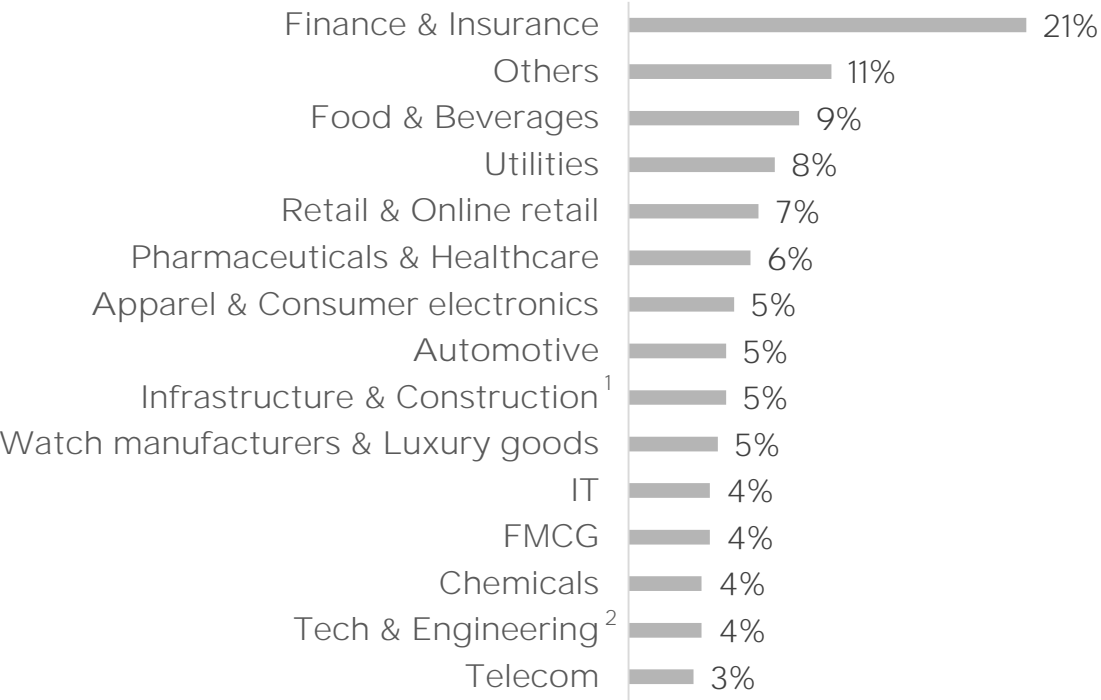


# Our focus: 238 brands from 5 countries across more than 15 industries

### Top brands - by countries



### Top brands - by sectors



<sup>1</sup> Including aircraft and defense

<sup>2</sup> Including automation technology, electricity, engineering, semiconductors, heavy-load industry

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# Three steps to position companies on the basis of a true purpose

## Analyze the status quo

What does the company stand for?  
Is there already a recognizable purpose?  
What are the strengths and weaknesses of the current positioning?  
What are industry-specific must-haves and where is there room for improvement?

## Identify positioning potentials

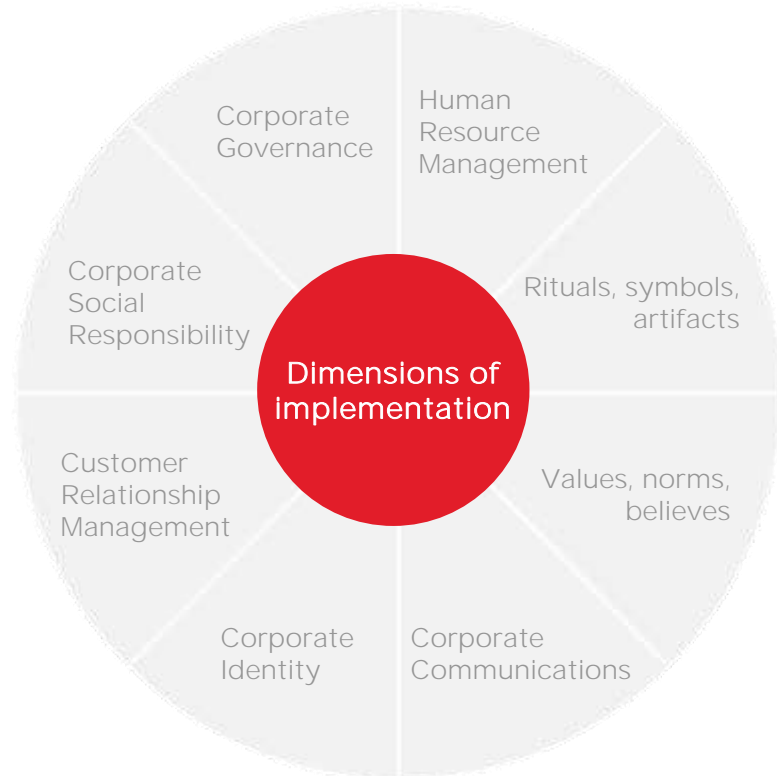
What does the company want to stand for?  
What opportunities come as a result of the strengths and weaknesses of the current positioning?  
Why does the company exist and how does it create meaning for its stakeholders?  
How exactly does society benefit from the company?

## Communicate the new positioning

How can the top management represent the true purpose?  
How can a true purpose be transformed into an inspiring corporate culture?  
How can the true purpose be translated into appealing communication and campaigns?

There are many more criteria beyond the brand claim that matter for the successful development of a purpose

# True purpose: dimensions of implementation



## Role models

The top management must set a good example of how to live the true purpose – only then it can expect the same from the employees

## Leadership culture

True leadership begins when managers address and motivate their employees on the basis of a convincing purpose

## Employee behavior

Employees also have to internalize the purpose and must convey it to the public authentically

A holistic implementation is mandatory for the credibility of the whole positioning

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## About Globeone



Globeone is a management consultancy specialized in strategy, brand, and communications. We are our clients' co-pilots. We empower people and businesses. Day by day.

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# About Globeone



## Co-pilots for our clients

At Globeone, we are our clients' trusted allies. We work in long-term, productive relationships. We listen and learn, give direction and create individual solutions and services that fit to their global and local needs.

## Informed Decisions

We turn complexity into clarity through an analytic and data-driven approach. This enables top-executives to take smarter strategic decisions in a dynamic and digital world. We aren't a network agency – and focus only on what needs to be done.

## Actionable Strategies

We work with you. We are strategic thinkers with an implementation mindset and skills. We boost efficiency, accelerate processes, drive progress and connect the dots across global markets. Together, we get things done.

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