



Approaches to Realising a Purpose Driven Brand De Beers Group Diamond Dialogue Series in partnership with Positive Luxury 3rd July 2019

This Diamond Dialogue roundtable was the eighteenth in the series established by De Beers Group in 2007 to share perspectives among multi-sectoral stakeholders on issues of mutual interest. This roundtable, held in partnership with Positive Luxury, brought together 35 representatives from leading brands mainly within the luxury industry to share learnings on the challenges and opportunities in achieving purpose-driven businesses. The discussion centred on social purpose and why some brands are recognised as leading in this space, how brands can create an authentic purpose, and why implementation is often challenging. The following is a summary of key findings from the roundtable.

Why is this important?

- Consumer attitudes towards brands and expectations are changing and consumers are increasingly using their purchasing power to influence brands to address social challenges.
- Younger cohorts like millennials and GenZ are increasingly looking to work for companies that represent their values and that have a purpose that goes beyond making a profit. This will continue to be critical in the fight to attract and retain top talent.
- Social purpose is not about philanthropy or just having a sustainability strategy, but it's about asking the question: how can we conduct our business in a profitable manner, while contributing to address a societal challenge(s)?

Who is getting it right and why?

- Brands are responding to the challenges and opportunities presented in the current operating environment with varied degrees of success. It's harder for brands that have existed for many years to create or re-think their social purpose to response to contemporary expectations in comparison to relatively newer brands that are established with a clearly defined social purpose from the onset.
- Brands that were debated as leading the social purpose agenda included Unilever, Patagonia, Stella McCartney, Tiffany & Co, Danone, Nike, Adidas, Toyota, Toms, Gems, and Evian. These brands were seen by some as having an ambition that was clear, simple, and memorable and resonated with consumers.
- Communicating the purpose of the brand was highlighted as key in this journey even when that purpose has not been realised – it's about being bold and transparent in saying that we are not there yet but this is what we are working towards. There were debates as to when to communicate more widely because there is often a risk of being perceived as unauthentic if the company's social purpose and actions are not aligned.

How can brands create an authentic purpose?

- Leadership: a brand's purpose needs to be championed by the CEO/ Creative Director.
- Internal buy-in: brands should drive the business case across all levels of the business internally, recognising the challenges, emphasising the ambition and roadmap in manner that touches the hearts and minds of its employees.
- Employees: employees acting as brand ambassadors is one of the most powerful ways for a brand to live out their purpose and communicate that more effectively externally. Employees' belief in the brand and what it stands for is also important for talent attraction and retention.
- Purpose should be the 'North-Star' that guides decision-making even during challenging financial times.
- Communication: sharing information about the purpose and communicating effectively with all stakeholder groups including consumers. There must be consistency in language and for the purpose to be communicated the brand needs to be telling the stories, filling the gaps and humanising the brand in a simple way that resonates with its audience.



Why is implementation challenging?

- There is often a disconnect between the values consumers express as important to them through various modes of communication vs acquisition patterns in the luxury sector making it challenging to drive the business case to become more purpose driven internally.
- Required costs and human resources.
- The complexities within the jewellery and fashion supply chain make it challenging to influence behaviours. It's important that companies ensure that their supply chain is built into the strategy and addresses issues such as ethical sourcing, etc. Consideration needs to be given to how the product is being produced, how employees are being treated and paid from a social capital perspective.
- Cross-collaboration across and within industries is challenging and many of the issues require multi-stakeholder action to have maximum impact.

These discussions ultimately led to an understanding that there are various approaches to realising a more purpose driven brand and it is important to continue conversations among multi stakeholder groups to share learnings because all responsible brands are on this journey. Social purpose is increasingly no longer a discussion about competitive advantage but critical to business continuity and relevance. Many brands have a compelling story to communicate and there are opportunities to re-think how to convey those stories in a simple, authentic and inspirational manner that resonates with all key stakeholders.