

IPSOS VIEWS



Do consumers really care about your brand's impact on the planet and society?

The answer is a definitive 'yes'.

Our research indicates that today's consumers are sizing up brands on more than just their functional benefits and emotional appeal. Societal benefits – such as environmental impact and social justice – are considerably important to them. People feel good about themselves when they are using products that have a positive impact on our planet and society.

But how do you integrate societal impact in a way that allows you to effectively position your brand while successfully tackling ESG-related issues? In this paper, we discuss how to grow your brand through societal impact.

R&D proves societal impact plays a role in consumer decision making

Traditionally, brand value was mostly viewed through the dual lens of functional and emotional benefits. However, as consumers become more socially and environmentally conscious, societal benefits are emerging as a critical third dimension. Societal benefits refer to how a brand can make a positive contribution to the planet or society. This could be through sustainable business practices, active contributions to disadvantaged communities, advancements in inclusivity, and many other ESG solutions.

People often claim they are prepared to spend more for brands that have a positive impact on people's lives. Globally, 59% of people say they are 'willing to pay more for products and services that are ethical and sustainable', while 70% say

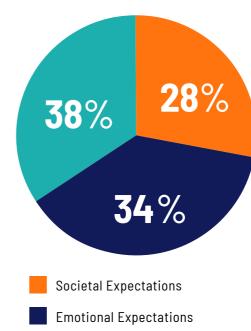
they 'tend to buy brands that reflect my personal values'. But people's claimed intent is not always the best predictor of their behaviour. So, does a positive impact on the planet and society really have an impact on brand choice?

Recent Ipsos R&D based on derived data, and not claimed responses, confirms – and quantifies – the important impact societal benefits can have in driving brand growth (see Figure 1). Indeed, when we include societal expectations in our equity and driver research, we see that they are almost equally important to functional and emotional expectations. This is a pattern that we see consistently across the many countries and categories we included in the research.



Figure 1: Impact of societal benefits

Relative impact of functional, emotional and societal expectations on brand growth



Functional Expectations

Source: Ipsos R&D (2023) across 10 countries and 12 categories, n=18,000



SOCIETAL EXPECTATIONS

How does my brand contribute to the world? Broader impact on the planet or society that people expect from a brand or category (e.g., social responsibility, diversity & inclusion,

going net zero)

EMOTIONAL EXPECTATIONS

How should my brand make me feel?

Desired emotional experiences, connections or feelings that individuals seek from a brand or category (e.g., joy, trust, belonging)



FUNCTIONAL EXPECTATIONS

What am I looking for concretely?

Specific practical outcomes, features, or performance levels that people anticipate from a brand or category (e.g., usability, reliability, convenience)

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What this means for brands is that societal expectations offer a possible complementary route for brand growth. It does not mean that every brand necessarily needs to embrace societal impact, nor that only having societal impact is sufficient to grow your brand. But what it does show is that when brands are seen to have positive impact, it is most likely going to contribute to the overall strength of the brand.

Ipsos R&D also indicates that the extent to which societal benefits already contribute to your overall brand strength depends on the specific category and cultural context. For instance, we see that societal expectations are more important in retail than in skincare in Mexico. And within finance, we see a much bigger impact of societal expectations in Chile than in Colombia or the US².

The question is: Do you know how important societal benefits are in driving growth in your particular brand's category and country? The answer can help determine how much to invest in developing societal messages, what the weight of those messages should be, and if they should vary by country.



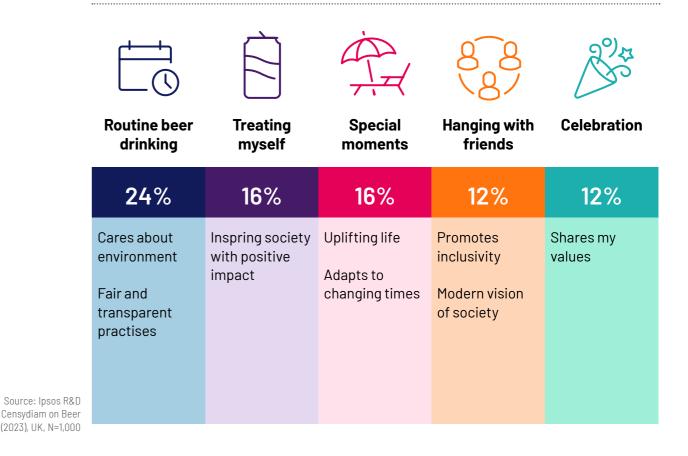
Evolving our brand models to keep up with societal drivers

As a proven brand driver, it is imperative to include societal benefits in your brand research. At Ipsos, our Censydiam framework is our validated approach to measuring consumers' needs and motivations, thus illuminating how brands can address them to become more relevant. Recognising the growing importance of societal benefits, we have evolved our Censydiam framework to incorporate this essential dimension in all of our clients' studies.

Our research has found a significant interplay between category motivations

and societal expectations; distinct motivations within each category tend to shape varying societal expectations. Take the beer category, for example. When people are hanging out with friends, they typically prefer brands that promote inclusivity, whereas during routine drinking moments, they are more likely to look for brands that are transparent and fair (see Figure 2). In other words, by leveraging the natural fluency between category expectations and societal impact, brands can efficiently unlock new paths for growth.

Figure 2: Different category motivations lead to different societal expectations



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Three ways to grow your brand with the infusion of societal benefits



Connect societal expectations with category motivations

Leveraging a deep understanding of human needs and motivations to explore which specific societal expectations relate to which specific category motivations helps brands to identify what societal impact fits most fluently with their existing brand proposition. This makes the societal impact more credible and memorable and therefore easier for the brand to own. By including societal benefits alongside more traditional category benefits, Censydiam offers brands a more in-depth, accurate and impactful way to understand and shape expectations.



Position societal benefits as co-benefits

Addressing societal concerns in your brand's positioning does not require a complete overhaul of your existing marketing strategy. Rather, a societal benefit can often be assimilated seamlessly as an additional benefit that strengthens the existing value proposition. However, alignment is key, as the societal issues that brands embrace should resonate with their overall brand identity, mission, and values.

An excellent example of successfully integrating societal benefits into a brand strategy is the award-winning Hellmann's 'Make Taste, Not Waste' campaign. Through this campaign, the brand encourages consumers to minimise waste and make the most out of their leftovers. Hellmann's cleverly positioned itself as not only a tasty choice but also a responsible one. The campaign helped drive behavioural change and contributed to overall brand strength³.



Leverage the halo effect

We see evidence suggesting that a brand's commitment to one particular societal issue can generate a halo effect, creating a ripple effect of positive associations. Why? Because the majority of consumers are not full-time activists and they do not scrutinise every brand they consider buying. Just as brands fulfill functional and emotional roles for consumers, their societal impact is often judged using cognitive shortcuts and biases⁴. For example, a brand known for its environmental efforts may also be automatically credited with fair labour practices and advocacy for social justice, without direct evidence of these activities. Incorporating societal benefits into your brand's positioning is therefore likely to result in consumers' perceptions extending beyond the immediate impact of the specific cause supported, thereby strengthening the brand image and contributing to brand growth.

Of course, the reverse is also likely to happen - the halo effect can cause a ripple effect of negative associations when a brand is seen as failing to uphold its values or engaging in unethical practices. In such cases, even a minor misstep in one area can lead consumers to question the brand's integrity across the board.

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Managing ESG positioning risks through empathy

In today's world, marked by increasing polarisation, brands face a complex challenge when striving for positive societal impact. While it is generally beneficial for brands to champion environmental or societal causes, recent history offers notable examples where this strategy has backfired.

There have been cases where brands have drawn scrutiny when perceived as endorsing causes that clash with polarised values. Though the fallout from these controversies can fade with minimal consequences, there are cases where brands have experienced negative growth as a consequence of embracing what they believe is positive impact.

To effectively navigate these risks, brands should first align their initiatives with the interests of the majority of their target audience: validation before a campaign's launch is essential. Brands must recognise that their status may impose constraints on the types of positive impacts they can pursue. In that sense, brands should prepare for possible pushback, or stay in the safe zone.

For instance, in a deeply divided society, it might be prudent to focus on broadly supported causes. This balanced approach not only mitigates risks but can also create opportunities for brands to connect authentically with their audience, potentially leading to sustainable growth and a strengthened brand image, without attracting unwanted controversy. If brands do want to embrace potentially controversial topics, they should anticipate potential backlash by making sure they listen to all possible voices and engage in open dialogue.

Integrating societal benefits for future growth

It is clear that having a positive impact on our planet and society offers an opportunity for brands to grow. As we navigate the complexities and opportunities of integrating these benefits, here are key principles for brand managers to keep in mind:

align your brand's societal initiatives with its full brand value proposition.
While data advocates for societal engagement, it also reveals the importance of understanding the specific societal expectations connected to each brand's category motivations.

• Empathy: Deep understandinging of your target audience's societal expectations is essential. It creates a strong and genuine connection

between your brand and its consumers and helps mitigate potential negative backlash.

•Halo effect: A
commitment to specific
causes can enhance your
brand's overall perception
of being an ethical brand, creating a
ripple effect of positive associations.

•Adaptive strategies: Stay informed about evolving consumer expectations and market trends to ensure your brand strategies stay relevant.

These strategies allow brand managers to tap into the growing demand for societal impact, while ensuring their brands stay relevant and thrive in today's dynamic market.



Endnotes

- 1 <u>lpsos Global Trends 2024</u>
- 2 Ipsos R&D Brand Success (2023), N=18,000 across 10 countries and 12 categories
- 3 Hellmann's Make Taste Not Waste: Longterm Strategy and Secret Sauce
- Quanta Magazine | <u>To Be Energy-Efficient</u>, <u>Brains Predict Their Perceptions</u>

Further reading













GROWING YOUR BRAND THROUGH SOCIETAL IMPACT

Why socially conscious branding matters

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