

Research + Insights


State of Purpose

2023



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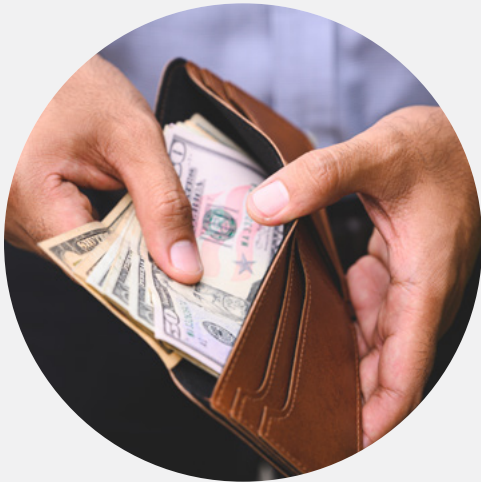


The Business Case for Sustainability



Budgets may be tighter,
but purpose still drives
sustainable growth
amidst inflation.

Consumer → Market Signals



Current data shows inflation is still a force in a U.S. economy in danger of slipping into recession this year.

Source: [Consumer Price Index](#)



More than 65% of consumers still say they want to buy sustainable products.

Source: [Barkley Purpose Study 2023](#)



Market share for sustainable products is growing 2.7x faster than the category in U.S. Grocery.

Source: [Sustainable Market Share Index 2021](#)

Consumer → Insights



With more than 2,400 fitness clubs worldwide, Planet Fitness is a brand living its purpose: To democratize fitness. Since 2018, the year it conducted its first materiality assessment, it's grown its membership by 36%, with a 38% increase in the number of gyms.

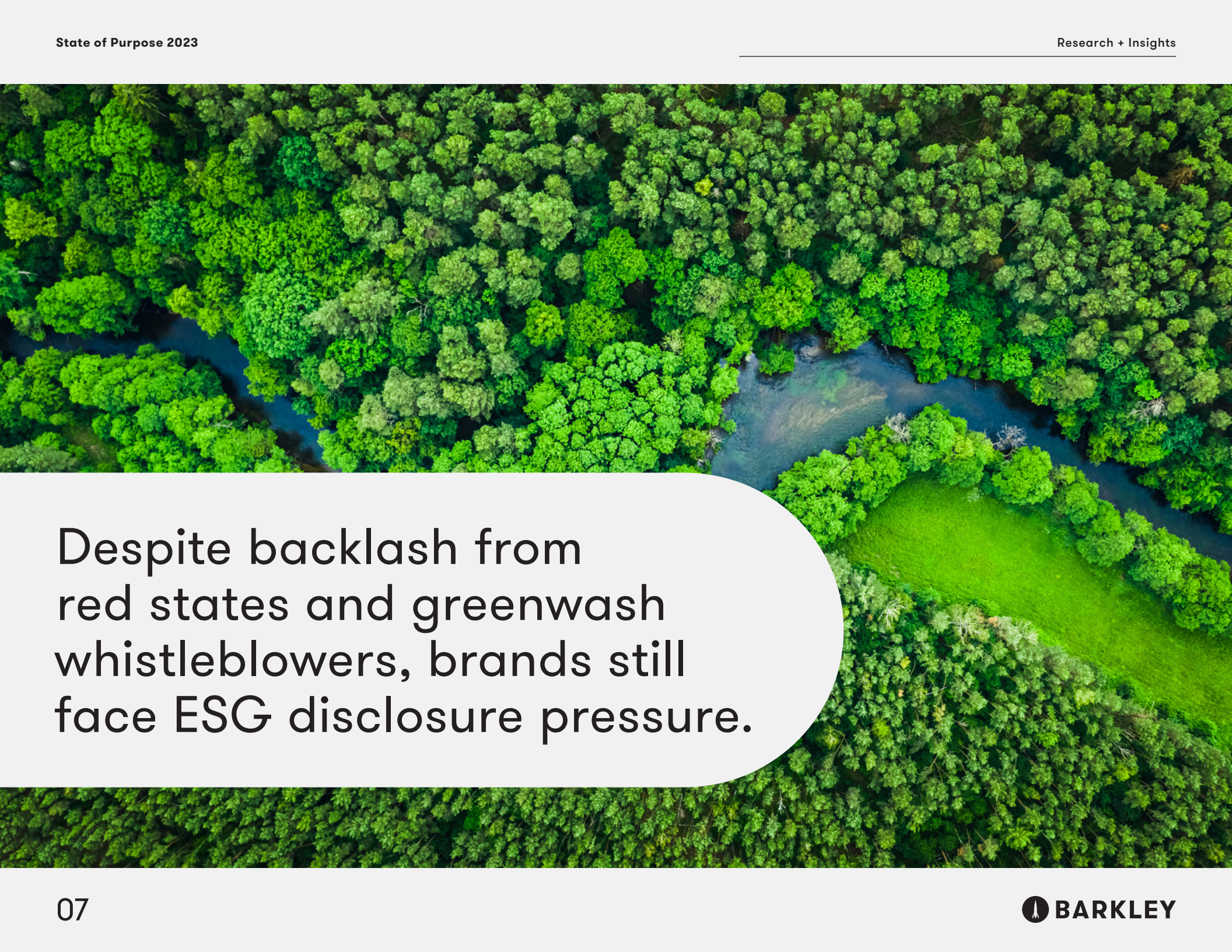
Brand Purpose

Our mission is to enhance people's lives and create a healthier world.

“If we want to continue to grow sustainably, we have to make sure we're thoughtfully nurturing an inclusive, judgement free zone in our communities — while being mindful of our environmental impact. And our materiality assessment guides us as we continue to implement our ESG strategy.”

McCall Gosselin,
SVP of Communications &
Social Impact, Planet Fitness



An aerial photograph of a dense, vibrant green forest. A dark, winding river flows through the center of the forest, creating a meandering path. The trees are thick and cover the entire landscape, with varying shades of green. The overall scene is a lush, natural environment.

Despite backlash from red states and greenwash whistleblowers, brands still face ESG disclosure pressure.

Investor → Market Signals

ESG was challenged on ideological grounds in 16 U.S. states that seek to restrict use of ESG factors in investment funds.

Source: [Bloomberg](#)



In 2022, 680 investors with more than \$130 trillion in assets requested companies disclose through CDP on climate change, water and forests.

Source: [CDP](#)



At the same time, regulation is cracking down on vague ESG claims.

Read more: [SEC Enhanced Disclosure](#)

Investor → Insights



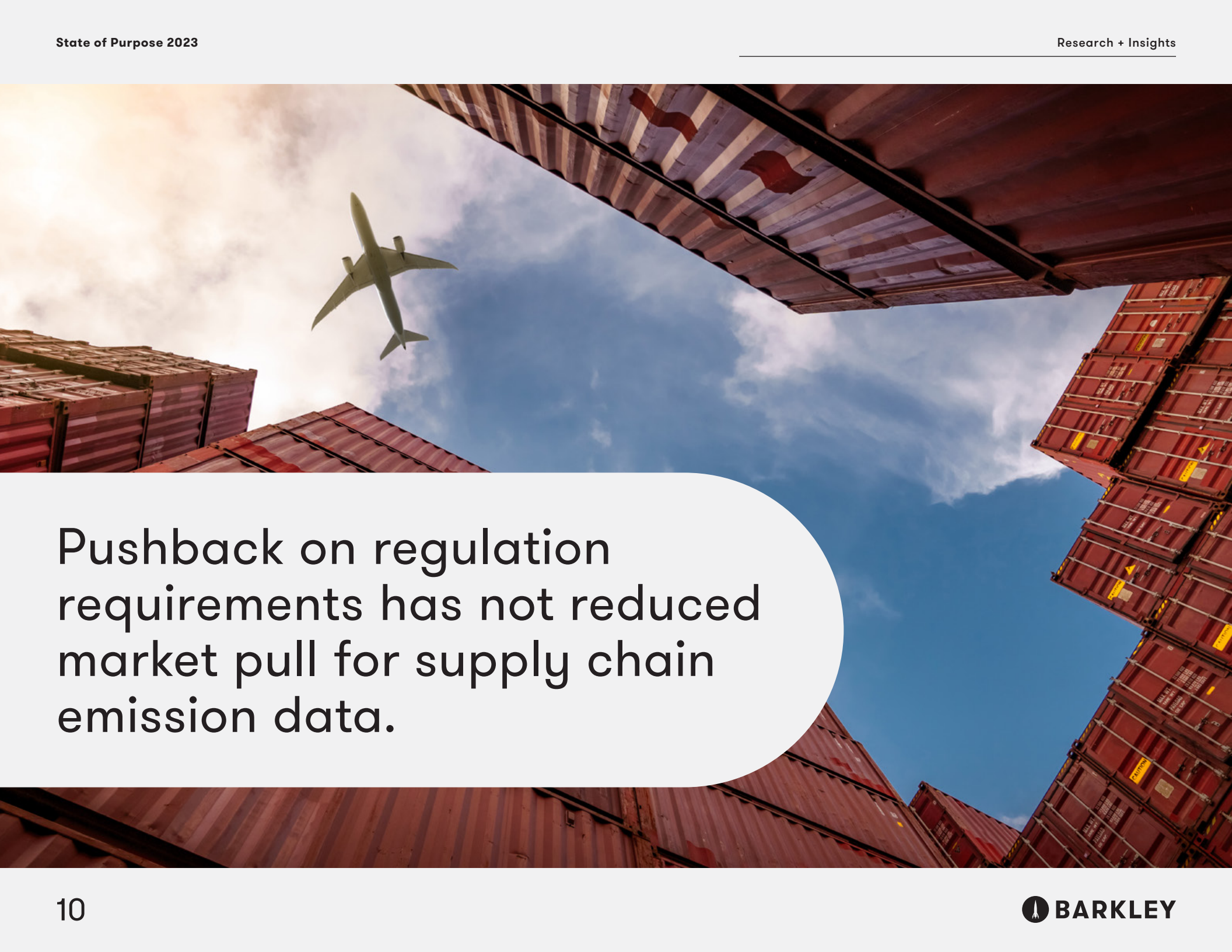
Jefferies

Jefferies (NYSE: JEF) is the largest independent, global, full-service investment banking firm headquartered in the U.S. Focused on serving clients for 60 years, Jefferies is a leader in providing insight, expertise and execution to investors, companies and governments.

“Today’s consumers want to change how they behave, and their consumption and economic activities reflect their concern for the way the world is going. As a brand, ensure you are looking at the world from both a risk and opportunity perspective. Sustainability should not just be about box-checking around risk — it’s a deep understanding that what customers, regulators and investors care about is changing.”

Aniket Shah, Managing Director,
Global Head of ESG + Sustainability
Research, Jefferies





Pushback on regulation requirements has not reduced market pull for supply chain emission data.

Customer → Market Signals



The U.S. SEC Climate Disclosure proposes that public companies disclose on the carbon emissions and climate risks of their business.

Source: [SEC Climate Disclosure](#)



A large number of businesses already require their suppliers to disclose their carbon emissions — in 2022, 280+ companies with a combined purchasing power of \$6.4 trillion required suppliers to report against CDP.

Source: [CDP](#)



The Federal government is the world’s single largest purchaser of goods and services — purchasing over \$630 billion in 2022 alone — and now requires its suppliers disclose on carbon emissions.

Source: [The White House](#)

Customer → Insights



Brand Purpose

Delivering essential goods fit for a changing world.

“Engaging with disclosure and benchmarks such as CDP has helped us strengthen our sustainability strategy.”



Fruit of the Loom, Inc. is focused on how reduction of environmental emissions can lead to impactful progress toward publicly articulated goals. The company was awarded an A- in CDP disclosure, ranking in the top 26% of over 20,000 companies that reported on their climate disclosure in 2022.

Adam Wade, Senior Director, Sustainability & Risk, Fruit of the Loom, Inc.





Thanks to the Great Resignation, healthy work culture is a top demand in today's job market.

Employees → Market Signals

Despite the looming threat of recession and somber news headlines, layoffs remain at a near-historic low, leaving space for jobseekers to be more selective.

Source: [U.S. Bureau of Labor Statistics](#)



America's workforce feels pressure. Open communication and a focus on well-being are top issues they consider critical for a healthy work culture and contributing factors to personal productivity.

Source: [Barkley Culture Study 2023](#)



A changing and younger workforce is demanding more diversity and diversity initiatives from employers.

Source: [Indeed & Glassdoor's Hiring and Workplace Trends Report 2023](#)

Employees → Insights



smashbox

Women of color at Smashbox developed a special-edition lipstick shade called “Be Seen” for people of color. The employee resource group, NOBLE (Network of Black Leaders & Executives), participated in the social media campaign.

Brand Purpose

Empower creativity.

“The Smashbox creators of the Be Seen, Be Legendary Lipstick are in the spotlight to give visibility to their talent and expertise, inspire others with career possibilities, and show our commitment to diversity.”

Jill Tomandl, Global Product Development and Innovation & Brand Sustainability, Smashbox



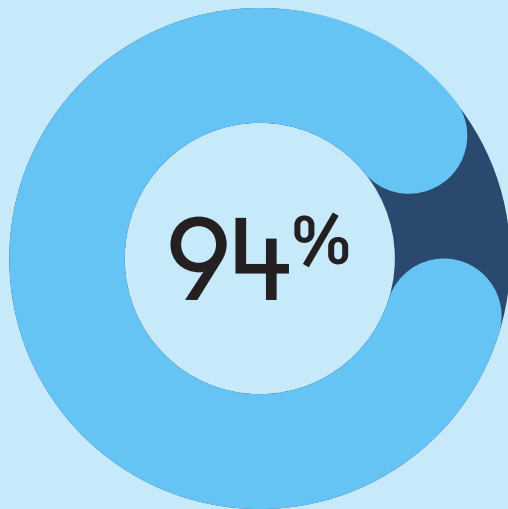


Consumer Research

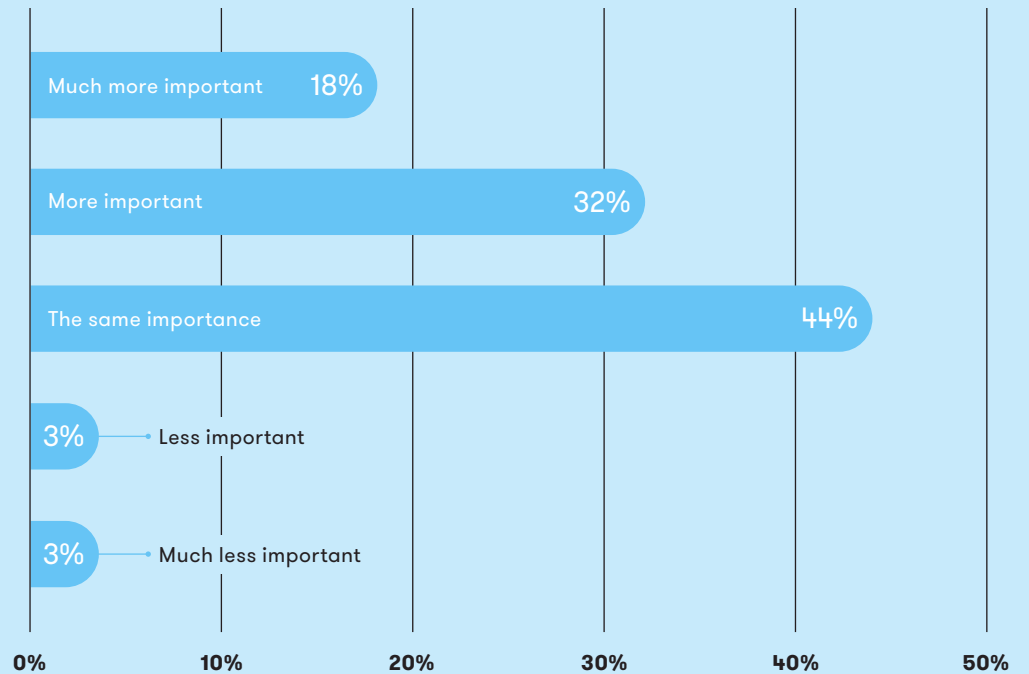
Consumer Research → All Respondents

ESG remains important for the majority of consumers.

Question: How important to you are the Environment, Social, and Governance issues in deciding which brands to buy today versus 12 months ago?



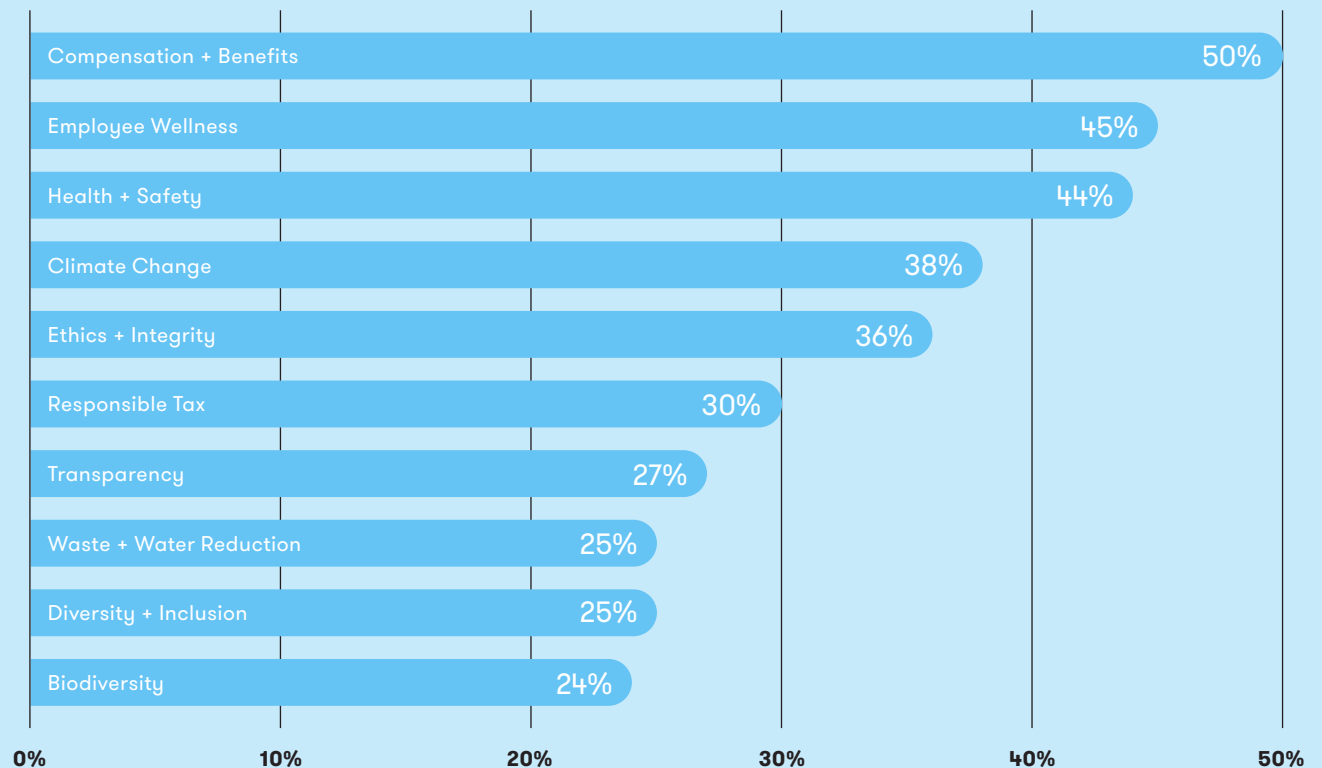
of consumers say supporting ESG “Brands” is as important or more important now than 12 months ago.



Consumer Research → All Respondents

Top societal issues for consumers are compensation, employee wellness and health and safety.

Question: Which of the following Environmental, Social and Company Governance (ESG) issues do you think are MOST important for companies to take action on?



Consumer Research → All Respondents

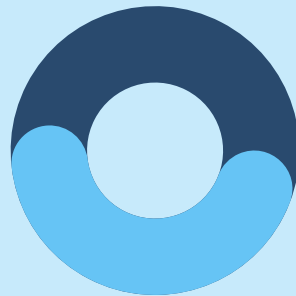
Most consumers are committed to living sustainably and over half feel social pressure from family or friends to do so.

Question: How much do you agree with the following statements?



79%

It's important to me to live my life with purpose and improve my impact on the world.



54%

People I care about think it's important to support environmentally and socially responsible brands.



28%

I feel pressure to shop for environmentally and socially responsible products.

Consumer Research → All Respondents

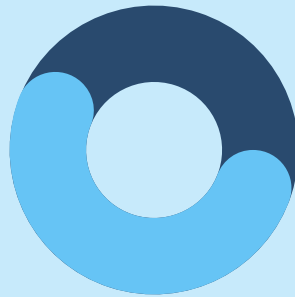
Consumers increasingly believe they have been impacted by climate change — a 14% increase year over year.

Question: When do you think you will be impacted by climate change (e.g., extreme weather events, increasing temperatures, drought, flooding, wildfires, etc.)?



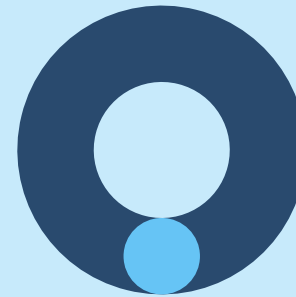
41%

of respondents think they have already been impacted by climate change.



62%

of all respondents think they will be impacted in the next 10 years.



11%

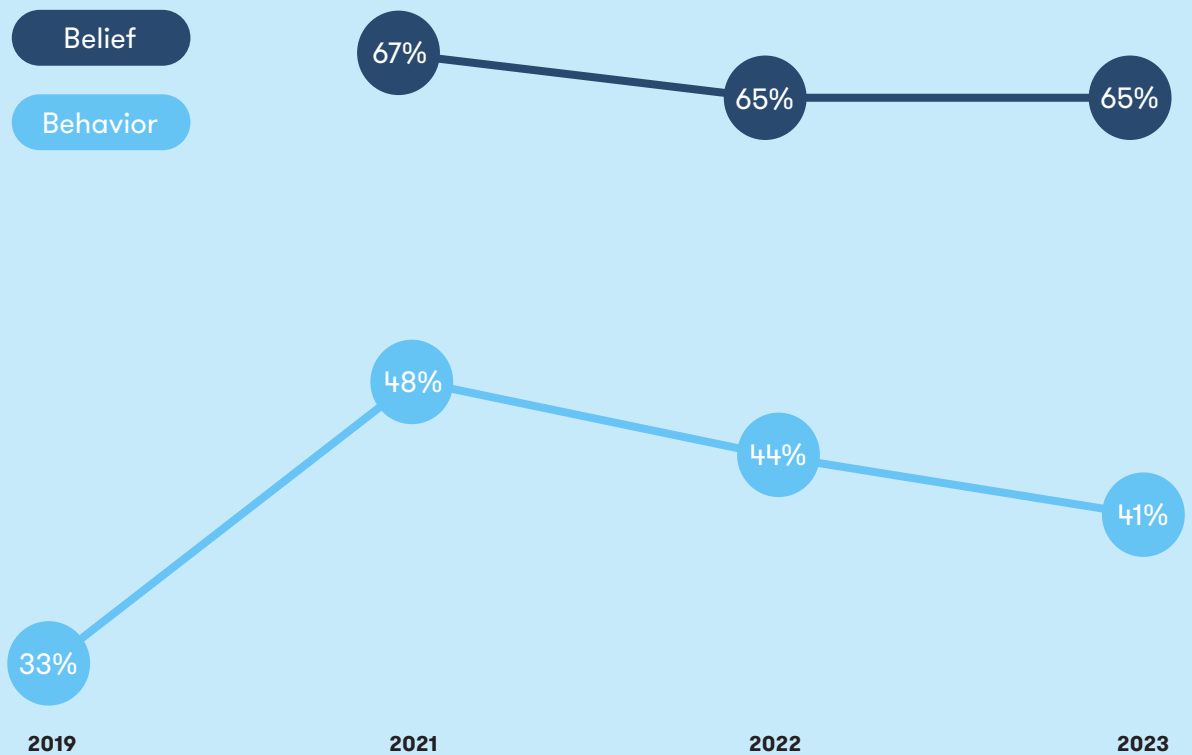
of all respondents think they will never be impacted.

Consumer Research → The Purpose Action Gap: All Respondents

There is a gap between consumer sustainability beliefs and behavior, but it's narrowing.

Question: I look for products that can help me live a more sustainable and socially responsible life (% agree/strongly agree).

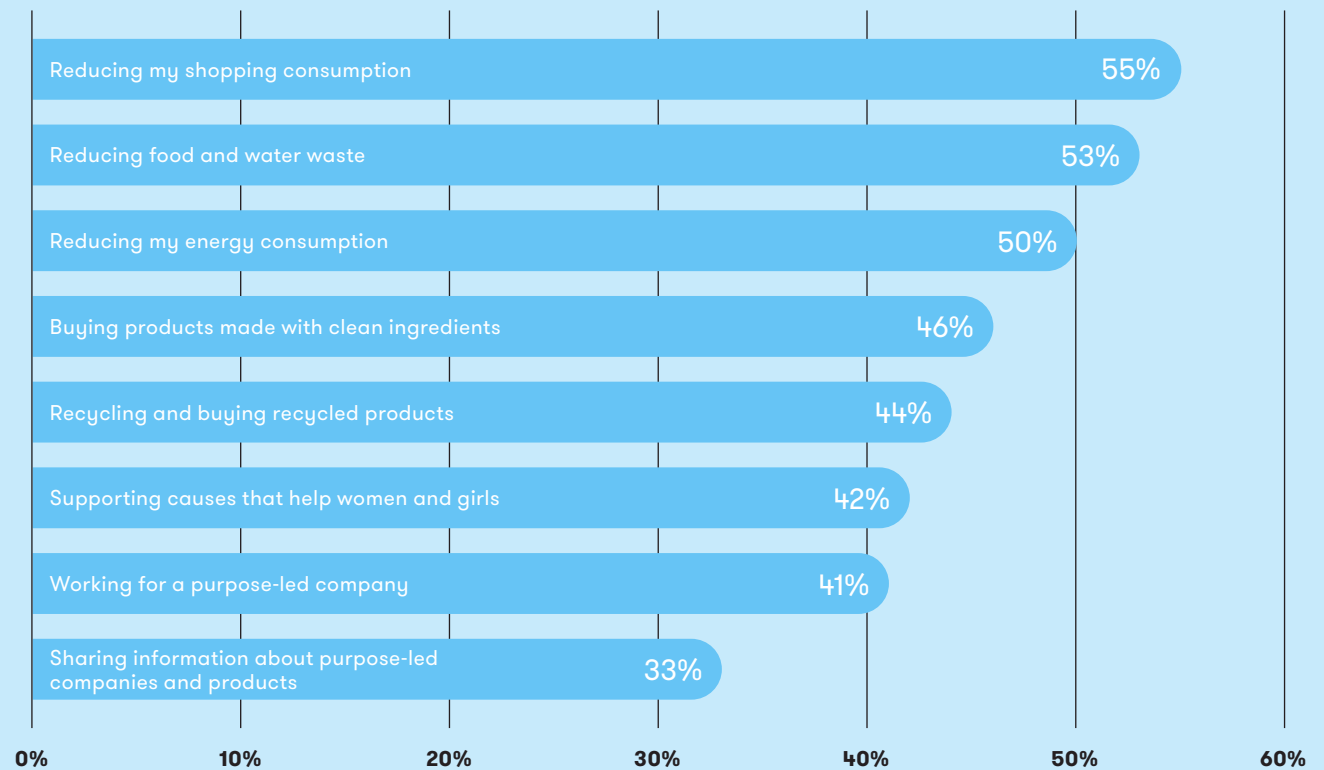
Question: In the past 30 days, have you chosen to shop or purchase from a company or brand over a competitor because it behaved in a more socially and environmentally responsible way (% yes).



Consumer Research

Reducing shopping consumption is now the number one sustainable behavior consumers consistently engage in.

Question: How consistently do you engage in the following behaviors?



Consumer Research

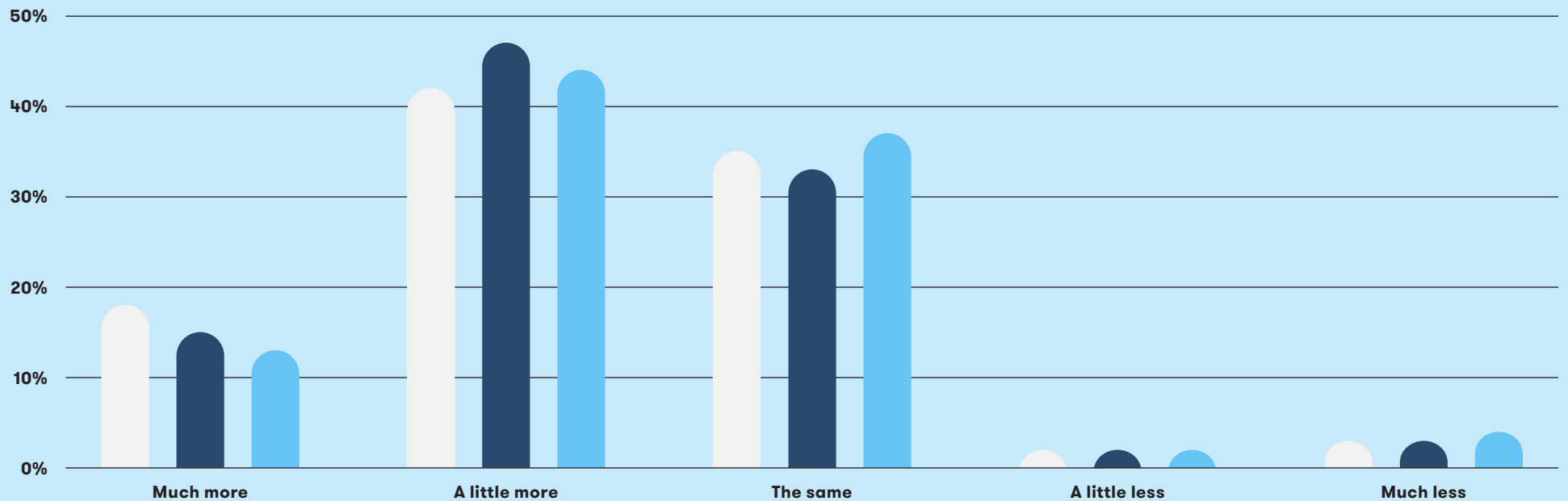
More than 50% of consumers willing to pay more for sustainable products.

Question: How much more would you be willing to pay for sustainable products?

2021

2022

2023



Consumer Research

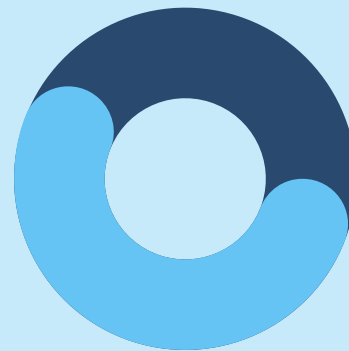
Consumers find brand claims on sustainability hard to understand and are looking for proof of action.

Question: How much do you agree or disagree with the following statements when it comes to supporting companies and brands that make environmental and social responsibility claims?



71%

say it's difficult to know if a brand is acting ethically.



62%

look for proof a brand is taking action for their values.

Consumer Research

Younger generations are researching brands on sustainability before purchase.

Question: How much do you agree or disagree with the following statements when it comes to supporting companies and brands that make environmental and social responsibility claims?

“I often research whether a company is responsible or not before I purchase products and services.”



40%
of Millennials

But Only



16%
of Baby Boomers

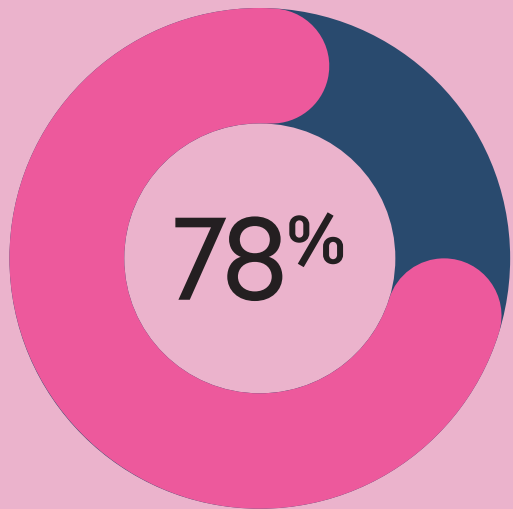


Employee Research

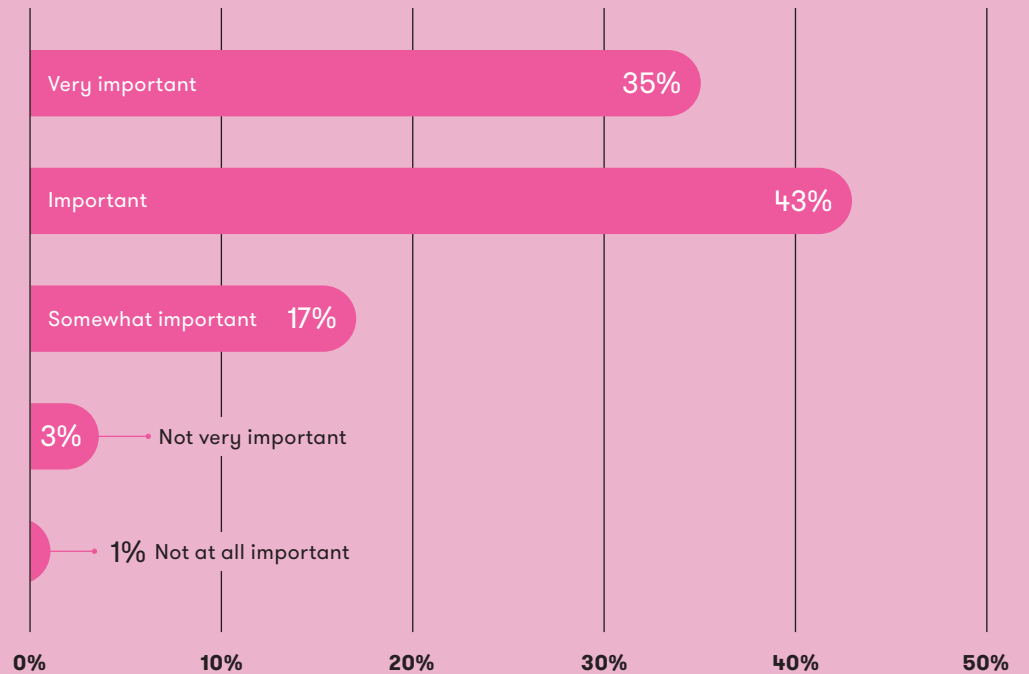
Employee Research → All Respondents

The majority of employees want to work for values-led companies.

Question: How important is it to you that the values of your organization align with your personal values?



78% of employees say it is important to them that the values of an organization align with personal values.

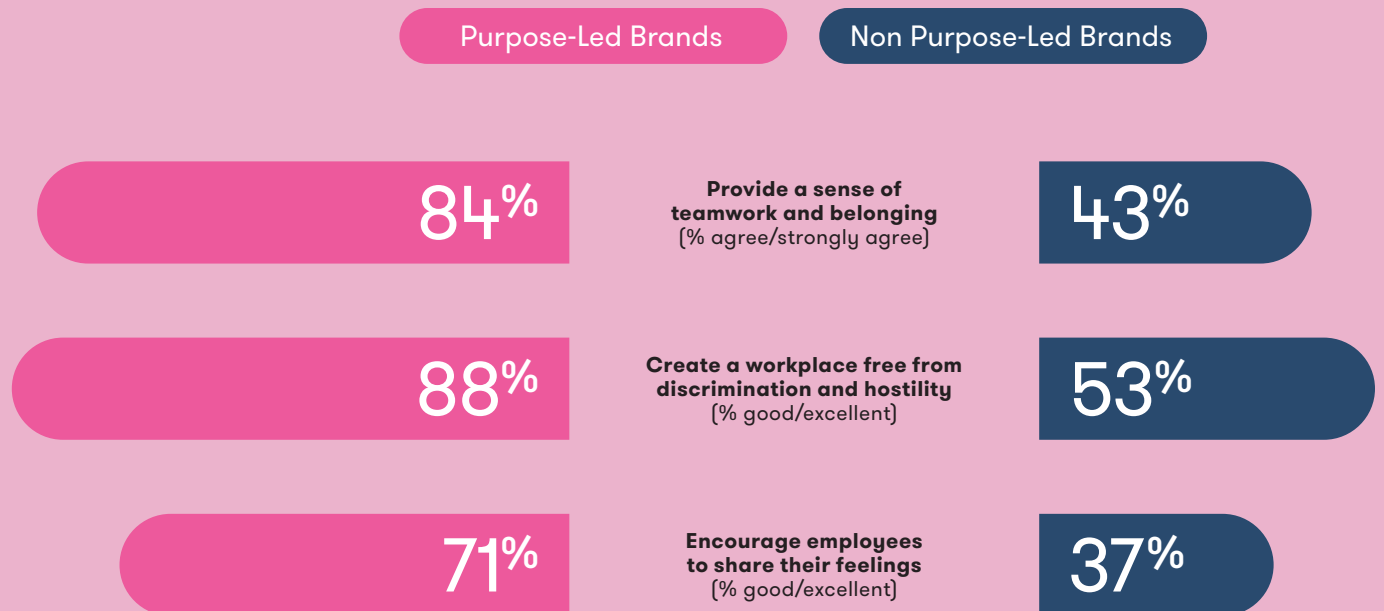


Employee Research → Company Performance

Purpose-led brands are more likely to inspire a sense of belonging, strong communication and collaboration, and do a better job of creating a supportive work environment.

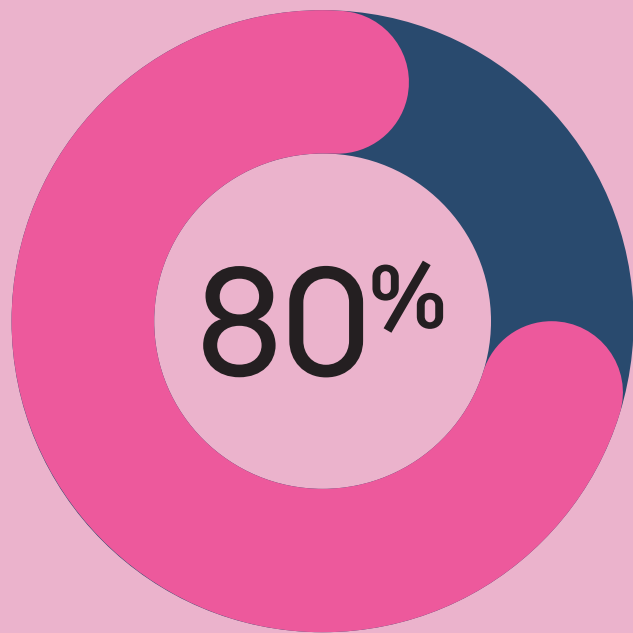
Questions: How much do you agree or disagree with the following statements about the company you work for?

How would you rate your experience with your current employer in the listed areas?

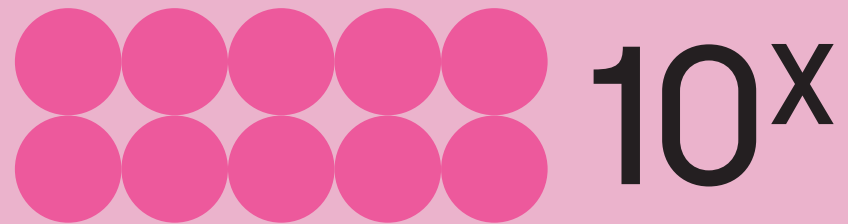


Employee Research → Company Satisfaction

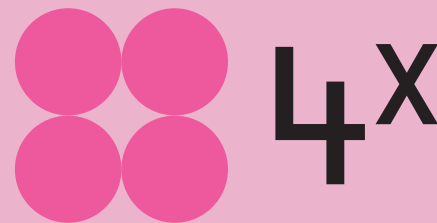
Purpose is a brand's superpower for winning inside to win outside, driving productivity, loyalty and word of mouth endorsement.



80% of employees say working for a purpose-led company is bringing out their best work.



Employees are over 10 times more likely to recommend a purpose-led company.

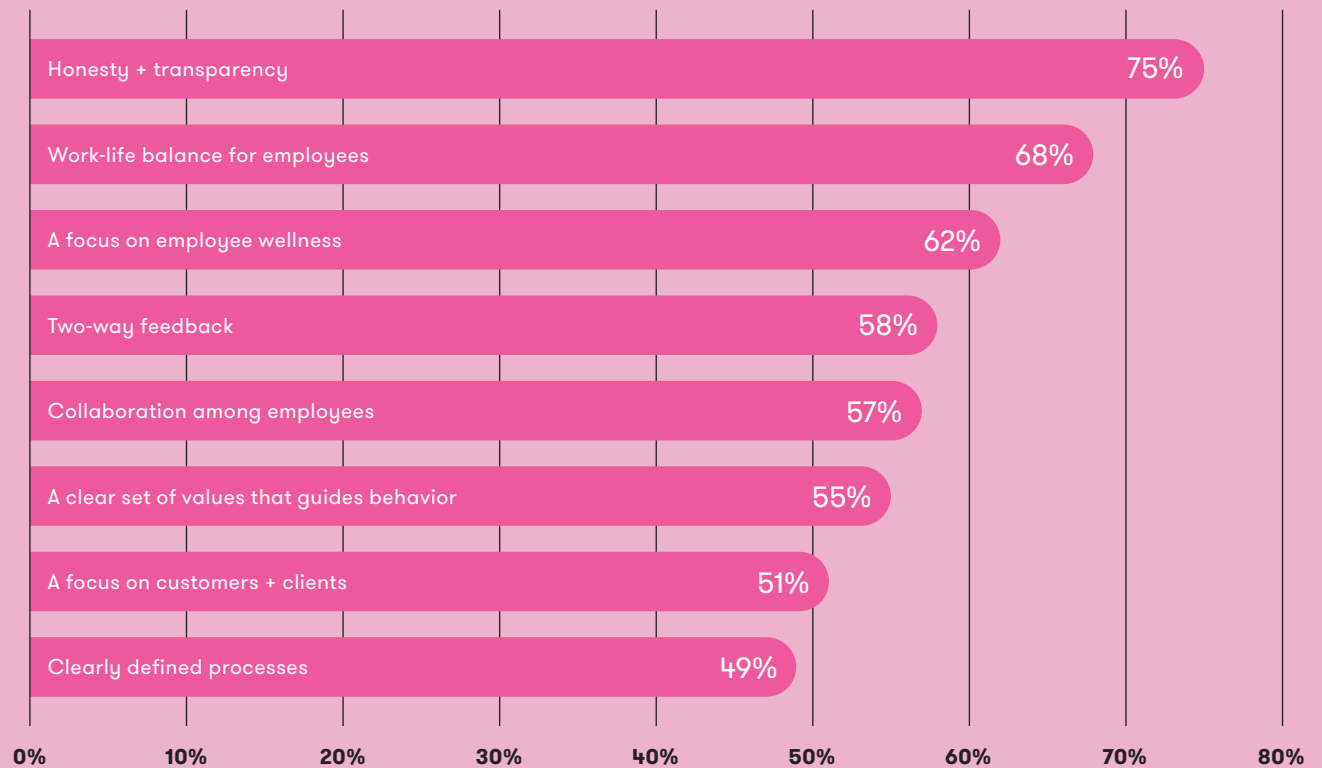


Employees are 4 times more likely to stay at a purpose-led company.

Employee Research → Cultural Values

Purpose is not a Band-Aid for lack of culture. Companies need to focus on human-centered culture first and foremost.

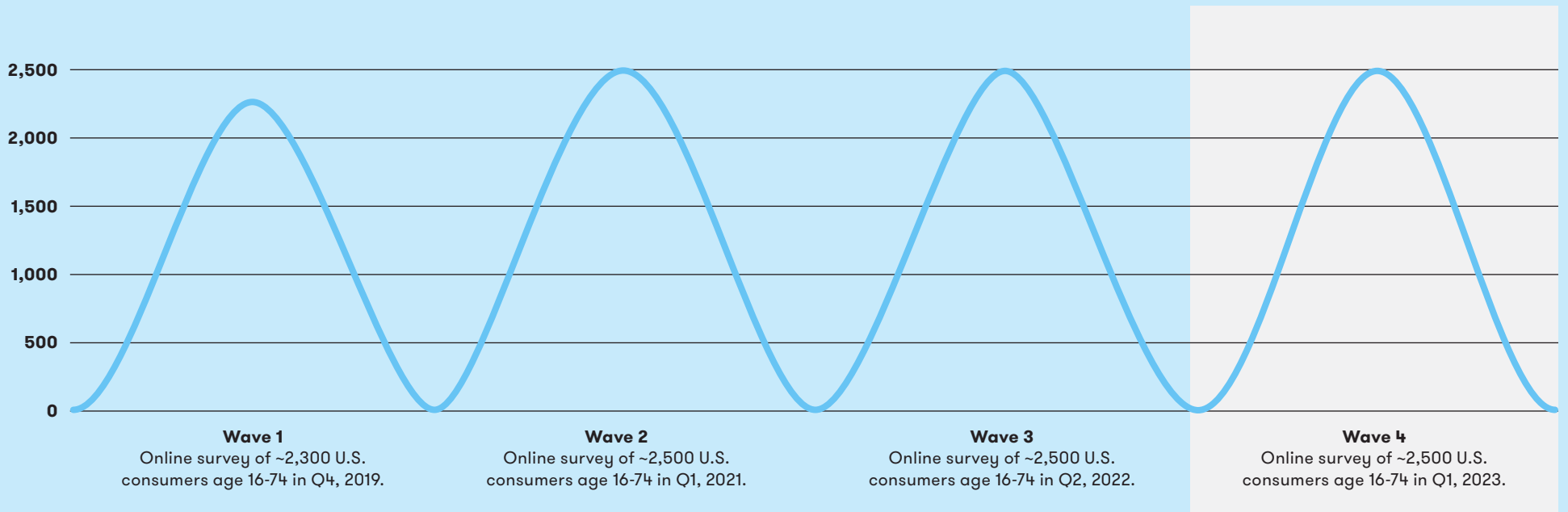
Question: Which qualities below do you consider to be critical for a “healthy” company culture?



Methodology

The Business Imperative of ESG

We've been studying stakeholder sentiment around purpose, sustainability and ESG for the past four years, and have conducted waves of research that explore people's thoughts, behaviors and motivations across stakeholder perspectives as consumers and employees.



The Business Case



Consumers

79% of consumers say it's important to live their life sustainably despite inflation and recessionary fears.

Source: [Barkley Purpose Study 2023](#)



Employees

78% of employees say they want to work for a company that shares their values.

Source: [Barkley Culture Study 2023](#)



Customers

280+ supply chain members with combined purchasing power of **\$6.4 trillion** require their suppliers to disclose on ESG.

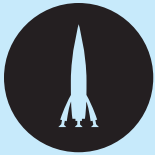
Source: [CDP](#)



Investors

680 investors with over **\$130 trillion** in assets requested companies disclose on climate, forestry and water.

Source: [CDP](#)



About Barkley

Barkley is an independent creative idea company that builds whole brands for modern consumers, employees and all stakeholders. We do this through three idea centers: strategy, design and activation. As a Certified B Corporation™, we believe all brands, including ours, can be a force for good in the world.

Our dedicated Impact Team helps brands define their unique purpose, and develops transformational strategies that ignite behavioral change inside and outside. This approach creates an authentic connection with people in a way that fuels profit and growth, and leaves a positive impact on the world.

barkleyus.com

For questions and inquiries, contact Lindsey DeWitte, President, PR and EVP, Purpose + Sustainability at ldewitte@barkleyus.com.



About The Whole Brand Project

The Whole Brand Project is Barkley's lab for studying and celebrating the power of whole brands and how they are winning with markets, people, communities and the planet.

Ready to build a business case within your own organization on purpose? Contact us for a customized data readout. We have insights on purpose and sustainability by category level, along with data on consumer beliefs, motivations and behaviors since 2019. This data can be sliced by demographics including age, gender, income, life-stage, race, political ideology and geographical region.

wholebrandproject.com

For questions and inquiries, contact Tim Galles, Director, The Whole Brand Project, at tim@wholebrandproject.com.

Thank you!



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