



Purpose, Policy & Protest: The Role of the Corporation on Social Issues

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Competing on Social Purpose

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Omar Rodriguez Vila, Marketing Professor,
Emory University (Moderator)

Rodriguez Vila noted there has been a long-standing tension between CMOs and heads of sustainability within enterprises.

Marketers tend to characterize purpose as “a distraction, too difficult, and feels like a tax on my business.”

Sustainability officers believe marketers “just don’t get it,” despite the tremendous potential that purpose offers.

Rodriguez Vila said: “We need to talk about how the purpose idea connects to the core of the business ... including social purpose as a way of disrupting industries.”

Examples

- Vaseline intensive care: In the U.S., Unilever found that the brand’s core benefit was losing relevance over time. By connecting the product’s healing power

with work that refugees agencies were doing around the world, the core benefit and value of the product was visible to consumers once again.

- Brita water filters: Created a new market by creating water bottles that include filters, decreasing plastic waste.
- Chipotle: Built its growth strategy on the model of sustainable agriculture.

Case Study: LIXIL

SITUATION

The Tokyo-based housing equipment company grew through multiple acquisitions, including companies like American Standard. These disparate brands were strong, but lacked a cohesive identity as a singular enterprise. “We began a sustainability strategy,” Montesano said. “We began looking at what is our purpose for existing, how do we contribute to society?”

OUTCOME

LIXIL’s team looked to the United Nations’ 17 Sustainable Development Goals for guidance and chose to focus on global sanitation and hygiene. While 2.3 billion people lack access to a reliable toilet, no one had created an affordable option.

Creating a social business P&L called SATO (short for Safe Toilet), LIXIL offered a line of toilets ranging from \$2 to \$10. The company has launched a first-of-its-kind partnership with UNICEF called “Make a splash! Toilets for all.”

Case Study: Electrolux

SITUATION

As a house of brands, Electrolux has many products that help make people's lives better through time-saving and food preservation. The company expanded its purpose objectives to focus on shaping living for the better - "to reinvent the taste, care, and wellbeing experience for more enjoyable and sustainable living around the world."

OUTCOME

Electrolux's vacuum cleaner business launched a "green range" using recycled plastics. But a shortage of recycled materials led to a program to retrieve objects polluting the ocean, called "Back from the Sea." The company now makes more money from its green product range than any other.

Industrial laundries in hospitals were fitted to limit the transfer of bacteria between clean and dirty clothes, helping to reduce the threat of infection.

Case Study: Chobani

SITUATION

Gonda explained that Chobani's focus on purpose started in 2007, but that it was not "holistically implemented." It was forced to refocus from 2013 when Chobani faced a range of business issues, including product problems and rumors of leadership changes.

As a result, Chobani shifted its purpose strategy to reflect the brand's authentic commitment to social, environmental, and nutritional wellness.

OUTCOME

Chobani's focus on authentic purpose initiatives attracted positive attention from mainstream and social media.

The company launched a defamation suit against Alex Jones for false claims about the company's workforce. The Wall Street Journal called it, "A victory over fake news."

IN THEIR OWN WORDS

"Clean water's got Leonardo DiCaprio. Sanitation's not that sexy. This work we've been doing is helping frame the problem, and also activate key players like UNICEF and WHO."

- Jin Montesano

"Talking about it isn't enough. You have to have systems and processes that create change."

- Martin von Arronet

"Connecting it to our business, being authentic, and connecting with national conversations enabled us to compete way above our weight class."

- Michael Gonda