

TECHONOMY NYC

Creating Brands with Higher Purpose

Speaker:

Drew Train, President, OBERLAND

Introduction:

Josh Kampel, Techonomy

(Transcription by [RA Fisher Ink](#))

Kampel: Drew is the president of OBERLAND. If you look at the back of our little agendas, it says "Designed by OBERLAND." OBERLAND is a design firm here in New York who did all of our fabulous branding but also works with companies around design with a purpose. So Drew will tell us a little about his work.

Train: Thanks, Josh, and thank you all for having me here. I'm here today to talk about purpose and continue the conversation that Alice and Brian were just having. What is purpose's role in business? And the metaphor that I like to use is purpose is the new digital. In the same way that digital started as a small channel within your brand and then became a platform on which to build your brand, became the center of your brand in a lot of cases, and then started trickling into your other parts of our business, you're going to see purpose do the same thing. It's slowly becoming a bigger part of each and every brand that's out there. It is becoming ever more important in recruiting, engaging, and retaining talent in the same way that digital did.

We heard in the last panel about its importance in the new demands being brought to bear from the investment section, and also some of the new opportunities that are being created by purpose in the marketplace. So it's starting to evolve into that, and then once you get into the investment side and you get into the finance side, that's going to start to dictate change in operations and you're going to start to see companies be forced to make more purposeful decisions in how they allocate resources, how they pay their workers, how they manage their supply chains.

And finally, purpose in and of itself is becoming its own industry. You have firms like OBERLAND, but lots of others, creating what is now the social sector, the impact sector, the purpose sector. And this is an important growing business opportunity. We're here today to talk a little bit about technology and what's driving that. I think technology is one of the key drivers. Each new evolution in technology has forced brands and businesses to personify in a new way. So if you think way back in the beginning, it's pictures and words. Radio adds an element of

voice and humanity. TV brings site, sound, motion. The Internet and digital technology bring interaction, bring conversation and engagement to a whole new level.

It also shrinks the response time. And when that trend is rising in an environment of radical social inequality, the evolution and the new level of personification being forced upon brands is to evolve a conscience, a sense of business morality or purpose, and to bring that purpose to bear in the market. And the way that shows up, I break it down into three levels. So level one would be your basic checkbook philanthropy, writing a check—we talked it in the panel before, or Alice mentioned it in the panel before. This is kind of what's been happening. Nobody really cares about this anymore. It's seen as table stakes and you're not going to win a lot of points in the market if that's all your doing. Maybe your investors will give you a little bit of credit for it.

But to really start making inroads with the American consumer in the mass market, you need to be at level two, which is issue or cause marketing. So cause marketing, a good example would be Subaru partners with LLS, partners with the ASPCA and a few others, runs an integrated, long-term branding initiative to connect to those communities and to bring their brand into that space, and consumers are rewarding Subaru with lots of love.

Issue marketing is also in this space, and a great example of this would be Patagonia suing over Bears Ears National Park. Again, pays off to their community. But I would remind you, issue marketing has an evil twin. The evil twin lives on K Street. It's called lobbying. And you need to remember that you're going to have to reconcile what your brand does on Main Street and what your legal team does on K Street at some point, and some point relatively soon, because the transparency created by social media is only going to allow those two things—even if you're using trade groups like ANGA or PhRMA or whatever, that transparency isn't going to hold for very long and so you need to be ready for that reckoning.

Then you have level three, brands who put purpose at the center of their brand or at the center of their business. So for a brand example, Dove or Ben & Jerry's, purpose-driven brands at the center of Unilever, a larger company who is on their way toward purpose but has brands at varying levels of the spectrum.

And then you've got the public benefit corporations and the buy-one, give-ones, the Warby Parkers of the world, the Toms shoes of the world. This is really the cutting edge and this is where the early adopters in the marketplace are going to start to give you a lot more credit in the same way that the early adopters in the digital space gave you a lot of credit for getting ahead of the digital wave and putting digital at the center of your business.

But what is all this being driven and what does it need to create? It needs to create a new type of leader, someone who understands that social responsibility is fiduciary responsibility and that you can no longer take the approach of maximizing the benefits of a company for one single set of stakeholders, your shareholders. You need to instead create the opportunities and conditions for all of your stakeholders to thrive and to survive and to succeed in the long term. There is an obligation for leaders to tend the marketplace, to make sure it remains fertile for the

immortality of their corporate personhood so that 50 years from now there are still customers who can buy your product, there's still a world to exist in.

And as a leader, you need to be able to recognize the signals of the invisible hand. So we tend to think about citizens, consumers, and employees as three distinct sets of populations with three distinct needs. They're not. They're one person that plays three roles at different points in their life. And when you see citizens putting on pink hats to march in the resistance and rally with the Parkland kids and march for the climate, and when you see them put on their red hats as workers and public school teachers to walk out en masse or fight for a \$15 dollar minimum wage, or women to cry, Me Too, and Time's Up and demand accountability, and you see consumers, survey after survey, saying that they will support purpose-driven brands, they will pay more for this product. When you see these three things coming together at the same time, you need to realize that the invisible hand is quickly becoming an invisible fist and if you don't find your purpose before it does, it's going to punch you right in the wallet.