



A reflexive and qualitative study of the potential of purpose-driven branding as a management discipline to redeem legitimacy in global brands

Et refleksivt og kvalitativt studie af potentialet af purpose-driven branding som en ledelsesdisciplin til at genvinde globale brands' legitimitet

Troels Dahl-Nielsen
190190-xxxx
Cand.merc.(kom.)
Master Thesis
September 15<sup>th</sup> 2016
Supervisor: Fabian F. Csaba
Characters incl. spaces: 181.318

Standard pages: 79,7

# **ABSTRACT**

## **Baggrund:**

Dette speciale undersøger potentialet i purpose-driven branding som en potentiel legitimeringsproces som globale brands og organisationer kan anvende til, at genvinde tillid og legitimitet i en verden hvor kravene til virksomheder og brands er stigende.

I forbindelse med globaliseringen og den medfølgende teknologiske udvikling, har civilsamfundets sociale relationer ændret karakter. De sociale relationer er blevet løftet ud af deres lokale kontekst og eksisterer nu også som en abstrakt global virkelighed. F.eks. udsættes vi dagligt for den globale nyhedsstrøm som bringer os skrækkelige billeder af naturkatastrofer, terror, krig og rædsel. Dette fostrer en desillusioneret global bevidsthed hos mennesker, som ikke længere ser samfundet som meningsfuldt. I den forbindelse kigger forskelligartede interessenter alle mod virksomheder og brands i håbet og forventningen om, at de vil bidrage med meningsfyldthed i en fragmenteret verden. Den globale brancheliteratur i marketings- og kommunikationskredse har de seneste år i stigende grad diskuteret purpose-driven branding som værende "den hellige gral" og det nye sort inden for strategisk brand management, som løsningen på årtiers søgen efter en proces der på autentisk vis kombinerer målet om profit med målet om at gøre noget godt og eksistere af en grund.

## Metode:

Purpose-driven branding er indtil videre et forholdsvis ubeskrevet blad i den akademiske litteratur, og specialets primære ærinde er derfor en teoretisk diskussion der i samspil med en litterær gennemgang af brancheliteraturen opstiller et akademisk- og ledelses-framework der konceptualiserer og operationaliserer purpose-driven branding. Dette framework fungerer i tilgift som vores ekspliciterede viden og guide for specialets refleksive analysetilgang i det specialet mod sin slutning søger, at udvide og rekonstruere frameworket på baggrund af illustrative cases omhandlende Pågen, Procter & Gamble og Coca-Cola.

Generelt er specialet funderet på social konstruktionistiske og filosofisk hermeneutiske principper i ønsket om at forstå brands og deres legitimitetsudfordring og potentielle løsning i form af de sociale konstruktioner der eksisterer mellem aktøres sprog og handlinger i samfundet.

## Resultater:

Et purpose brand er defineret ved fællesmængden mellem brandets særlige talent, verdens behov og interessenters forventninger.

Der stilles foruden store krav til topledelsens og medarbejdernes involvering i processen for at purpose-brandet kan blive bragt til live og efterfølgende overleve. Det kræver at purpose bliver integreret i den overordnede forretningsstrategi og at medarbejder lever purpose-ånden i det daglige. Dette kræver planlægning, kreative ressourcer for at iscenesætte implementeringen af purpose-fortællingen og løbende vedligeholdelse og dialog med interessenter.

Det viste sig i øvrigt at hvor virksomhedens arv, historie og produkter i lignede socialt orienterede tilgange som Corporate Social Responsibility og Cause Marketing spiller en mindre rolle, så spiller navnligt produktets forbindelse til verdens behovet en helt afgørende rolle for hvor vidt et purpose opfattes som autentisk.

#### **Konklusion:**

Ved at definere brandets eksistensgrundlag i form af et højere formål vil brandets eksistens, intention og handlinger fremstå som meningsfyldte når det optræder i verden. Dette betyder at interessenter i højere grad vil engagere sig med brandet, da brandet tilbyder den samfundsmæssige og spirituelle mening foruden de klassiske funktionelle og følelsesmæssige fordele.

For strategisk brand management betyder dette, at fremtidens arbejde kræver forståelse af og åbenhed for, at meningsdannelsen sker sammen med et bredt udsnit af interessenter, og at brand manageren kun i nogen grad har kontrol over brandets kulturelle og symbolske betydning i samfundet. Når brands har intention om at gøre noget godt, sætter handling bag ordene, er åben og i dialog med interessenter omkring brandets betydning, så opfattes brands som meningsfyldte hvilket sikrer dem tildelingen af legitimitet.

# **INDHOLDSFORTEGNELSE**

INTRODUCTION	6
Research field	7
Relevance	9
Delimitation	10
Problem statement	10
Structure of the thesis	11
Terminology	12
METHODOLOGY	13
Theory of science	13
Research method	16
Research techniques	17
Literature review of purpose-driven branding in strategy, management and marketing comm	unications
industry literature	17
Theoretical analysis and framework	18
Case studies	18
Methodological reflections and delimitation	21
LITERATURE REVIEW: THE LIFE OF PURPOSE-DRIVEN BRANDING	22
Why purpose?	22
Origins of purpose	22
The context for brands today – Meaningfulness the new currency of brand value	24
What is purpose-driven branding?	26
Features and requirements in the rise of purpose-driven branding	27
How to work with purpose-driven branding?	30
1. Unearthing purpose	30
2. Articulating the purpose narrative	34
3. Activating purpose	35
4. Nurturing purpose	37
Sub conclusion	37
THEORETICAL ANALYSIS	38
The quest for legitimacy in a dynamic global public	38
Institutional legitimacy	
Organizational legitimacy	38
Global distrust – causes and issues	41
Economic globalization	41
Political globalization	42
Cultural globalization	42
Communicative legitimacy	44
Sub conclusion	45
What role has brands and branding come to play in today's society	45
1985-1992: company/sender focus	46
1993-1999: human/receiver focus	46
2000-2006: Cultural/context focus	47
Sub conclusion	48
Dealing with the global reality from the point of view of strategic communication and branding	
Cultural branding	49
Enterprise branding / Corporate branding	50
PURPOSE-FRAMEWORK DISCUSSION AND FORMULATION	52
Why are we doing branding?	52

What is the concept of the brand – the perspective on brands?	54
Who is handling branding – organization structure around branding?	56
How is brand management performed? How is value created?	59
The new purpose-branding framework	61
EMPIRICAL ANALYSIS	63
Findings: Primary case study Pågen	63
Findings: Secondary case studies	67
P&G	67
Coca-Cola	70
DISCUSSION AND RECONSTRUCTION OF FRAMEWORK	72
Products surprisingly important in making good purposes	73
Storytelling – the decisive factor for internal use of purpose	74
Nurture purpose through brand communication	74
Sub conclusion	75
CONCLUSION	75
PERSPECTIVES FOR PURPOSE-DRIVEN BRANDING	77
BIBLIOGRAPHY	79
Literature review	79
Case studies	81
Academic references	82
APPENDICES	85
Appendix A: Coca-Cola taste the feeling ad	85
Appendix B: Purpose-framework synthesis tables	85
Appendix C: Employee satisfaction survey	88
appendix D: Link to Pågen's baking with love films	88
Appendix E: Interview guide	89
Appendix F: Interview transcript	92

# INTRODUCTION

"Suddenly, in the twenty-first century, the world loses purpose. Terror is rampant. Warming is global. Money is scarce. And meaning – the answer to questions such as, "Why are we here?" is elusive. By the end of the century people lose trust in their leaders, icons, and institutions." (Reiman, 2013:2)

The above quote is from the introductory chapter of Joey Reiman's book "The Story of Purpose". As a brand consultant helping companies finding purpose with their existence he sees people who are disillusioned about the ills of the world, leading to distrust in established institutions and leaders because these institutions are no longer considered meaningful.

Some regards this somber state of the world as the result of globalization, defined as the "... growth of transplanetary and supraterritorial social relations." (Scholte, 2005:20). As social relations are disembedded from local and time constraining contexts into global contexts this has diminished the power of the national state (Scholte, 2005:24; Habermas, 2001; Castells, 2008). As nation-states can no longer exert full democratic control or cultural homogenization the result is a democratic deficit and growing heterogeneity and pluralism (Habermas, 2001). This has led to a post-national constellation where nation-states now together with international organizations, NGO's and private business self-regulate to fill the regulatory gap to overcome the ills of the world in what has been labeled global governance (Scherer & Palazzo, 2011; Scholte, 2005). Companies has willingly taking up this political and societal role which has resulted in also giving the companies and their brands a huge cultural role in the global public sphere, just think of global brands such as McDonald's and Starbucks. According to Askegaard (2006) "... one may argue that brands are among the most significant ideoscapes in the globalization processes." (:94).

Even though globalist and neo-liberalist sees the capitalistic system as contributing to bridge the regulatory and democratic gap in the post-national constellation, anti-globalist claims the exact opposite, namely that the neo-liberalists' laissez-faire world economy is "... producing greater poverty, inequality, conflict, cultural destruction, ecological damage and democratic deficits" (Scholte, 2005:56).

According to Castells (2008), this contestation is a result of citizens who "... no longer recognize themselves in the institution of society." (:79-80).

In our networked society with the rise of the internet, civil society can no longer be parked in the corner of larger societal discussions. The internet has empowered civil society with access to the world's information and at the same time provided them a medium to express themselves (Castello, Morsing, & Schultz, 2013:683-685; Bennet, 2003). This leads to a legitimacy crisis facing the global institution of business and their brands as civil society, starving for meaning, demands a redefinition of the power relationship between actors in society and businesses to be truly a force of good, contributing to solve the ills of the world (Reiman, 2013:1).

## RESEARCH FIELD

Despite this somber state of the world, this thesis is interested in investigating the possibilities for for-profit corporations to redeem trust and legitimacy in this global reality. It views legitimacy as the precondition for a thriving organization (Suchman, 1995; Palazzo & Scherer, 2006) as legitimacy is assigned accumulatively from all stakeholders surrounding an organization. It views the organization's brand, whether corporate or product, as the symbol containing the polysemy of stakeholder meanings (Hemetsberger & von Wallpach, 2013; Merz, He, & Vargo, 2009). Hence the practice to redeem trust and legitimacy is viewed through the lens of strategic brand management as the process-oriented and ongoing management of meaning (McCracken, 2005; Holt, 2002).

More specifically, the thesis takes outset in the popular approach of purpose-driven branding and its potential as a legitimation process to be applied strategically in global organizations - An approach emerging from the fields of strategy, management and marketing communication.

Purpose-driven branding has received tremendous coverage in the practical literature in strategy and management books e.g. Simon Sinek's (2009) "Start with why" and Collins & Porras' (2005) "Build to last", as well as a wide number of marketing communications industry articles. Many of these are published in magazines like Advertising Age and research portals like WARC and finally industry books like Joey Reiman's "The Story of Purpose" which has already been introduced. Together these authors forms a compelling argument that by starting with asking why, by placing purpose in the stable core or your business, by expressing what you care about and by making it

come alive in and around the organization, forms a new narrative for the institution of business, enabling them to be both a humanitarian and financial force (Reiman, 2013: 1).

"Purpose" as a term to describe the new narrative for business inclines brands to 'intend' and 'contribute' to be an authentic force of good (Reiman, 2013). It covers a very fundamental proposition to the institution of business to shift its focus from shareholder value and profits to shared stakeholder value that of purpose and meaning (Merz, He, & Vargo, 2009).

Reiman (2013) introduces the general transition from a 'brand' to a 'stand' as people are no longer buying what you do but why you do it. Much like Sinek, Reiman states: "We no longer buy it, but rather we buy into it, because it stands for something greater. Its bar code carries a moral code, a point of view that shares a greater purpose." (2013:14) he also makes a big distinction as to what is the primary informant behind creation of a stand: "Stands are created from the place of origin, not from researching the marketplace for what might sell." (2013:14)

## Why do we exist, what is the purpose of our existence?

Purpose-driven branding demands the answer to this question to be formulated in terms of a higher-order goal with societal or spiritual meaningfulness – beyond functional and emotional meaning, and beyond the goal of profit maximization (Reiman, 2013; Posner, 2007). This is done looking into the archives of your brand's reason to exist, defined as where the talents of the brand intersects with the needs of the world - while ensuring your key stakeholders see this intersection as meaningful (Reiman, 2013). This meaning is then to energize the whole organization and set the direction for any brand expression, in this thesis defined as any talk and action performed by the organization behind a brand. Reiman states the case that "... the higher the individual or company's purpose, the higher his or her profits" (Reiman, 2013:1) – hence purpose is not another altruistic or philanthropic buzz word, instead it proposes a new framework to revitalize the role of business starting a virtuous, never-ending circle as: "Purpose-driven organizations create more good in the world, which begets greater profit, which allows them to then create even more good." (Reiman, 2013:1).

Thus, purpose-driven branding seems to integrate the advocates and advantages as well as the critics and shortcomings of the capitalistic system into being mutually beneficial.

## **RELEVANCE**

In other words, purpose-driven branding offers the philosophers' stone to solve the increasing distrust facing global corporations and their brands, without asking them to sacrifice profits for charity.

This is a powerful proposition and while the approach has been all the rage in the practical fields of strategy, management and marketing communications, purpose-driven branding is yet a very undiscovered topic within academic research. Viewed both as a fundamental backbone to corporate branding and as a tactical process for e.g. advertising and product branding, the strategic vs. tactical nature of purpose-driven branding has provided a main schism fostering the interest behind this thesis.

This schism also implies the authenticity paradox and whether brand expressions can ever be seen as fully authentic if authenticity claims are done with a strategic or tactical intend.

Hence this thesis seeks to investigate the strategic and tactical potential of applying purpose-driven branding in organizations facing distrust and claims about inauthenticity in their corporate and or product brands among the global public. It does so by explaining purpose-driven branding in socio-cultural terms (Hackley & Hackley, 2015) in order to understand how brand meaning is created and potentially managed in the social relations made up by discrete stakeholder networks in- and outside organizations (Hemetsberger & von Wallpach, 2013; Hatch & Schultz, 2009).

As an academic student of strategic communication and consultant at the international strategic communications- and advertising agency Adtomic, I have a profound interest in the potential of purpose-driven branding as a legitimating process. Working with clients such as Novo Nordisk, Doro and Pågen I have first hand experience with strategic communication processes and how these are carried out in the collaboration between the company, agency and stakeholders. Seemingly, purpose-driven branding offers a too good to be true, single recipe for success, but is nonetheless a powerful proposition and hence the desire to crack the code for a framework of implementation is high. In the light of this, this thesis' approach is somewhat appreciative to the concept, however it seeks to ground the highflying concept to make it more concrete and actionable. This is relevant not only to the practical field of strategic brand consultancy, but equally much for the academic field of strategic communication as taking ownership of the principles of purpose-driven branding, if proven useful, further justifies and expands the importance and salience of strategic communications in social and humanitarian science.

## **DELIMITATION**

The thesis is primarily interested in and focuses most of its attention on entering purpose-driven branding in the academic literature of strategic communication and branding, and seeks to contribute with a new academic and managerial framework by conceptualizing the life of purpose-driven branding in practical literature and through theoretical discussion introduce the concept with regards to existing and relevant theories. The thesis primarily adopts theory from sociology, institutionalization, corporate- and cultural branding. As corporate branding is a cross-disciplinary field, this thesis will mainly talk about the strategy, managerial and marketing communication dimensions but as branding has moved to a more and more strategic role in organizations, some references to organizational theory, culture and identity are also applied (Schultz, Antorini, & Csaba, 2005). To extend and challenge our theoretical framework the thesis is inspired by the use of illustrative case studies. The Swedish bread manufacturer Pågen, and their strategic use of concepts from purpose-driven branding as a leadership tool is analyzed as the primary case, whereas Coca-Cola and Procter & Gamble provide supplementary insights about the strategic and tactical use of purpose-driven branding.

#### PROBLEM STATEMENT

With outset in the above-mentioned research field, relevance and delimitation the thesis seeks to answer the overall problem statement:

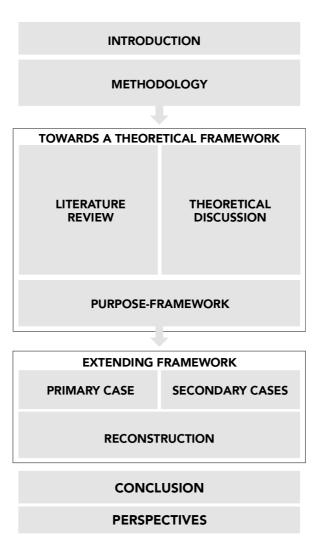
What is the potential of purpose-driven branding as a strategic/tactical managerial process in helping global organizations and their brands to overcome rising legitimacy issues as a result of new global dynamics?

To answer the overall problem statement, the thesis will be guided by the following sub questions:

- What is purpose-driven branding and how is it practiced?
- What role do brands play in a globalized world?
- How can organizations through strategic communication and branding deal with legitimacy issues? And what does purpose-driven branding have to add?
- What can we learn from cases of various brands and businesses adopting the thoughts of purpose-driven branding that enable us to extend and reconstruct our knowledge?

## STRUCTURE OF THE THESIS

After setting the scene in this introductory chapter the thesis continues by laying out the methodological nature and structure that is believed to help answer the problem statement and the underlying research questions. After the methodology chapter the thesis will present a review of the practical literature existing around the subject of purpose-driven branding. After having provided the conceptualization of purpose-driven branding, the thesis enters in to its main part, the theoretical analysis and discussion. The key focus of this thesis is to arrive at a theoretical framework that helps the field of strategic branding to account for the potential of purpose-driven branding. We then use our framework and conceptualized knowledge as the outset for entering into the illustrative case study of Pågen and the supplementary cases of Coca-Cola and Procter & Gamble. By analyzing three companies and their contextual reality for working with purpose we seek refutation and anomalies that can extend our framework. The findings are discussed and a reconstructed framework is concluding the thesis with recommendations and a perspective on the future of purpose-driven branding.



## **TERMINOLOGY**

Related terms and frameworks to purpose-driven branding are cause marketing, and corporate social responsibility (CSR). Cause marketing as proposed by Kotler, et al. (2012) shares many of the same characteristics as purpose-driven branding. Just as purpose-driven branding is intended to help transform for-profit organizations, so is the approach of cause marketing (:2). Cause marketing hence also shares the goal of earning money while doing good: "Corporations that apply rigor to creating effective marketing and corporate social initiatives can help build a better world and enhance their bottom line." (:2). Despite some similarities about the desired end-state, the nature of the means differs quite significantly. Whereas purpose-branding looks to its origins for a meaningful stand to take and "... not from researching the marketplace for what might sell" (Reiman, 2013:14), cause marketing looks outside of the organizational boundaries in order to choose the most appropriate: "... issues, best partners, and highest potential initiatives." (:2). March Pritchard, CMO of Procter & Gamble (P&G) highlights the difference in this way: "A cause is just as piece of it, as opposed to the whole thing" (Economic Times, 2011).

A similar distinction can be made between purpose-driven branding and CSR. Like purpose-driven branding, CSR has often been regarded: "... as one of the best ways to address social problems and maintain legitimacy." (Castello, Morsing, & Schultz, 2013:683). Yet especially two things make CSR notably different from purpose-driven branding. First, the application of CSR is often instrumental, an organization-centered tool to foster a business case for example (:684) sometimes even applied to patch up reputation or disguise commercial aims (Twivy, 2015). Second, the political-normative consensus and standardization on how to conduct CSR tends to ignore different interest and power resources which makes power structures invisible and the intend of organizations blurry (Garsten & Jacobsson, 2013:422). In relation to these factors, a key point in purpose-driven branding is to define its purpose in terms of the very unique and fundemantal reason for existing. Hence theoretical a purpose cannot be instrumental and standardized as CSR practices. It is worth mentioning that Castello, Morsing, & Schultz (2013) proposes a new communicative approach to CSR, which disregards the aim of consensus and instead allows dissent and the polysemy of stakeholder voices to be heard, but again this is different than the purpose-driven approach. Although purpose-driven branding involves and listen to stakeholders the job of defining the purpose will always lie with the organization.

Compared to cause marketing and CSR, purpose-driven branding has a more fundamental aim seeking to root a brand, its organization, its stakeholders and operations in a meaningful universal reason d'être in the form of a purpose.

Thus purpose can be said to be the core of the business and hence purpose sets the guiding star that works as the imperative for everything else. As such purpose is the predecessor and hence not similar to the terms of mission, vision, culture, values, strategy or tactics.

# **METHODOLOGY**

The following section accounts for the overall methodological considerations undertaken through the development of this thesis. It includes first the theoretical stance on science that follows from the research intend, second the scientific model that is the background for the choice of research techniques and methods, third how these methods are carried out in relation to selected cases and finally a reflection of the methodological consequences and potential alternatives.

## THEORY OF SCIENCE

The ultimate goal of this thesis is to establish insights into the potential of purpose-driven branding as a legitimation process for global brands and their organizations.

The ontological view forming the nature of this thesis implies that the world consists of meaning made up by social constructions of reality. The social constructions of reality are established as a result of the dialectic process of man producing society while at the same time being produced by society (Berger & Luckmann, 1966). This enables us to produce knowledge about society with the believe that this can in turn be used to form society, in our case to entice purpose-driven branding as a way to revitalize the institutions of business and branding.

Knowledge as defined by the common-sense knowledge that people know as real, is the fabric of meanings (Berger & Luckmann, 1966:27).

In this view, people will know their knowledge is real when it is expressed in language and actions between participants in society. This ontological view is highly inspired by Berger & Luckmans's "The Social Construction of reality" as they explain that society is to be understood in terms of:

"...an ongoing dialectical process composed of the three moments of externalization, objectification and internalization." (:149). Externalization happens when man creates his social world by ordering things and experiences into a subjectively meaningful whole. Objectification happens when the social world is objectified as a result of habitual actions and typified language – this makes the social world an objective reality, soon to be forgotten by man as his own construct. Because of this, internalization happens as the objectified social world acts back on man's conscious as taken-for-granted knowledge through socialization in a somehow natural order. This means that society exists both as objective and subjective reality and as long as both creates one meaningful whole, society is seen as meaningful and legitimate (Berger & Luckmann, 1966). These three moments does not happen in a sequential order but happens simultaneously. This means that the analysis should adopt this dynamic dialectic scope as well all the way through the analysis (Berger & Luckmann, 1966:149). This relates to the scientific theory of philosophical hermeneutics as proposed by Hans-Georg Gadamer. Like Berger & Luckmann, Gadamer holds the epistemological view that in order to gain knowledge about the world the researcher must engage one self as part of the analysis and be explicit about one's presuppositions and historicity as both the prerequisite for producing knowledge, but also its impact on the knowledge produced (Outwaite, 1986). In this view we thematize our participation in the world by way of using theories before and during our analysis. This is what Burawoy presents as the reflexive model of science (Burawoy, 1998:5). By adopting this model of science we reject the positivistic objectivity, also proposed by the early hermeneuticians, that data are unprejudiced facts. This enables us to interpret and understand the general from the unique social situations of our cases as our historical and context presupposed horizon fuses with the equally context dependent horizon of the 'text' (the language or actions under investigation (Outwaite, 1986:25). What is important to note is that we by no means claim these interpretations to be objectively true. 'Truth' and meaning will always be context and historically depended and yet different every time new interpretations are carried out. Because social structures are under constant fluctuations, interpretation never ends. We move from the general to the unique and back again in a process of interpretation called the hermeneutic circle (Outwaite, 1986). Because of this ongoing process of interpretation, Gadamer actually transcends interpretation beyond merely being another scientific methodology, as he calls it the universal background for all human consciousness as it is expressed in language (Outwaite, 1986:26). As we want to understand the social institution of business and branding and the potential legitimation process through purpose-driven branding, we must interpret the language and actions creating these social phenomena – the discourse existing in between an increasingly empowered and global conscious public, purpose-driven businesses and brand consultants.

What should have become apparent from the above section is that this thesis treats the business and branding institution as socially constructed by participants in society and in turn by its own objective reality acting back on its institutionalization.

This means that our ontology and epistemology enables us to develop a thesis in the realm of strategic communication and branding, as the strategic use of language and actions between participants in society can form a meaningful reality. This agency is particularly powerful among brands and business because of their financial and political power (Askegaard, 2006), as well as their cultural power as they also exist as symbolic universes – the most legitimate form of institutions, capable of integrating discrete institutionalized meanings into a meaningful whole (Berger & Luckmann, 1966). However, this integrative power is under attack as numerous competing institutionalized meanings about how to structure society surface more visibly as a result of an increasingly fragmented and digitalized society and its increasingly disillusioned global public (Cox, 2011).

The scientific position of this thesis, as influenced by social constructionism, philosophical hermeneutics and reflexive science enables us to understand the realization of social phenomena, institutions and the functionality of language, actions and symbols to maintain and legitimate these. This dialectic will form the methodological structure of the thesis, as we:

- 1. Review practical literature on purpose-driven branding, conceptualizing the life of the approach.
- 2. Undertake a theoretical analysis of the social institution of business and branding with the goal of understanding its current legitimacy issues and strategies to deal with these.
- 3. Propose purpose-driven branding as a legitimation process to maintain the social institution of business and branding.
- 4. Seek refutations and anomalies to the framework of purpose-driven branding as a legitimation process on 2 secondary and 1 primary case(s).

5. Reconstruct and extend existing theory within strategic communication and branding on how to legitimate business and brands through purpose-driven branding.

## RESEARCH METHOD

The concrete research method used to operationalize the methodological structure above is the *extended case method* (Burawoy, 1998). It does so in reflexive terms as described in the section above with its rejection of the positivistic ideal of objectivity and by "root(-ing) ourselves in theory" and thematize our own participation in order to guide our research (Burawoy, 1998:5). In this way reflexive science makes possible what positive science cannot, the coexistence of: participant and researcher, knowledge and its social situation, the situation and its context, lay and academic theory. (:14).

Mainly presented by Michael Burawoy, the extended case method uses qualitative methods in terms of real or virtual participation to: "... locate everyday life in its extra local and historical context." (Burawoy, 1998:1) it does this by way of adhering to four context principles that limits positive research but on the contrary are the points of departure for reflexive science, each defined by their own type of uncovering dialogue: Intervention, process, structuration and reconstruction. Intervention is often occurring in the form of an interview, where the researcher extracts the participant from his/her usually space and context. The dialogue here is about the intervention by the researcher and the social order that can be discovered from the mutual reactions on each other's intersubjectivity.

Process is the second context, dealing with the multiplicity of meanings that are attached to e.g. the researchers questions and the related dialogue. The dialogue in this context is about uncovering the situational experiences, which underlies the subjective meaning. This knowledge is situational and one has to account for the discursive powers governing these. However, in research the multiple meanings uncovered from each situations time, space, actors and participants would be impossible to display and present, hence as part of reflexive science, the researcher has to reduce the multiplicity of meanings. This reduction is done by aggregating situational knowledge into a social process based on prior theory.

Structuration is the third context, considering the external field within e.g. the interview. The external field is never constant, always in flux and dynamic it is own autonomous way. So instead of trying to bracket or eliminate this context from our knowledge production, we look at this external field as the precondition for the locale, which we are researching. This means that the dialogue is between the locale and the extra locale – the external field.

Reconstruction is the fourth context and deals with the subject of generality. At such it relates back to the second context and our aggregation of multiple meanings into a social process that goes beyond the individual. In reflexive science we cannot generalize our findings directly from data into a representative law, instead we offer a more inclusive generality, one that presupposes our theoretical point of departure. Thus instead of seeking to confirm or falsify our theory we seek to improve it through progressive search for refutations and anomalies that informs our theory and helps us reconstruct it with new interesting angles and additions.

This research method enables us to take outset in a theoretical framework and investigate it against the relevant social worlds.

## **RESEARCH TECHNIQUES**

# Literature review of purpose-driven branding in strategy, management and marketing communications industry literature

Before developing the overall theoretical framework that also forms the outset for later analysis, the thesis starts by reviewing the practical literature of the life of purpose-driven branding in the fields of strategy, management, and marketing communications. The literature review is based on a number of strategy and management books chosen for their applauded contributions to the emerging field of purpose-driven branding, among these are Reiman's (2013) "The Story of Purpose", Collins & Porras' (2005) "Build to Last" and Simon Sinek's (2009) "Start with why". Besides the book contributions a large body of articles within the marketing communication industry has been reviewed. With the search words: "Purpose" and "branding", a total of 6875 articles were scanned, from this 94 were selected for further review. Articles where "purpose" only referred to the explanation of the purpose of the article was deselected as irrelevant. The articles stems primarily from WARC.com in the period from 1955-March 2016, an online service offering

advertising best practices and publishing leading industry journals and case studies (WARC). To support the WARC search the same search was carried out on Advertising Age and ADWEEK's online search engines in a period running from 2010-2016, both leading online and print publishers. The articles were selected for their informative value about the life of purpose-driven branding. The articles quoted in the thesis can be found in the list of references.

## Theoretical analysis and framework

The theoretical framework will be developed by analyzing and discussing key theories chosen for their excellence in shedding light on business and brands as social constructions and hence dependent on being assigned legitimacy from a wide array of stakeholders, as well as theories giving companies and brands the agency of performing change through strategic branding. Here we draw primarily on the theoretical areas of sociology, institutional and organization legitimacy, corporate and cultural branding. These core theoretical areas are further qualified by supporting theoretical references underway. The analysis and discussion of each of the core theoretical areas will result in implications for brand management from the perspective of steering brands in troubled institutional waters. Finally, these implications will be further treated and discussed with the insights from the literature review about purpose-driven branding in order to combine our academic theory and our lay theory before seeking illustrative extensions in our case studies.

## Case studies

The theoretical framework guides our dialogue with the local social worlds under investigation in the case studies. It is from theory and our presuppositions that we are to understand the empirical phenomena. We investigate the empirical phenomena, the social institution of business and branding with purpose-driven branding as a potential legitimating process, with two different overall types of empirical data.

## Primary case study – Pågen

The first set of data comes from the case study of the Swedish bread manufacturer Pågen. As I was personally involved in leading the production of a series of bottom-up storytelling films, bringing "Baking with love" to life in the organization, I have had first hand experiences and insights into this case.

The primary data used in this thesis consists of a semi-structured face-to-face interview with the CEO of the company Törk Furhauge. As the CEO for Pågen the past 5 years, he has spearheaded and executed several strategic plans for the organization and the corporate brand. The case is of great interest to this thesis as Pågen has used a purpose-driven tagline as an expression for the corporate brand providing a meaningful whole for employees, customers, and other stakeholders through the phrase: "Baking with love".

The interview takes us on a participating, yet virtual, interpretation trip through history with the man in charge of the change processes. Some of the social forces encountered on the way has been qualified in positive terms with the inclusion of statistics of employee satisfaction surveys, and increase in profitability, etc.

## About the organization:

Pågen is the largest bread manufacturer in the Nordics and headquartered in Malmo where it has one of its two bakeries; the other one is placed in Gothenburg. Pågen was founded in 1878 by Anders and Mathilda Påhlsson, and the fourth generation still owns the company today. The company has its own sales organizations in Sweden, Denmark, Norway, Finland and Germany and its product is sold to the rest of the world through Ikea. Pågen employs 700 people and had a revenue of approximately SEK 2.5 billions in 2015 (Nordicnet.dk).

Since 2011, Danish Törk Furhauge, has been the CEO of Pågen. With leadership experience from the Danish Army, Coca-Cola and Carlsberg, Furhauge has led the company to a positive profit margin in 2015 of 0.74%, the first positive profit margin since 2010. Furhauge also took over the company shortly after the overall number of employees was almost halved from 1304 people in 2010 to 783 people in 2011 (Nordicnet.dk). The first thing Furhauge did taking over the hot seat was to meet as many people as possible around the organization, high and low to learn about all the good and bad things in the organization. In his own terms he like to set the direction together with his organization: "... we together define the next step... using people" (app. xx, 1. 206). This illustrate a general characteristic of Furhauge's approach to leadership and strategy, it is all about people.

## Operationalizing the problem statement - Interview guide

The interview was conducted around a semi-structured interview guide. In order to operationalize the overall problem statement for the interview, the three underlying sub-questions formed as the thematic outset to formulate the 'structuring questions' ensuring to keep the interview on track, while still allowing for elaborations, qualifications and interesting detours (Kvale, 2007).

Besides the structuring questions the remaining suggested questions where compiled to fulfill both the thematic and dynamic dimension to advance knowledge production and to ensure a good interview interaction respectively (Kvale, 2007). The interview guide contains various types of questions and has especially used 'introductory questions' in order to welcome rich descriptions, ''specifying questions' to precision wide answers, 'interpreting questions' to confirm own interpretations of answers, 'probing questions' to seek confirmation or refutation of a particular interest to the problem under investigation and finally 'direct questions' to get answers directly to the themes and concepts under investigation.

The full interview guide can be seen in appendix e.

## Conducting the interview

The interview was conducted during the summer vacation in the otherwise empty office location of Adtomic Communications. The interview was recorded on an Iphone and only the interviewer and the interviewee was attending. Having met each other earlier in professional meetings, the conversation tone was slightly formal, yet social. Ahead of the meeting, the interviewee, Furhauge had received an email with the purpose and intend of the interview.

The interview was initiated with a short briefing by the interviewer about the purpose of the interview, use of recorder and confirmation of English as the interview language. The interview lasted for just over two hours and the interviewee seemed relaxed and engaged in the conversation. The interviewee generally has quite long answers resulting in some redundancy in very broad answers around leadership in general. During the interview more probing and interpretive questions to focus the interview a little more sometimes replaced the wide use of introductory questions. Towards the end of the interview more direct questions where asked to get knowledge more directly tied to the concepts and themes under investigation in this thesis. The interviewee seemed to have a fair grasp of these concepts, hence the usefulness of the interview only increased towards the end.

The interview was rounded off by a debrief thanking for the interviewee's participation and a change for him to give any last comments, this change was advanced by the interviewee who provided an interesting final perspective of how to organize and empower managers decentralized in organizations.

In general the interview gave a qualitative look into the world of a CEO in a fairly large international organization with a lot of insider knowledge to the challenges of leadership. Also, due to Furhauges upcoming new job as the CEO of Danish food company: Løgismose-Meyers, much of

his answers reflected his own considerations around leadership and how he is going to approach the leadership challenges in his new job. The answers reflected his own life world and his historical and anticipated dilemmas implied in his CEO position and thus contributed a very open, personal and qualitative perspective of purpose-driven leadership.

The full transcribed interview can be seen in appendix f.

## Case studies - secondary

The second set of data comes from the secondary case studies of Procter & Gamble (P&G) and Coca-Cola. Overall these are selected on the basis of their significant and or special contribution to the understanding of purpose-driven branding and it is assumed that these cases will provide insightful refutations and anomalies that help us to extend our theoretical basis and advance knowledge of the field. Real participation and intervention into the local worlds and everyday life of these brands and their organizations, of course would have been optimal for proper ethnographic study. However, due to the scope of this thesis, is has not been possible to engage in real participatory ethnographic studies over the cause of several years. Instead, we extend the techniques of reflexive science to not only include interviews and participant ethnography but also historical research (Burawoy, 1998:27). As these brands have been pioneers within the field of purposedriven branding for years, and inspired by Trotsky's study of classic revolutions (as cited in Burawoy, 1998:27), we place ourselves at the center of this history and apply the same principles of intervention, process, and structuration in order to understand each distinct instance of purposedriven branding and the defining social processes behind it ultimately leading to the reconstructing of the our theoretical framework. The sources for this historical research includes company materials and campaigns, mentions in industry and academic literature and the like. The secondary nature of information requires careful assessment of the quality of the sources, but in terms of reflexive science not so much in terms of representativeness and objectivity, but more on the basis of its contribution to advancing knowledge by possibly reconstructing theory.

## METHODOLOGICAL REFLECTIONS AND DELIMITATION

Burawoy propose the coexistence and interdependence of both the positive and reflexive science, what he calls a methodological duality. The main focus of this thesis will be the reflexive science,

however, inspired by Burawoy, if we accept the coexistence of two models of science each method used deploys a "contrapuntal method" that can serve as a complement to the shortcomings resulting from using only one model of science (Burawoy, 1998:29). In general the shortcomings of positivism are the lack of explanations for "context", while the shortcomings of qualitative science might be the salience of "power" effects. For instance, as the extended case method structures social processes in terms of external social forces, these forces are objectified external to the researcher and thus capable of being studied positively. A few times in the run of this thesis, we will take advantage of this opportunity to quantify the salience of social forces. However, it remains the overarching interest of this thesis to qualitatively understand the context and social institution of business and branding and the possibility of purpose-driven branding as a legitimation process.

# LITERATURE REVIEW: THE LIFE OF PURPOSE-DRIVEN BRANDING

To conceptualize the approach of purpose-driven branding this thesis has reviewed practical literature within the fields of strategy, management and marketing communications. To structure the following chapter this thesis asks three simply questions, why purpose? What is purpose-driven branding and how to go about working with the approach?

## WHY PURPOSE?

To understand the emergence of the purpose-driven branding approach we must look at the original meaning and use of 'purpose' together with the current context for brands and branding.

## Origins of purpose

When looking into a dictionary, the word *purpose* is defined as "the reason for which something is done or created or for which something exists." (Oxford Dictionaries).

But how should this reason be defined? Aristotle provided the answer to the existentialistic question many years ago by saying "Where your talents and the needs of the world cross, there lies your vocation". Here reason for being is defined in terms of following your vocation where your talents and the needs of the world intersect.

The quote of Aristotle, tells us how fundamental and universal the concept of purpose is to the life of humans. We live to use our talents to solve needs of the world.

Historically purpose has been widely used e.g. in religious terms as a control mechanism to direct the behavior of the masses (Posner, 2007). More recently the term has been used widely in literature about self-realization (Sinek, 2009) especially in secularized cultures, helping individuals find meaning and direction with life.

Now the term is shifting its focus from being a religious and individual quest to being the quest of business (Reiman, 2013). Purpose has for decades been a part of the somewhat implicit vocabulary of business leaders. One of the first studies treating "purpose" explicitly was made by Collins and Porras in 1994 in their attempt to understand why some companies are greater than others. Besides hard-core management practices which many corporations applies, they believe that "... truly great organizations think of themselves in a fundamentally different way than mediocre enterprises... that they have a guiding philosophy or spirit around them, a reason for being that goes beyond the mundane or the mercenary" (2004: ix-x (preface)). By analyzing some of the world's most successful and iconic companies like Walt Disney, IBM, General Electric and Procter & Gamble, both in terms of profit but even more on the lasting and cultural mark they leave on society, Collins and Porras provide convincing evidence on the connection between the spirit of purpose in organizations and the financial and cultural value of great companies. In their minds, the quest for business is to built something worthy of lasting, defined as making such a distinctive impact on and contribution to the world, that the company would leave a huge gap if it ceased to exist (: xiii (preface)).

A lot has happened since Collins & Porras first published their book in 1994, but the quest to built something worthy of lasting seems to be more relevant than ever in today's context for branding. As we shall see in the following section, being perceived as worthy of lasting is paramount for brands to be relevant and survive today. Being worthy of lasting implies a meaningfulness to be achieved as meaning is becoming the new currency of brand value.

# The context for brands today – Meaningfulness the new currency of brand value

According to Havas Media's "Meaningful Brands Study" 74% of people asked would not care if all brands disappeared tomorrow (Havas Media, 2015). In Europe and North American that number is just 7% and 5% respectively whereas Asia and South America care about 60% and 35% of the brands respectively. This shows that the vast majority of global brands are not considered meaningful. On the other hand, the study also shows, that those brands who succeed at being meaningful outperforms the stock market by 133%. Havas Media defines a meaningful brand as a brand that improves the quality of people's life and wellbeing on three dimensions of human benefits: market place, personal and collective. That resembles the thoughts of Collins and Porras about building something worthy of lasting. Hence meaningfulness seem to be the new currency of brand value and finding your purpose can help you revive your relevance and legitimacy as a brand and company. But why are people increasingly demanding meaningfulness from brands and how can an organization deal with it?

With his book "Start with why", Simon Sinek introduces the golden circle. A framework consisting of the three layers "why", "how", "what". Instead of defining your business in terms of what you do and how you do it, Sinek urges us to start with why we do what we do.

His mantra: "People don't buy WHAT you do, they buy WHY you do it." (Sinek, 2009:41).

But why this human urge for meaning? Humans have a biological need to belong and feel safe, a need to: "... not only do we all have a need to believe but we all have the need to act on it, to 'do good in the world" Graeber, anthropologist, as cited in Posner, 2007). That is why we urge to be with those who share our beliefs and values, that gives us a sense of belonging that is meaningful to us (Shore, 2000; Posner, 2007). This explains the formation of peoples, nations and other cultural communities with shared values and beliefs. The urge of belonging is now also demanding companies and brands to have explicit values and beliefs because we want to be able to identify which brands and companies we belong together with. Actually, in 2011 Havas media issued another report connecting the collective well-being to the world of brands, as brands become meaningful to us they improve the societal well-being and hence are expected to be transformational change agents (Cox, 2011; Dios, 2012).

But why do we need this added value from brands and business? Why do we not just engage with companies according to the "what" the functional benefits that we need? First of all on a concrete

purchase level, most brands today provide the essential functional and emotional benefits making differentiation almost non-existing. This means that people start looking for more, higher meaning, a territory perfect for brands because both brand and meaning are intangibles says Mario Simon, CEO at world leading brand research agency, Millward Brown Optimor who calls purpose-driven branding the new business leadership (Simon, 2010).

Secondly, and in part as a result of brands ability to carry intangible meaning - Business and brands today play a much larger cultural and societal role in the world than just a few decades ago (Goodyear, 1992) This is largely attributed to the globalization and its technical advantages, especially the internet (Simon, 2010). The internet have given voice to every individual on earth, which have strongly impacted the cohesion of societal structures. The internet led the way for each individual to access immense amount of information and hence to almost complete transparency of every institution in the world: "the transparent world we now live and work in and the unprecedented and relentless nature of public exposure to any and all activities surrounding businesses, products, and marketing. Today we all work in glass houses" (Roth, 2012). People can suddenly access all the ills of the worlds, and that enforced a stronger societal consciousness among the new generation (Dios, 2012). They see business and political processes they do not like and which do not correspond to their believes and values. This huge rise in general public enlightenment means that this new generation is questioning each and every traditional institution if they are really a positive contribution to the collective welfare of the world.

As John F. Kennedy said during the Cuban crisis: "When written in Chinese, the word 'crisis' is composed of two characters. One represents danger and the other represents opportunity", and while increased transparency represents a huge danger to static and conservative business, it also represents a huge opportunity for purposeful businesses to share their values and beliefs to be a trusted and meaningful brand, as described by CMO of Procter & Gamble, Marc Pritchard: "There's a lot of cynicism and distrust in the world of big institutions, and companies really need to share with people what they value, what they care about." (Precourt, 2010). Procter & Gamble has been seen as the pioneer in being a purposeful business, making the philosophical transition from selling to serving. According to their purpose statement on their website, P&G cares about "...making your day better - in small but meaningful ways" (Procter & Gamble, 2016). And while P&G has had great success with translating this corporate philosophy into high profile purpose- and meaningful campaigns for their product brands like Always's "Like a girl" campaign, purpose-driven branding

sets huge requirements to your authenticity and integrity as a company. Although P&G was widely praised for challenging gender stereotyping by empowering girls to "rewrite the rules" of what it means to do things "like a girl", this was by critics defined as being inauthentic as P&G at the same time still portrayed only women cleaning the house in their campaigns for the product brand Ariel (Bourne, 2014).

This shows the almost imperative demands of authenticity and integrity when applying purposeful branding, Liodice, CEO-president of ANA, Association of National Advertisers in US emphasizes authenticity: "Brand purpose will not work unless it is authentic and seeded throughout the organization, right down to the show floor or grocery aisle" (Liodice, as cited in Crain, 2014) and Guy Hayward, CEO of KBS+, a global marketing and advertising agency emphasizes integrity: "In this transparent, brand-savvy world, companies must remember that two of the most powerful ingredients to business success are purpose and integrity." (Hayward, 2015). While authenticity deals with the truthfulness of intention, integrity deals with the coherence between your values and contributions. Hence what you care about needs to come from within, be consistent with who you are and be proven through actions and not just talk.

Transparency and people's demand for business to be transformational change agents define the context for brands today and points to the potential for brands to take up a larger cultural and societal role, one that can be legitimated through contributing a meaningful existence improving people's life while adhering to the relentless principles of authenticity and integrity.

Using purpose and asking ourselves why uncovers universal meaningfulness that brands can use to be a force of good, hence being accepted, assigned legitimacy and prospering in the new context for brands.

## WHAT IS PURPOSE-DRIVEN BRANDING?

A transparent and demanding world is surrounding brands today. To be considered relevant in this context, brands must identify their reason for being, their purposeful existence in terms of a higher order goal of spiritual and societal meaning and adhere to this goal genuinely and comprehensively (Posner, 2007; Sharma, 2013). This is along the lines of how Reiman (2013) defines purpose: "Purpose is an intention that creates a contribution". Hence purpose-driven branding involves exactly this: identifying a meaningful existence, rooting this reason for being in the organization as

a genuine intend, and contribute to try and achieve the spiritual and societal higher order goal in everything the brand says and does.

# Features and requirements in the rise of purpose-driven branding

The features and requirements of purpose-driven branding have developed over time. The best way to fully understand the statue of purpose-driven branding is to account for the development of the approach in the literature. Central for the development of the term has been the level of gratitude of purpose-driven branding in organizations. Is it a tactical brand management approach, a business strategy or a leadership philosophy? This is one of the most salient themes through-out the practical literature on the topic. And the answer has huge implications for which resources the approach has at its disposal as well as the complexity of stakeholder groups and not least the salience of authenticity demands.

The first ideas of purpose arouse within the management practices of CSR and cause-related marketing. Later, due to severe pressure from anti-globalist movements the notion of the ethical brand arouse (Davis & Moy, 2007) demanding global corporations to internalize the negative externalities of their operations such as environmental and social harm. While this demanded change of action and contributions, it did not necessarily demand organizational-wide change of intend. Thus the demands could still be dealt with through purely instrumental and tactical initiatives performed in the marketing and communications departments. Nonetheless it quickly surfaced as a proactive opportunity to define a higher-order goal of your company's existence that went beyond profit, in order to guard your brand against the anti-globalist movement.

Together with the rise of corporate branding as a management and academic field, it became obvious that a higher-order goal beyond profits had qualities other than defense tactics. By expressing your higher-order goal of your company's existence – your purpose in your brand, you suddenly had a symbol and a vehicle of meaning, giving employees and customers the feeling of belonging to something greater than themselves (Reiman, 2013; Posner, 2007; Shore, 2000). So far the employee and customer focus has been the most widely used application of the purpose-driven branding philosophy, and hence most of these processes have been run from the marketing, communication and HR-departments. However, as the philosophy and brand literacy among the

public did increase so did the investigation into the authenticity and integrity behind these brand purposes. Shedding light on whether a purpose was indeed a true intend coming from within a core of beliefs, and whether the purpose was actually coherent with all the actions and practices of the organization claiming them. Hence the general point of view in the practical literature today is, that is has to be integrated into the business strategy, it simply will not work otherwise, as stated by e.g. Liodice: "Brand purpose will not work unless it is authentic and seeded throughout the organization, right down to the show floor or grocery aisle." (as cited in Crain, 2014).

Organizational-wide integration of purpose is imperative to it overcoming the authenticity and integrity criteria determining the trust in corporations (Reiman, 2013; Liodice as cited in Crain, 2014; ). This integration is best secured by making it the key task of leadership. Hence purpose should not be an add-on to a strategy, it should be the foundation of the business strategy: "This is not corporate social responsibility, it's not cause marketing, and it's not a strategy for philanthropy; it's a business strategy" says Stengel former CMO of P&G (as cited in Kapelke, 2013) and this related to Reiman's notion about the "Black box of strategy" where purpose is the ethos of the brand at the core, from where the culture, values, strategies and tactics naturally follows.

This has been the greatest challenge for the purpose-driven philosophy, to convince traditional business leaders about the power of a seemingly fluffy concept. They usually focus more on short-term goals and how to reach them and not an intangible higher-order goal. In other words they focus and the what and how, the strategy and tactics. This is also what distinguishes purpose from similar terms like mission and vision. Vision is where you want to go, often a vision is given a time frame. Mission is how you are going to achieve this on a daily basis (Reiman, 2013:4), whereas purpose describes a long-term often an unattainable goal, like Novo Nordisk's "changing diabetes". It is a goal that sets a clear direction, but it does not help the business leader knowing when we he will earn profits. Very fundamentally, the purpose-driven philosophy does not at all deny the basic logic of capitalism, it embraces it all together.

By acknowledging that profit is still a crucial element in running businesses, Reiman helps the philosophy from falling into a philanthropic-cost-burden perception trap among business leaders and at the same time he says openly to the anti-globalist, that profit is the means to the end goal to do good: "Purpose-driven organizations create more good in the world, which begets greater profit, which allows them to then create even more good." (Reiman, 2013:1).

Reiman states that purpose is hence both a humanitarian and financial force a statement that business leaders might want to believe, but sceptics would still need proof. This proof was first given by Jim Stengel, owner of the consultancy The Jim Stengel Company, and former CMO of Procter & Gamble. Together with Millward Brown Optimor they investigated that 50 companies with what he calls a "brand ideal" "... have more-committed employees and a markedly better financial outcome" (Cooper, 2012), actually the research showed that companies behind these brands "...combined business value has outperformed the S&P 500 by almost 400%." (Cooper, 2012). This in terms of higher financial growth and increased equity value. Despite some criticism of Stengel's approach, evaluating a small but very successful sample to the pool of 500 brands, his study contributed to secure brand management a seat in many boardrooms around the world (Tinlin, 2014).

By evolving the existing business narrative of profits into the new business narrative about purpose, the philosophy has the potential to: "...and remake our world" – says author Daniel Pink (as cited in Martin, Wolf, & Andersen, 2011) as we combine the two seemingly disparate paradigms of business into a powerful one, enabling business to lead change. And so today, this new narrative for business has been applied widely by the globe's largest companies, these include among others P&G, Apple, Samsung, Nike, Ikea, Unilever, IBM, Walmart, Starbucks, Google, Coca-Cola, Red Bull, Patagonia and The Body Shop.

Following this, purpose-driven branding can be defined both as a leadership philosophy and management practice that uncovers the higher order reason why a brand exists beyond profits, articulates this and use it to inspire meaningful existence and everyday directions for the brand and its internal and external stakeholders.

Obviously, purpose-driven branding has convincing features as it:

- Guards against critics
- Becomes a symbol and vehicle of meaning, giving employees and customers, as well as other stakeholders a sense of belonging
- Lays the foundation for business strategy as a decision making filter directing also innovation, management and global operations

- Integrates spiritual and societal goals with the goal of profit
- Rejuvenates business and remakes our world

But all this has large and somewhat unrealistic requirements, purpose-driven branding requires:

- Defining a purpose that is spiritual and societally meaningful
- Having a genuine intend
- Contributing coherently to that intend in all your actions
- Integrating purpose into business strategy
- Integration sense of purpose across the entire organization
- Provide financial proof

In the following section, this thesis tries to synthesize the contributions from the practical literature of how to go about working with purpose-driven branding as it deals with how to unearth a meaningful purpose, how to root in the organization, how to integrate in organization-wide practices and thinking and how to continuously develop and nurturing it from the point of view of brand management and leadership.

#### HOW TO WORK WITH PURPOSE-DRIVEN BRANDING?

The following synthesized process is inspired by Reiman's framework for how to implement purpose in an organization, but is also complemented with pointers from other contributors in the practical literature. Hence the framework is presented primarily from the perspective of a strategic brand consultant.

# 1. Unearthing purpose

Referring back to the quote of Aristole, defining purpose as the overlap between your talents and what the world needs tells us that not just any brand talent or any world need will do. By definition, purpose can only be described in terms of the intersection of your talent and world need. But how then, do you define your brand talent, a world need and the right overlap between them?

#### Brand talent

Brand talent needs to be about the strength from the core of business, asking what have or are we particularly good at, good for, proud of, known for, want to be known for etc. (Kapelke, 2013; Reiman, 2013).

To define an organization's special talent and reason to exist the most decisive place to look is in the genealogy of the company, or as Reiman expresses it: "The fruits are in the roots" (2013:43). By looking into the archives you will be able to identify the founding vision and philosophy, funny stories that serves as milestones in the company's history and work as stellar examples of a distinct culture. Things like this most certainly will illuminate what you have been particularly good at through out history - Skills, capabilities or talent that might give you a hint to why exactly it is that you exist.

Other more contemporary factors determining the ethos of your company might be your ownership structure, your business category, brand architecture/organizational structure, superior products or services, or a particularly important stakeholder group that will help you inform why you exist. Additionally, some of these parameters together with recent innovations or the like, might also point to a distinct aspiration about the future that help identify the special talent of your organization or business.

## World need

"The needs of the world" as Aristolte phrases it, is kind of abstract. And herein lies also the biggest discussion points among the purpose-driven movement. It is imperative to the definition of purpose that it needs to serve to the general betterment of the world, but exactly how concrete or abstract you choose to interpret this dimension is discussed pretty widely.

The area or case that you set out to solve, needs to be "... fundamental to their brand, what good does it do? Brands are like humans. You if they-re faking it" as stated by Gangotena (CMO of MasterCard WorldWide) (cited in Crain, 2013b). Some also argue that your brand does not necessarily have to be connected to a social value but: "... must always relate to a universal human truth" (Simon, 2010). Ultimately the most decisive factor, is that you choose your world need to handle from your position of strength (Roth, 2012).

In social-ecological terms, the world need that you as an organization choose to focus on could be on many different levels. There is the widest level, the societal level that might e.g. JetBlues "Inspiring humanity". While this is truly societal, it gives very little direction and very little linkage

to what the business is about, and how it is likely that it can contribute real change within that locus of contribution. The next level is the community level, which is very widely used. The community level can refer to both a geographical community, where business take responsibility in the areas where they operate, like fair trade coffee and sustainable sourcing in general, but it can also refer to community of interest or common prerequisites, like Novo Nordisk's: "Changing Diabetes". This is still a higher-order goal that contributes to collective betterment of the world at large, but the focus on contribution is to the community of people concerned with diabetes. Because of the match between the business talent of Novo Nordisk as world's leading insulin manufacturer and the locus of contribution to a world need, Novo Nordisk purpose is a match and hence perceived meaningful by most. The next level is the organizational level, often used by companies as to what they as an organization can do either about their own practices or about their own people. According to Clift (2013) this is increasingly more important to consumers than a too abstract higher order goal. The next level is the interpersonal level, where companies seek to do good by focusing on relations between people. A good example of this is Starbucks purposeful mission statement: "To inspire and nurture the human spirit, one person and one cup of the time". By focusing on the relationship between people through the exchange of a cup of coffee, they brilliantly state the relation to their brand talent, and the very concrete locus of their contribution. Finally, other companies focus on the personal level, seeking to do good through individuals. Red Bull is a good example of this, saying "Red Bull gives you wings" encouraging individuals to rise and do even seemingly impossible things.

Again others combine these levels to make an explicit connection between e.g. the individual and societal level of contributions, like P&G's purposeful tagline "Touching lives, improving life", which shows that by touching the individual lives of consumers, they improve life all together. This micro-macro connection is a powerful way to combine your everyday contribution to the higher-order societal contribution.

Tinlin (2014) defines another dimensioning of purpose, whether the type of contribution is in a nature of "belief", "outcome", or "role". Apple is an example of "Belief" with its "*Think different*", Whole Foods Market is an example of outcome "*Better foods, better planet*", whereas Novo Nordisk take the "role" of "*Changing diabetes*".

Finally, the last dimensioning of world need was defined by Reiman as falling into either one of these themes: eliciting joy, enabling connection, inspiring exploration, evoking pride or impacting society. A good example of eliciting joy is Coca-Cola's "Open Happiness", enabling connection is the theme behind the once famous Nokia: "Connecting people", inspiring exploration "find your beach" from Corona, Evoking pride Novo Nordisk's "Changing diabetes", and impacting society: JetBlue's "inspiring humanity".

To find the right dimensions for the world need, you need to look for the ones that matches your brand talent. That way you ensure integrity and authenticity because it links your organizational DNA and capabilities with a truthful intend and locus of contribution.

#### Where brand talent fits best:

- Social-ecological locus of contribution: societal, community, organization, inter-personal or personal level
- Nature of contribution: belief, outcome, role
- Area of contribution: eliciting joy, enabling connection, inspiring exploration, evoking pride or impacting society.

Finding the match between your brand talent and world need, is in Reiman's terms what makes up a good and authentic purpose (Reiman, 2013). However, in order to be meaningful it lacks the consideration of the stakeholder interpretations. A purpose might be absolutely coherent on paper, but if your key audiences disagree, you will not have a meaningful purpose. In the Edelman Brandshare study from 2014, 87% say that want a more meaningful relationship with the brand (Edelman, 2015). Hence it is argued that in order to go from an authentic to a meaningful purpose, you need to ensure that the intersection between brand talent and world need also intersects with stakeholder interest.

## Stakeholder buy-in

"Reality is everything" (Kapelke, 2013) and a brand "... is what it does" (Roth, 2012), hence today a brand's meaning is no longer controlled by the brand manager alone. Today the brand's meaning is made up by the polysemy of opinions expressed by all kinds of people in- and out-side the organization. And so the task of managing brand meaning, includes the integration of stakeholder

opinions and interest (Earls, 2001). A brand manager needs to possess the ability to conduct this balancing act of defining a purpose between what the organization finds as a suitable world need to solve, and what the brand's stakeholder think is both relevant, appropriate, satisfactory and authentic: "By clearly aligning with your customers' interest your brand becomes authentic" (Knight, 2007).

Depending on the company, some stakeholder groups might be more important that others to ensure a meaningful existence. Some might have the prerequisites that allow them to focus solely on one group of customers, where other brands need to pay equal attention to a handful of stakeholders. It all depends on you brand talent and locus of contribution to the world need. For instance, some b2b companies might have little presence in the public sphere and can without any problems focus on very limited efforts to satisfy stakeholder needs, where others, like famous FMCG companies like Nike and McDonald's who has tremendously amount of publicity, needs to focus on every part of their business, from sustainable sourcing, to fair working conditions, to alternate product and service offerings, etc. In any case, a meaningful purpose is only meaningful to the extend that the vast majority of stakeholders buy into your purpose, hence the task is to assess the various stakeholder groups, their importance, interests and which contributions that will get them on board. The stakeholder groups can be many; normally the most important groups of people include the employees, customers, consumer, shareholders, leadership, management, partners, government and critics.

Combining the forthcoming views in the practical literature, a truly authentic and meaningful purpose seems to be found in the intersection between brand talent, world need and stakeholder interests.

## 2. Articulating the purpose narrative

After having defined a meaningful purpose, the process of purpose-driven branding enters into its most decisive stage, the articulation.

## Seek illumination of unique intersection

Before going too much into a potential gridlock of trying to write the perfect one-liner or script of your purpose, Reiman recommends what he calls luminary sessions as a key activity in expanding the organization's and even consultants view on the brand's role in the world by bringing in experts

to help expand and shed life on your higher order goal: "Getting to the real heart of the matter requires more than a bunch of businesspeople in a room with giant post-it boards. You need luminaries, subject matter experts who shed billion-watt light on what is keeping you in the dark." (Reiman, 2013:134). According to Reiman, putting subject matter experts of various kind in a room with the client and key strategist from the consultancy we are testing: "...the courage of companies to make the world better and brighter." (:136).

These sessions also pays as kind of insurance that you explored the intersection in different directions, and hence the likelihood of you choosing the right route and angle to tell the story increases.

## Bringing the purpose narrative to life

Bringing the unique intersection of your purpose to life requires thoughtful planning to make sure as many people in the organization as possible find the purpose narrative not only plausible but also universally true in order to buy into the story as meaningful. If the articulation of purpose fails to empower and shine a light in the organization, the investment in developing the purpose might very well be wasted (Roth, 2012). Hence articulating purpose in the organization requires the use of "... carefully selected words, pictures and music that astonish" (Reiman, 2013:161) brought to shine through powerful media e.g. a film in a powerful setting e.g. a launch event.

## 3. Activating purpose

Immediately after the purpose narrative has been articulated in the organization it is all about integrating the articulated intend in and around the organization of the brand as much as possible. As part of the initial planning, a launch plan on how to activate and integrate the brand purpose in internal practices and strategies as well as in external touch points must be crafted.

## Internal anchorage

Trying to answer "who we are" and organization should try to expand on purpose to make it more concrete in an everyday context. How does purpose impact our behaviors every day? What are our shared beliefs? What guiding beliefs and ideas characterize our community? - "When a company is organized around its brand ideal, it allows the brand to show up in the world with intentionality and a purpose that are instantly apparent." (Simon, 2010). In other words companies should organize around purpose.

Leadership and the board must sit down and buy-in to transformation, by integrating the purpose narrative into the overall business strategy. This is done to ensure that the purpose is incorporated into the backbone of the business "It has to start from the top" (Garbe as cited in Kapelke, 2013). This can be ensured with a strategy session, where we put the purpose narrative as the foundation, puts words on the culture and values, before sense-checking whether the business strategy and tactics corresponds to the intend of the "black box of strategy" as Reiman calls ethos, culture and values.

## Internal transformation

"Start with internal transformation" is the essence of much of the inputs on purpose-processes from the practical literature e.g. (Heismans, 2010; Posner, 2007). This stage is hence about making the purpose come alive in the organization and to make it influence everything the organization do. After the launch it is make it or break it. If the purpose transformation is going to be a success, this is where the real transformation happens, it making it happen continuously in and around every corner of the organization (Nelson, 2010).

Just as we want leadership to make plans based on our purpose narrative, so should any small or large action be an extension of the purpose (Nelson, 2010; Knight, 2007).

This is the phase where every division and department across the organization should sit down and discuss how they can live the purpose in their everyday life and actions, and how to take new turns and new initiatives on. This literally includes all divisions and departments in the organization, from production, R&D, finance, marketing etc.

## Start walking the talk

With the strategies and tactics in place, now it is about walking the talk and making things happen. According to Roth (2012) from Landor Associates, a leading strategic branding consultancy "A brand is, what a brand does". Put in another way, purpose is nothing without contribution. As Reiman says: "Purpose is intend with contribution" (2013) now we have the intend in place and brought to life in the organization, the plans are formulated, so now is the time to make all this come alive internally and externally. This process entails empowering employees to engage with various stakeholders and make real contributions and to redefine and develop touch points with stakeholder so that they reflect the purpose.

## 4. Nurturing purpose

#### Listen to stakeholders

Purpose is a movement not a campaign (Heismans, 2010; Roth, 2012; Kapelke, 2013) hence the continuous nurturing and development of purpose is paramount. "As a company grows and evolves, its purpose, too, deepens and expands" so write Mackey & Sisodia (2013) in their book Conscious Capitalism, and as every human connected to the company and brand evolves and develops so does the context for the purpose. Hence the key activity after transforming the business is to listen to stakeholders in and outside of the company to ensure that the brand is always in balance between inner intend and actual contributions and between organizational self and stakeholder expectations.

## Creating a lasting legacy

In Reiman's terms, the continuous work of nurturing purpose is about creating a lasting legacy, just as it was the case with Collins & Porras (2005) and Havas Media's (Cox, 2011) conception of meaningful brands. Making sure your purpose actually achieves impact along the lines of the higher-order goal is what will make your brand distinct and hence the reason why people come to work for you, where shareholders keep investing, why customers and consumers will love your product and services and why the wider public in general will find your existence meaningful for the greater good of society (Reiman, 2013; Mackey & Sisodia, 2013).

#### SUB CONCLUSION

In summary, the literature on purpose-driven branding provides managerial advice on how to imbue brands with meaning that goes beyond the goal of profits.

As the global public is increasingly demanding meaningfulness to come from brands, being purpose driven as a brand and aspire to achieve a higher order goal is a way to meet the stakeholder demands, stay relevant and redeem trust and legitimacy. As brands are capable of carrying intangible meaning and as intangible meaning and value makes up more and more of a company's overall value, brands are starting to be treated as symbols for business and hence brand management is advancing to be a top strategic priority for maintaining corporations' reputational and economic wellbeing.

Purpose-driven branding is highly process-oriented, as the requirements are heavy and not done over night. It takes time and relentless effort to adhere to the principles of purpose-driven branding: defining a societal or spiritual meaning, having genuine intend, consistent and coherent

contributions, getting top management on board, to align the business strategy, to make every stakeholder join the fight and to provide the financial proof that it is worth the while. But if successfully unearthed and implemented, having a centrally placed purpose brand in your organization, your organization could benefit from having a unifying symbol giving internal and external stakeholders as sense of meaningful belonging, a decision-making filter aligning and optimizing your business operations, a firewall against criticism and in general a spirit that rejuvenates the entire business.

## THEORETICAL ANALYSIS

The following theoretical analysis investigates selected theory in order to increase our understanding of the legitimacy issues facing the institution of business and branding. First it discusses the quest for legitimacy in today's globalized world and then it accounts for the genealogy of strategic brand management up until today, before taken on analysis of the prevalent specific theories of corporate- and cultural branding as potential legitimate processes for global brands and businesses in today's fragmented society.

#### THE QUEST FOR LEGITIMACY IN A DYNAMIC GLOBAL PUBLIC

## Institutional legitimacy

"Institutionalization occurs whenever there is a reciprocal typification of habitualized actions by types of actors" (Berger & Luckmann, 1966:72) hence according to this definition it makes perfect sense to label the social construction of business as an institution. Within the institution of business certain roles are assigned as well as certain typified and habitualized actions carried out by collectivities of people. Institutions exert control with predefined patterns of conduct and as long as these are not sufficiently challenged, an institution increases its control efficacy as more and more collectivities of actors are engaged in the patterns of conduct and so the institution 'thickens' (Berger & Luckmann, 1966:76). The liberalization and deregulation of the world economy throughout the last half of the previous century up until today has largely expanded the control efficacy of the business institution. But as institutions mature and thickens they increasingly need legitimation as the institutions are transferred on to new generations, for which the institution's first order of meaning is inaccessible to them. The institution hence needs to be explained and justified

through legitimating formulas. Examples of how these institutionalized meanings are being transmitted to new generations is e.g. through the school and university system.

The institution of business has for a long time ensured its own legitimacy by proving its worth to generations after generation. Hence the neo-liberal institution of business can be said to have reached the highest level of legitimacy in Berger & Luckmann's words as being a symbolic universe, conceived of as the: "... matrix of all socially objectivated and subjectively real meanings..."(1966:114) this means that even experiences outside of this realm is being retrofitted into the meaningful totality through explanations and justifications. Thus the institution of business can be said to have achieved an almost taken-for-granted status as the governing institution of the societal order, expanding its historically successful rationale across the globe to Asia, South America and even Africa. But after the global economic recession more and more people, especially the newest generation, has started asking questions to this taken-for-grantedness of the neo-liberal business institution. This is not surprising as: "All societies are constructions in the face of chaos" (:121), and "Every symbolic universe is incipiently problematic." (:124) the question is to which degree it becomes problematic. As transmission of an institution to a new generation are not always successful in terms of socialization, neither is transmission of symbolic universes, and because symbolic universes cannot be experienced in the same way as institutions due to its detached taken-for-granted meaning, it is more difficult to explain and justify new generations the meaningfulness of the symbolic universe. The inhabitants, who are not socialized as intended, might objectify deviant versions of the symbolic universe, which then turns into a reality of its own right. If this deviant view might be shared among more and more inhabitants it "... challenges the reality status of the symbolic universe as originally constituted." (:124). This can of course threaten the institutional order beyond and legitimated by the symbolic universe that is being challenged. In our case in point we see an alternative symbolic universe, that of business being societally conscious, which due to its very existence presents an alternative to the otherwise taking for granted knowledge. The 'official' definitions of reality will then often initiate conceptual machineries to further legitimate and maintain their definition, this however will inevitable modify the symbolic universe, still this is considered more favorable than to risk the alternative will prevail all together. However, it is actually hard to assess whether the thought of social conscious businesses is an alternative symbolic universe put forward by critics with an deviant view of reality or if it is a conceptual machinery initiated from within the 'official' conception of reality to guard off the threat from anti-globalists.

## Organizational legitimacy

In order to better assess the threat on neo-liberal businesses and their brands, we turn to a more concrete framework of organizational legitimacy put forward by notably Palazzo & Scherer (2006) and Suchman (1995). According to Palazzo & Scherer, organizational legitimacy is the prerequisite for an organization's existence as legitimacy is the precondition for the continuous flow of resources and support from stakeholders (Palazzo & Scherer, 2006:71). Suchman defines legitimacy as "A generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (1995: 574).

Just as Berger & Luckmann, Suchman adopts a dialectical view as he presents his two overall approaches to legitimacy: the strategic and institutional one. The strategic approach presents a managerial inside-out perspective giving the organization agency to influence the general perception through talk and action. The institutional perspective is more deterministic and describes how external forces transcend the agency of the organization, e.g. the cultural code and norms apparent in the environment surrounding the organization. These two approaches are interconnected and hence one cannot be accessed without the other.

Suchman describes three overall types of legitimacy working across both approaches: pragmatic, cognitive and moral legitimacy. Stakeholders assigns legitimacy as defined above, but differs in terms of behavioral dynamic (Suchman, 1995:578).

Pragmatic legitimacy is assigned in terms of the self-interest of the stakeholder. This deals with the closest and most important stakeholders of an organization and involves quid pro quo as either an exchange or direct influence of some kind. This gives a high interdependence between stakeholders and the organization and hence the actions of either one will heavily affect the other.

Moral legitimacy on the other hand is based on evaluation. An evaluation of whether the organization's activities and actions contribute to the betterment of society as a whole. Moral legitimacy is pro social and disregards narrow self-interest, more concretely, moral legitimacy is given based on the evaluations of an organziation's: consequences of existence, procedures, structure and its leaders.

Cognitive legitimacy resembles the thought of institutionalization mentioned before. It is not based on interest or evaluation; instead the legitimacy is assigned unconsciously as the result of the takenfor-grantedness of the organization. When an organization constitutes a meaningful existence, by being stable, comprehensible and a plausible representation of reality it is being assigned the most

powerful type of legitimacy. As long as an alternative to the organization is unthinkable, nothing can threaten the cognitive legitimacy of an organization (Suchman, 1995:583).

#### GLOBAL DISTRUST - CAUSES AND ISSUES

The institution of business has become truly global as shortly described earlier and especially the individual brands making up the institution has become maybe the most significant symbols of globalization according to Askegaard (2006): "One may argue that brands are among the most signification ideoscapes in the globalization processes." (:94). As a symbol for global capitalism, brands have become the center of the increasing distrust and the reason behind waving assignment of legitimacy to corporations operating globally. But how exactly can this global distrust be understood?

Just as the institutionalization and legitimacy can best be described as a dialectic process, so can the issues of globalization facing corporations and their brands. Globalization can be described as the "... growth of transplanetary and supraterritorial social relations" (Scholte, 2005, p. 20). Many of these social relations have been the result of increased global actions of corporations and hence the issues facing corporations are in part results of their own actions.

## Economic globalization

Today business faces harsh criticism from skeptics of globalization stating the case that the increased economic globalization described in terms of rising transnational trade, liberalization of the market economy and increased economic interdependence across the world is what had caused the ills of the world (Scholte, 2005:56). Especially after the 2008 economic recession critical movements like the "Occupy Wall Street" demanded re-regulation of the neo-liberal market and a disregard of its ideology, also known as the "Washington Consensus", to move beyond the goal of profit maximization (Scholte, 2005:39). Many critics hoped that the economic break down would be the end of the Washington consensus (Scholte, 2005:38; Dickens, 2011:4), but national governments game to the rescue and bailed out many of the crashing neo-liberal institutions – underlining the consensus of the neo-liberal ideology (Scholte, 2005:39). Hence so far, business is largely back to usual, which also means that critics continue to blame global corporations for the

rising income gap between rich and poor, democratic deficit, social unrest and not least environmental degradation (Scholte, 2005:56).

## Political globalization

While these responsibilities may come as a political demand but corporations has willingly taken the position of a political actor themselves whenever it could benefit them. As a result of globalization the role of the national state has been diminished and corporations have together with other non-state agencies taken the responsibility to fill this post-national vacuum (Habermas, 2001; Palazzo & Scherer, 2006; Garsten & Jacobsson, 2013). This has resulted in a new form of global governance de facto turning corporations into political actors, where corporations, together with a constant pressure form NGO's, humanitarian state agencies and others, self-regulate to fill the regulatory gap and overcome environmental and social issues (Scherer & Palazzo, 2011; Scholte, 2005; Kaplan & Levy, 2007). CSR can be seen as one form of global governance, where actors of every kind go together to construct a standard or a 'global grammar' that goes beyond political contestation. This is hence an example of soft law that builds on the win-win consensus that global governance can provide solutions that are beneficial to everyone involved (Garsten & Jacobsson, 2013; Dicken, 2011). Standards like this make economic, political and social frictions invisible, because it moralizes politics into something indisputable. This might be seen as an example of conceptual machinery initiated by the symbolic universe of business to maintain the legitimacy of their social order by silencing deviant world-views through seemingly unproblematic integration into the overall symbolic universe of business.

## Cultural globalization

With the exponential increase in interconnectivity between individuals of the world as a result of ever more sophisticated and instant communication infrastructure (Hylland Eriksen, 2007), people are more exposed to what happens around the world than ever. Constant, instant and simultaneous exposure to poverty in Africa, the melting of the poles, political injustice in Russia, greedy capitalist corporations, racial tensions in America, uncontrolled immigration from the Middle East, war, horror and terror in normally peaceful areas of the world shapes people's perspectives and mindsets. Through the typified language of news, social media and everyday talk this becomes the

reality and forms a global consciousness (Robertson, 1995). Due to the communication infrastructure all the ills of the worlds become disembedded from the territorial space where they actually happened and hence exist in our global consciousness as part of our reality. The vast amount of information that needs to be processed by the individual start alienating people, reducing their feeling of security, intimacy and autonomy. People get anxious because they can no longer make sense of the world because the social relations are lifted out of the local context. A local context like a nation-state, which used to help individuals, limit concerns and direct the 'right' interpretations (Reiman, 2013; Hylland Eriksen). Hence the effects of globalization affect culturally how we think, how we do things and how we perceive ourselves.

People get anxious when the reality does not seem plausible, and hence starts looking for alternative expressions of meaning that can solve the anxieties.

Another consequence of the sophisticated communications infrastructure is the interconnectedness of global networks. Networks have been called the "new social morphology of our societies" (Castells, 2008) and thus mark a critical dimension to the way institutions are constructed. Independently from time and space individuals can form their own networks that are flexible, flat and non-hierarchical. Networks can extend beyond traditional institutions in society, and hence has capacity to connect people with similar interest, but equally much as to disrupt and exclude. This has led to the hyper fragmentation and polarization of social groups in society, which heavily challenges the post-political consensus of global governance. As predicted by Garsten & Jacobsson (2013) "The excess of consensus is potentially socially explosive..."(:423) and with the easy access to information and information sharing, networks feeling suppressed by not being able to articulate their differentiated position of interest can easily disrupt and impact the institutional order of business and brands (Bennet, 2003; Castello, Morsing, & Schultz, 2013).

Because even the smallest network of individuals can disrupt an organization, no institution is taken-for-granted anymore, resulting in the vanishing of legitimacy based on the cognitive type. Also the self-interested, pragmatic and instrumental way to a legitimate existence is vanishing as networks uncover the selective inauthentic CSR practices as *greenwashing* (Castello, Morsing, & Schultz, 2013) Hence the only way to ensure legitimacy in today's context is arguably through moral evaluation as to whether the organization contributes to the greater good of society that is

universally meaningful (Scherer & Palazzo, 2011; Habermas, 2001; Kaplan and Levy, 2007; Scholte, 2013).

But even this seems to be an urge for consensus, so the next question arises, how does an organization become universally meaningful while still allowing all stakeholder networks to be heard? Is it at all possible?

#### COMMUNICATIVE LEGITIMACY

Schultz, Castello & Morsing (2013) proposes another conception of legitimacy called communicative legitimacy. It relates to Berger & Luckmann's notion of realities as socially constructed and with a reference to Weick's (1995) "Organizational enactment" and Tayloy & Van Every's "Communicative Constitutions of Organizations" (CCO) it proposes that organizations are socially constructed by the social practices happening in and around the organizational context. Because the organization is a social reality constructed by the plausible objectifications of language and actions the organization is legitimated through this communicative process - Just along the lines of Berger & Luckmann. Thus, Schultz, Castello & Morsing argue that legitimacy is assigned if the organization is seen as 'communicable', meaning that they allow dissent and alternative expressions to be voiced. This 'disarms' critical stakeholder networks as their interpretation of reality becomes part of a shared sense of reality. What this means is, that an organization might not agree with all stakeholder networks, but at least they agree on the organization being 'communicable' which might make critics respect and accept the organization's existence, thus legitimating the organization in communicative terms.

In a similar vein Christensen, Morsing & Thyssen's (2013) notion of *Aspirational Talk*, entails that *talk* is performative rather than superficial, urges organizations to talk about a future, maybe even an unattainable aspiration. Articulating an aspiration will enact the aspiration as a social construct in the reality of those exposed to it and be more real than if only residing within the mind of an organizational leader. By enacting the world around you, this aspiration will enable change and make your organization move towards it, as the self-fulfilling prophecy noted by Weick (1995) prescribes. And because it is an aspiration and before you talk before you walk, it will inevitably attract attention for both positive and negative stakeholder networks. But by allowing dissent to be voiced you can create a shared sense of reality of your organization where the polysemy of voices

all contributes to the legitimation. The challenge is of course, that even though this might be the most effective strategy for organizations to commit themselves to that aspiration and drive change, talking before walking is the favorite hypocrisy-bait of anti-globalists and hence this strategy is highly paradoxical in nature, brilliantly expressed by Brunsson "If we do not allow ourselves to possess and propagate higher values than those portrayed by our actions – if we do not allow for sin and hypocrisy – then we run the risk of not having very high morals at all." (as cited in Christensen, Morsing & Thyssen, 2013:384).

#### **SUB CONCLUSION**

We see the institution of business and its organizations can no longer be legitimated based on stability and taken-for-grantedness, as stability and taken-for-grantedness are largely vanishing in today's global society. The instant and simultaneous exposure to all the ills of the world has fostered a supraterritorial global consciousness among stakeholder networks demanding legitimate actors of global governance to be morally driven and provide social and environmental meaningfulness. We also see that stakeholder networks has the power to disrupt the social construction of institutions and organizations, hence organizations must let go of control and loosen up and allow for dissent and deliberation of different interpretations, which in turn will result in a shared sense of reality and thus communicative legitimacy. Thus in conclusion legitimacy today is a question of morality and allowing a shared sense of reality rather than insisting to reach consensus. In essence it is about setting a direction, being good and being open.

## WHAT ROLE HAS BRANDS AND BRANDING COME TO PLAY IN TODAY'S SOCIETY

Brands and the management practice of branding has changed a lot since "branding" first emerged as a term for marking ownership of cattle (Reiman, 2013:14).

In their book Brand Management, Heding, Knudtzen, & Bjerre (2009) present a taxonomy of seven approaches in the development of brand management from its beginnings in 1985 up until the mid of the 2000s. Dividing these seven approaches into three overall periods.

## 1985-1992: Company/sender focus

Around 1985 the *economic approach* of brand management emerged as the marketing discipline to sell products through the right mix of the 4 p's: product, placement, price and promotion. Based on quantitative research and the functional perspective that the brand was owned by the company, and hence brand meaning could be linearly transmitted as intended from sender to a passive receiver. The assumption about the receiver was that of an economic man, basing consumption decision solely on rational considerations.

The *identity approach* emerged late in this period and is still influential today but in a slightly other form, we will get back to that. Back in the 90s, the approach dealt with the identity and image of organizations, leading the way to the first wave of corporate branding. The brand was corporate, hence about the organization more than its products. The managerial perspective was that of a monologue, which through reflective and integrated storytelling across your organization ensured the company ownership of its brand.

## 1993-1999: Human/receiver focus

From the inside-out perspectives presented above, the approaches to branding significantly changed its attention through the 90s to that of the receiver. Heavily influenced by human psychology brand management shifted to more humanistic and individualistic approaches.

The consumer-based approach was largely a result of Keller's notion of the brand as being a cognitive construct in the minds of consumers (Keller, 1993). This construct could be researched as to what strong associations the consumer had with that of the brand, the job of the brand manager was then to 'programme' and reinforce these associations in the brand communication in order to 'own' a particular mental space in the head of the consumer. This is also the approach that Holt has called 'mindshare' branding. Key literature on positioning e.g. Ries & Trout's book "Positioning – the battle for your mind" (1986) arouse during this period, which still today is considered one of the most popular approaches to brand management.

In 1997 Josephine Aaker published what came to be a very influential study on brand personality, which underlines the thoughts of the *personality approach* (Aaker J., 1997). Aaker's study showed that consumers tended to endow brand with human like character. Seing brands in a human

perspective enabled brand managers to incorporate symbolic meaning that consumers could then consume as resources to their identity construction projects.

This approach very much led to *the relational approach* where the dialogue between brand and consumer transcends symbolic exchange and instead enter into a dyadic relationship often in the form of friendship (Fournier, 1998). Brands now was an existentialistic part of consumers' being, implying a huge shift since the initial functional role brands played in the 80s. The cultural authority was now shared between brand and consumer, and not solely possessed by the brand.

## 2000-2006: Cultural/context focus

This new understanding on how brands were consumed paved way to required new theories, and the need was only further increased as the mainstream access to internet spread across the world. This led to more empowered and autonomous consumers and the rise of anti-branding movements revolutionizing the role of brand management.

The community approach rose as a result of the increased interconnection between individuals in the world, people started gather around brands in what has been called brand communities (Muñiz & O'Guinn, 2001). The brand is suddenly a social entity that individuals gather around and discuss also independently from the brand management. Hence the big difference is the new triadic relationship between consumer-consumer and brand. This implies that the brand manager has lost control of the brand, which faith is now largely determined by the brand communities. Hence in order to manage brands favorably to the organization, brand managers must seek to understand the social context of which their brand is being consumed and discussed.

The final approach, the cultural approach, takes a macro perspective on the role of the brand as a cultural artifact in society, in part influencing culture but simultaneously mirroring culture (Holt, 2002). Instead of researching in a brand community where the brand is the natural center of attention, cultural branding deals with the broader consumer culture, hence it seeks to investigate the tensions, meanings and social-cultural contexts that both give and limits the legitimacy of brands. Brand management in the cultural approach hence deals with unearthing cultural meanings through powerful identity myths to build iconic brands that resonates with mainstream culture, and

simultaneously to assess criticism from the anti-branding movement of autonomous consumers in order to stay in business.

No other of the approaches includes two so opposing views, which makes Holt imply that a paradigm shift is underway as the conjunctures of consumer culture are changing, so is the role of marketing and hence also the branding techniques (Heding, Knudtzen, & Bjerre, 2009:222).

## Sub conclusion

Brands have moved from being a functional and controlled entity of a business to being a socially constructed symbol of cultural meaning. This is where Heding, Knutzen and Bjerre leave us, but what has happened since 2006? How are we to understand the duality of the brand as a socially constructed symbol of cultural meaning and how are we to deal with it from a brand management perspective? Branding today is no longer just a product-consumer relationship, it is increasingly more a company-stakeholder relationship (Merz, He, & Vargo, 2009).

The new reality of seeking to manage brand meaning in the co-creation with various stakeholder networks is only partly explained by the cultural theory of branding, hence what we have seen is a comeback to corporate branding, now with its second wave and its extension and more process-oriented *Enterprise branding* (Hatch & Schultz, 2009), and the general inside-out perspective as the strategy to handle this increased complexity surrounding global brands (Schultz, Antorini, & Csaba, 2005).

## DEALING WITH THE GLOBAL REALITY FROM THE POINT OF VIEW OF STRATEGIC COMMUNICATION AND BRANDING

In the following the thesis analyzes whether the global requirements to legitimacy of openness and goodness is recognized and acknowledged by recent theory about strategic branding, and how these theories recommend brand managers to deal with managing brand meaning in co-creation with stakeholders.

## Cultural branding

From our brief rundown of the genealogy of branding above, we got to the point of brands being a socially constructed symbol of cultural meaning. Thus Holt (2002) shares the social constructionionists' view that a brand's meaning is made up of the polysemy of voices and social practices surrounding it. However, Holt mainly focuses on consumers and their increased brand literacy as well as rising skepticism towards brands. By discussing the contradictions between consumer culture and the postmodern branding paradigm he lays out the conditions for how brands might be considered authentic and culturally meaningful in a post-post modern branding paradigm

In Holt's predictions of a new branding paradigm, the brand is a citizen-artist brand, a brand that can no longer hide the profit motive; hence all brands are knowingly in it for their commercial motivations. Hence the point is not to hide the profit motive by being ironic, disinterested or stealthy, because that is not longer perceived as trustworthy as the real intend and hence not perceived authentic. Instead authenticity is assessed in terms of the quality of the corporation behind the brand, in terms of the authentic intend (hence corporations must reveal their entire corporate 'body' to public scrunity) and their culturally relevant contribution as a resource for the identity projects of the groups and individuals within that given culture: "Consumers will look for brands to contribute directly to their identity projects by providing original and relevant culture materials with which to work" (Holt, 2002:87).

"Brands that create worlds that strike consumer's imaginations, that inspire and provoke and stimulate, that help them interpret the world that surrounds them, will earn kudos and profits." (:87). The latter quote really states the brand as a meaning-carrying symbol can help consumers make sense of the world as a meaningful whole. Holt further elaborates by saying it is the identity myth and stories of a product and brand that consumers really buy: "For iconic brands like Coke and Nike and Budweiser the brand's communications are the centre of customer value. Customers buy the product primarily to experience the stories that the brand performs. The product is simply a conduit through which customers get to experience the stories that the brand tells... The brand is a storied product". (:238)

So in Holt's terms brands should seek to offer original cultural materials, like any other artist while having an authentic intend. Brands 'dodging civic obligations' will be weeded out as "consumers peel away the brand veneer (:86) and discover behavior that does not link to how the brand offers a

culturally relevant interpretation of the world, thus it is paramount that brand identity links to company behavior: "Brands will be trusted to serve as cultural source materials when their sponsors have demonstrated that they shoulder civic responsibility as would a community pillar." (:88).

In summary, Holt defines the following requirements for success in his new post-post modern paradigm:

- Brand most be honest about its profit motive
- Brand most be an original and relevant cultural resource that helps consumers make sense of the world
- Brands most integrate the brand magic across the entire organization and be a good citizen

## Enterprise branding / Corporate branding

Hatch & Schultz, some of the most accredited theoreticians behind corporate branding, presented in 2009 their idea of 'enterprise branding' that goes a step further than the organizationally focused term of corporate branding by viewing the corporation as "... only a part of the enterprise it serves." (:118). With their term 'enterprise branding' Hatch & Schultz extend the scope of brand management to not just include consumers and employees, but in fact the entire enterprise, transforming the corporate brand from being: "... a tool of self-promotion into a symbol that focuses attention on what the company's stakeholders value and a set of actions expressing and realizing those values." (:118).

The big proposed shift in brand management is actually just a question of how much diversity of meaning the brand manager embraces as part of the brand expression. Product branding encountered diversity of meaning from consumers, corporate brand managers encountered diversity of meaning from employees and maybe the consumer, the enterprise brand manager is willing to embrace all stakeholders.

Hatch & Schultz hereby take the original thoughts of the 'identity approach' disembeds it from the perspective of the brand being owned by the organization and place it within the social constructionist perspective as a symbol made up by all stakeholders meanings: "... they (brands) are comprised of the meanings made by those who use their symbolism" (:118).

From the perspective of the brand manager, being able to best manage the symbolic meaning, involves: "... reaching into the deepest layers of a company's reason for being." (:118).

As the outset for managing enterprise brands, Hatch & Schultz recommend to place the organizational identity in the center of brand thinking. From here it is possible to go up and down in the organization to involve everyone from the top management to the workers on the production line, to look in and outside of the organization to learn what the diversity of meanings of stakeholders contain and to look at the past and the future of the organization to find answers in the heritage that matches future aspirations.

When a brand manager looks for articulated meanings outside of the organization in the images possessed by stakeholders, they might not all be flattering to the brand. But just like Holt (2002), Hatch & Schultz (2009) welcome the opportunity for brand managers to acknowledge that these critical brand meanings also contribute to the overall brand meaning, and that it actually might pay as inspiration and a warning system to as when the organization and brand is off track.

Inspired by Mead's notions that identity is dependent on social processes, they state that organizational identity is the conversation between the 'we' and the 'us'. 'Us' in terms of how people talk about us, their images about the brand, and 'We' in terms of what we as an organization, with the organizational culture etc. know to be true. This notion pays as a great rule of thumb in order to balance the identity conversion between what we think to be true and what others think is true about us. This balancing act helps avoid being either too narcissistic by thinking too highly about your self, or not too hyper-adaptive by only defining your self in terms of how others see you. Narcism and hyper-adaption has been central points of critique at the company/center focus and human/receiver focus respectively but through this ongoing identity conversation you ensure a healthy identity (Hatch & Schultz, 2009). In addition to seeking a healthy balance between organizational culture and stakeholder images, the strategic vision of the organization must also be added to the identity conversation. And while this again implies the organization to give up some control when it comes to defining vision and strategy, these most likely will not be a success anyway if employees are not motivated to execute them, and if external stakeholders do not understand or support them.

In Hatch & Schultz's terms, the best brand managers can do in the managing of symbolic meaning is to engage and give input to the meaning-making process together with internal and external stakeholders. Trying to control interpretation of the brand will only lead to failure in this digital age

by demotivated employees and critical stakeholders which is not fruitful for a healthy identity conversation. So even though companies today are demanding control and measurement, today's practice of brand management is the dynamic and ever-changing management of symbolism, which is inherently a two-way process, where the entire network of the organization and all its stakeholders all have somewhat equal share of ownership of the brand.

However opening up to enterprise branding as the management of the brand as a symbol will inevitably transform the organization: "... when working with brand symbolism, managers need to be aware that any real engagement with symbolic meaning is an entry point to organizational change." (:121). So the organization will have to embrace change even though most prefer stability. The question is if companies can afford to insist on being static and stable in a world that is anything but?

# PURPOSE-FRAMEWORK DISCUSSION AND FORMULATION

Based on the new global context, the derived new demands for legitimacy, the new symbolic role of brands, and inspired by the most recent context focused approaches to brand management. The following chapter discusses the basis for developing a contemporary framework to work strategically with branding along the lines of the principles of purpose-driven branding.

The framework is build on the why, what, who and how of branding as they are key elements of a branding paradigm according to Louro & Cunha (2001). The following section will be a discussion of how these approaches help provide a framework answering how strategic branding through adoption of the purpose-driven principles might perform as the legitimating process for global business.

#### WHY ARE WE DOING BRANDING?

The reason to do branding is to help make the world a meaningful place for its inhabitants. If brands can help the inhabitants of the world to make sense of their existence, the ultimate aim is basically peace, love and harmony.

If brands are found to authentically intend and contribute to make the world a better place, they will be granted legitimacy and license to operate in society, which is the essential precondition, before it makes any sense for any organization to start talking about any other operational discussions.

But this requires meaning production at the highest level in organizations. Throughout the theoretical analysis so far it has been argued that brands do not produce this meaning alone.

Hence it is a common denominator in the cultural and corporate school of branding that meaning is socially constructed in the interactions between participants in a social process. Hence the path to produce high-level meaningfulness is arguably best achieved through collaboration and co-creation of meaning between the organization and all of its stakeholders.

The objective from cultural branding is to produce brand expressions that are culturally relevant to consumers, so that they can make sense of the world surrounding them. The objective of corporate/enterprise branding is to be a symbol unifying disparate stakeholder groups in the pursuit of a common cause. What the practical literature on purpose-branding offers here, is a framework to define a common ground for an organization and all of its activities encapsulated in a higher-order goal that is the intersection of the brand talents, the needs of the world and stakeholder interest. With the objective to do good where your are capable of doing good and where the world needs it – purpose-driven branding provides a framework that integrates the objectives of producing cultural relevant material and unifying stakeholders around the brand.

The way to measure success is through assessing the 'value-in-use' of the various stakeholders (Merz, He, & Vargo, 2009). So even though most corporations would prefer a tangible quantitative figure, the value-in-use measure is always context dependent, because each and every stakeholder interaction with the brand is unique. The way to measure success is instead best done by qualitative measures, by talking and engaging in dialogue with all your stakeholders, e.g. employees, consumers, customers, partners, critics etc. you gain the best insights into how the brand meaning exists around your brand. Following this, the brand is not to value just for your company neither just your customers or employees, it has value to all stakeholders through the objectified symbolism. In cultural branding, consumers consume the cultural meaning storied in a brand or product, in enterprise branding, employees, customers, leadership, shareholders finds value in comprehending the complex enterprise there are engaged and interest in by way of the brand as

unifying symbol and guiding star. The purpose-driven branding frameworks propose to measure success in a similar way, namely by measuring brand value by how meaningful the use of the brand is to the individual stakeholder.

Whereas the cultural approach focuses mostly on consumers and critics, the enterprise approach focuses on every stakeholder all together. The practical literature on purpose-driven branding most generally adopts a multiple stakeholder perspective in the sense that they view the ultimate stakeholder to be the wider society, although with an explicit micro-level emphasis on employees, consumers and customers.

In synthesizing these, we argue to base the framework on the multiple stakeholder perspective, but recognizing the practical implications in adopting an all-encompassing stakeholder view.

#### WHAT IS THE CONCEPT OF THE BRAND?

From the cultural perspective the brand is considered a symbol. This means that the brand is representing a cultural meaning, which has been sedimented throughout history, hence the brand is a cultural artifact moving through history (Holt, 2002). Hence the brand is a storyteller making identity myths that consumers use for their collective identity projects. Hence a brand is a cultural resource. As the brand is storied it is hence also seen as socially constructed over time, influenced by the organization and their stories told in various brand expressions over time, as well as influenced by e.g. the critic voiced against it. What makes a brand meaningful however, is whether it is able to be culturally relevant at a particular place in time, and to what extend the brand is capable of matching a historical tension. So even though the cultural approach acknowledges the cultural context of a brand and the influence it has on brand meaning, the approach still enables the brand manager to write a good manuscript if he is well informed about the most relevant cultural context, and thus provide the consumers with a appropriate starting point for interpretation.

From the perspective of enterprise branding, the brand is also a dynamic symbol and socially constructed. Here the meaning creation of the brand goes beyond brand expressions, consumer resonance and critical voice, it sees brand meaning as co-created between all of the brand's stakeholders. The brand is a symbol, unifying the collective meanings about the brand as thus serve as a meaningful whole to a lot of diverse stakeholders. The brand is constantly changed through each and every social interaction between any stakeholder and the brand. The brand is dealt with by

balancing the identity conversation between organizational culture, strategic vision and stakeholder images. As such a strong brand identity is defined as one that succeeds to constantly balance the three. Organizations might legally own a brand, but the cultural and social meaning of the brand is co-created and determined by the accumulated discrete stakeholder meanings. While the organization can do a lot to stimulate the brand discourse, the ultimate creation of meaning happens between stakeholders sometimes without the involvement of the organization at all.

Purpose-driven branding sees the brand as a stand. A stand has a point-of-view a higher-order goal set as the aspiration for everything it think, says and does. Hence the brand is also a symbol, a symbol of a movement with a common cause defined in terms of a higher-order goal that is universally for the greater good of society in societal or spiritual terms. Besides looking to what the world needs, the outset for purpose-driven branding is not so much about putting the brand meaning up for discussion. Instead a purpose-brand provide meaning in universal terms by describing a reason for existence that is sought to solve the ills of the world and hence solve a collective problem that benefits all people on earth. By stating a goal that is universally meaningful, the idea is that the brand's purpose becomes the guiding principle for everything the organization and it's stakeholder does. As such the approach acknowledge the co-creation of the brand's existence, but the ultimate vision and higher-order goal for the brand is believed to be largely defined by brand management as they look at the companies heritage and organization talents and match this with a world need where the organization's talents seem to match largely what is required to help solve that need.

#### **Synthesis**

Hence in synthesizing the various concepts of brand, the cultural symbolism of brands seems to be a common denominator. Brand symbolism describes how people use the symbolic value imbued in a brand to help them comprehend, make sense of the world and feel composed. As discussed earlier, in an increasing fragmented and incredible world, the global consciousness of people is increasing tensions and anxieties between people. Brands that are able to counter fight this anxiety and provide the world with plausible explanations and justifications will be the ones that win our allegiance. Because we have a well-informed idea that what is concerning people is the humanitarian fragmentation on a macro cultural level, we do not see the need to be too cautious about defining core brand purpose or identity as the outset for a brand's existence. In order to exist as a brand in

the future, we concluded earlier, you need to be good by having genuine intend and authentic contributions as well being open to allow dissent and co-creation of brand meaning.

The concept of the brand in the new branding framework is hence to start from inside the organization by defining the big lines of your brand's purpose and identity and place it as the ethos and foundation for strategy.

We see the (re)formulation of a purposeful brand to be largely within the brand management control, and he can do a lot to ensure a healthy identity from day one, by acknowledging that the brand will be a social construct from day one and prepare accordingly. But even though the brand is socially constructed, brand managers still sit at the official site of the table. And even though the stakeholders nowadays do not give a damn about formalities, the organization will still have some advantages in stimulating brand meaning, like sender authority and touch points, and advertising budgets and frequency of brand expressions.

The thesis proposes that brands should be considered a vessel of meaningfulness defined in terms of having ambitions to make the world a better place together with the integration of stakeholders. Hence a brand is a universally meaningful and unifying symbol

## WHO IS HANDLING BRANDING?

One of the most critical success factors identified through the literature review was organizational-wide integration of the purpose philosophy. Who handles branding and how the organization structure for it, is hence a top priority in this new purpose-driven framework.

Thus, it is hardly a secret that this framework ideally would focus solely on organization-wide integration and responsibilities to be the conditions by default. However, combining academic theory with industry lay literature, the real world implications most be discussed. The reality often is, even in organizations with organization-wide brand orientation, that branding initiatives are performed from communication or marketing departments. Hence the aim is to synthesize a framework that provides the ideal principles for organizations, but also allows for modular implementation. This is also why, the cultural approach to branding still is a relevant theoretical resource for this thesis.

The cultural approach seems to acknowledge that most branding happens from the communication and marketing department together with creative agencies. Holt also talks mostly about brand expressions in terms of commercials and consumer-related advertising. He does not talk much about consistency in brand expressions; instead his focus is on brand managers to find a historical fit from where a cultural relevant myth can be created that states your brand as a relevant cultural resource at this particular place in time (Holt, 2002). During this historical fit with insightful and original cultural expressions overtime is what might earn you the status of an iconic brand like e.g. Coca-Cola. So where consistency is being replaced by reputation of crafting historic fits, Holt does not seem to care too much about have a core identity integrated across the entire organization. However he states that in the future a brand will have to still produce original cultural expressions, but also to be honest about profit motives and to be a responsible citizen towards its communities. While Holt vaguely stresses the need for a link between brand expression and an organization's responsibility, he does not seem to demand complete integration between the natures of the two. Hence it still remains a little unclear, how clear the conceptual link must be between a brand expression and brand purpose. And as such cultural branding could be run from marketing and communication departments without any particular problems.

If we look at enterprise branding (Hatch & Schultz, 2009) they generally hold the view that all stakeholders should be involved in handling branding. The identity conversation should involve all interested stakeholders, e.g. listening to employees and consumers before stating e.g. a strategic vision of your brand. In enterprise branding all departments should be aligned on the symbolism of the enterprise brand and get together often to feel a shared sense of the entire brand meaning. Enterprise branding will fail and the identity conversation get out of balance, if departments compete or operate in isolation from each other (Hatch & Schultz, 2009). Hence putting together cross divisional teams with managers from the internal communication, market research and sales, advertising, corporate communication and HR together to discuss how we as an organization adopt brand thinking can really lead to fruitful synergies and shared knowledge. Adopting organization-wide brand thinking is a matter of continuously asking questions to detect and close gaps between culture, vision and images: who we are? What do others say about us? Who do we want to be in the future? What will our stakeholders think about us along the way? And as briefly mentioned, enterprise branding warmly welcomes structures that besides research establishes ongoing dialogue with both employees, customers, shareholder, media and basically all stakeholders.

The practical literature on purpose-driven branding is somewhat divided on organization and structure. However, fundamentally, purpose-driven branding requires integration organization-wide, without the buy-in from top management and employees your purpose-brand will never succeed. However there seems to be an understanding that these purpose-projects are run by communication and marketing departments. As stated earlier this can indicate two things, either that purpose is only considered a communication and marketing tool, or that communication and marketing is taking up an increasingly more important strategic role in organizations.

No matter what, purpose-driven branding is a normative framework and hence purpose, ideally becomes the backbone of the entire business, everything it thinks, says and does. The formal alignment of how departments integrate purpose in their operations and ways of doing things, seem less rigor. This follows from the universality of a purpose. A good purpose is formulated as a universal, simple, human truth that is easily remembered because it is the obvious reason for your organization's existence. Hence the need to align and control becomes smaller, as there is plenty of room for employees and departments to interpret what the purpose means to them. Hence the most important in terms of handling branding, and organizing for it, is more about implementing the purpose as a sense of purposeful brand thinking in the organization and then nurturing it by making it come alive ongoing by integrating the sense of purpose in more and more activities and expressions flowing from the entire organization. Hence the inside-first approach of purpose-driven branding ensures a more gradually and modular implementation and organization around branding.

#### **Synthesis**

Proposing a new branding framework where purposeful brand thinking is implemented inside the organization first, small or large but ensuring buy-in from top management and employees. From here the organization can add on with integration, either starting with small activities in many departments or large initiative in individual departments or a combination. As long as the intend is grounded across the organization, then the organization can figure out how to implement it in all activities on the go. This is way more realistically and enables e.g. communication and marketing to get ahead without worrying that everyone needs to follow to the same degree before anyone can proceed.

A risk associated with the more gradually and modular implementation of purpose-branding is the risk of brand incoherence. For instance in the case that an investor is also a consumer and they receive two brand messages one with purpose, one without purpose. This is why the organization-wide 'intend' is crucial. The organization-wide intend ensures that every employee or representative of the organization know why the brand exists, this enables the individuals to explain the circumstance around an incoherence and feel empowered to bring this incoherence to the attention of his management or leadership. In this way the ongoing development of a purpose-brand and continuous integration are turning into a dialogue with all stakeholders of the enterprise. Then of course it becomes important to close the gaps that show up along the way, but the organization will be guided on which to close first.

Again of course, the ideal would be to re-launch a purposeful brand without any gaps, however, due to the social construction of a brand that is utopic. A brand is never constant and always in flux, so the best way to organize is to ensure authentically grounded intend and from there just embrace the chance to listen and to act.

#### **HOW IS BRAND MANAGEMENT PERFORMED?**

The cultural school of branding provided us with a good awareness of the doppelgänger nature of most global brands (Holt, 2002). Being capable of assessing macro level cultural tensions both as input for producing relevant identity myths for your consumers, but also to be alert and aware of the anti-brand activist and their legitimacy claims towards your brand and organization, is truly useful input for brand management in a global context. As we learned, brand management within cultural branding is about unearthing an ideological opportunity to be an original artist that provides relevant cultural meaning that resonates with your consumer. Hence the skillset to look for suppressed or tacit ideological opportunities can really be the basis for developing powerful purposes. Cultural branding here provides us with good second guessing as it addresses collective cultural needs within sub-cultures whereas purpose-branding wants us to address world needs as a whole. To what extend does a need then qualify as the foundation for a branding strategy in the contemporary framework?

The key tasks of brand management within cultural branding are to produce identity myths for its consumers to have a cultural and historic contextual fit (Holt, 2002). Hence, how a brand expresses it self varies at different points in history. Still the brand might have a reputation for producing certain kinds of myths using certain kinds of notions and this genealogy of the brand should be used to determine which cultural topics and angles the brand has the cultural and political authority to perform.

In enterprise branding brand management is done as brand managers engage in the ongoing identity conversation between internal and external stakeholders. This includes looking for gaps between the organizational identity, the organizational culture, stakeholder images and strategic vision. Although enterprise branding highly encounters all stakeholder meanings, it does not mean that the organization it self cannot produce official messages and activities. These should be done in any departments but aligned to the organization identity. Hence official expressions of the brand is still a high priority and necessity to stimulate the brand's meaning, however the primary goal with these expressions are to empower employees to interpret their own understanding up the brand, so they feel empowered rather than forced to 'live the brand' (Schultz, Antorini, & Csaba, Corporate Branding: Purpose/People/Process, 2005). Brand management within enterprise branding is hence a combination of communicating to stimulate brand thinking, but just as importantly the alignment of the organizational identity through involvement and dialogue with all stakeholders.

The ideas behind purpose-driven branding focus mainly on unearthing the organizational purpose. Why does a brand or its company exist? Hence brand management in purpose-branding starts with a thorough process to unearth the answer to this question. When the purpose is unearthed it is important that it is formulated and illustrated in a powerful way e.g. film, internal launch, reformulation of culture, values, mission, vision, strategies, tactics etc. This is the key step in purpose-driven branding – if the purpose-driven philosophy does not stick as a universal truth that energizes and lifts an organization, you probably have not found that right one or not brought it to life in the right way. Hence a lot of time and effort for a purpose-driven brand manager is devoted to the process of unearthing and articulating the purpose. When a purpose is successfully formulated and have secured the intentional buy-in from top-management and employees its all about walking the talk. Hence the sense of purpose, much like brand thinking, needs to be brought to life in the entire organization. This could be done by having internal events and initiatives that

support the sense of purpose, changing suppliers if they do not correspond with the intention of the purpose, or to make changes at consumer touch points if these do not live up to the purpose. Hence purpose becomes the guiding star for everything and organization thinks, says and does.

#### **Synthesis**

Synthesizing the ideas on how brand management is best conducted in contemporary society, the new framework believes that insights into macro level cultural tensions around the globe is the outset for being a meaningful brand within it. A brand must provide a cultural value that solves anxieties in a world getting more and more depressed. Brands must be a cultural force of good. Hence brand management is about producing meaningful brand symbolism. This symbolism might be in the form of powerful advertising, emphatic sponsorships, life quality enhancing innovations, sustainable sourcing, or whatever. The thing is, to be considered meaningful and to gain all the benefits of being a purposeful brand you must really mean it, there is no other way, if good intensions are not implemented across the organization of the brand, it makes no sense to start contributing good. This will immediately be perceived as inauthentic and your brand will loose its legitimacy.

Hence the primary job of brand management in the new framework is to unearth a powerful purpose that ensures organizational buy-in. From there you activate purpose across the entire enterprise with an open and agile mindset to handle all the input from stakeholders which you keep nurturing by listening and involving them in your activities.

## THE NEW PURPOSE-BRANDING FRAMEWORK

Below the new purpose-branding framework is summarized based on the theoretical discussions above. First the framework states the global context and its implications for contemporary conditions for being assigned legitimacy. The context serve as the natural outset for the conceptualization of purpose-driven branding explained by asking why, what and who. Finally the practical approach of how to work strategically with branding is explained in a four-step model. Together the context, conceptualization and practices of purpose-branding forms a theoretical and managerial framework enabling leverage of the legitimating potential of the purpose-driven philosophy to revitalize brands by helping them redeem trust and legitimacy among stakeholders.

## **CONTEXT**

## Globalization:

- Post national: Business expected to solve societal problems
- Interconnected world (Global consciousness of anxiety)
- Empowered stakeholder networks

## Legitimacy conditions:

- Moral evaluation: Consequences, practices, structures and leaders
- Communicative nature: Open, deliberate and allowing dissent

## WHY

#### **Objectives:**

- To make brands meaningful symbols energizing and unifying stakeholders to make the world a better place
- Ensure legitimacy and license to operate

#### Performance measure:

- Meaningful value-in-use for all stakeholders

## **WHAT**

#### Concept:

- Brand as a universally meaningful and
- unifying symbol

   Defined in terms of a higherorder goal beyond profit
- Define purpose and identity
- 3<sup>rd</sup> layer of meaning: Societal/spiritual
- Intend + contribution + openness
- Backbone of strategy

## WHO

## Organizing/structure:

- Communication and marketing de partments evt. w. consultants
  Top management and leadership buy-
- in and strategy alignment
- Employee buy-in
- Cross-disciplinary execution
- Involvement of external stakeholders

## Key steps

## **HOW**

## Key tasks

1. Unearth purpose



Define interscetion between: Brand talent, world need and stakeholder

2. Articulate purpose narrative



Seek illumination of unique intersection Bring the purpose narrative to life in a powerful way

3. Activate purpose



Start activating purpose by: International anchorage, international transformination and start walking the talk at exte touch points

4. Nurture purpose



Listen, communicate and in internal and external stakeholders and create a lasting legacy

## **EMPIRICAL ANALYSIS**

With the framework now established, our presupposed knowledge is now made explicit and hence able to guide further analysis. Rooted in theory and by applying Burawoy's (1998) reflexive principles this thesis looks for refutations and anomalies in illustrative cases from Pågen, Coca-Cola and Procter & Gamble to further extend our knowledge of purpose-driven branding. This is done through intervention in the social context of the brands under investigation virtually and historically as described in the methodology chapter, processing and reduction of information, and through structuration with regards to the dimensions from the framework.

## FINDINGS: PRIMARY CASE STUDY PÅGEN

What is purpose branding at Pågen?

## Baking with love is the atmosphere at Pågen

At Pågen, the phrase "Baking with love" is used as the headline for the company's values.

Originally the phrase was first used as a payoff in a tv-commercial but it resonated so well with the entire organization, so the phrase today describes the everyday actions of any employees, whether it is baker, actually baking or if its in IT, the sales representatives or any other function, they all bake with love and so it has come to describe the atmosphere and the reason behind decisions in every day life: "It's a precondition for everything you do... its kind of the atmosphere in everything you do. That's your values... its not explicitly connected to strategic priority or direction" (1. 331-332). And thus, Furhauge describes it more as an organizational value concept than a strategy. His use of the term "atmosphere" seems to encapsulate the primary function of the purpose-phrase in Pågen, as he argues that baking with love is not special or unique, but the way it is lived in Pågen makes it a transformational source: "... its not special... but to live it like we do it, I think is special." (1. 371-375). Furhauge saw this atmosphere being used very concrete by various employees answering, justifying and explaining their decisions with regards to "baking with love", e.g. why Pågen is shifting to use cage-free eggs instead of battery-cage eggs (1. 340), why Pågen takes care of their employees (l. 341), why Pågen do CSR etc. By making "baking with love" the explicit headline of the organization's values Furhauge also witnessed the general atmosphere improving: "... my experience, and I hear it from many, it that the... atmosphere in Pågen has improved very much the last couple of years, and I think the focus on Baking with love has something to do with that... I think... people are more... open-minded, more happy and smiling, you hear people laugh much more..." (1. 347-351). According to Furhauge, people want to work for something bigger than e.g. being the largest growing brewery in the world (reference to Carlsberg's previous mission) in his terms purpose is: "... having a higher, higher purpose of doing things you do, than just... earning money, reaching your market share of profitability targets. Purpose is the mission, maybe its even more..." (1.705-707) and hence baking with love seem to work as a higher purpose giving a plausible explanation to the everyday work at Pågen.

Baking with love as the purpose-phrase is the headline of Pågen's values first of all, but Furhauge states that even though baking with love is not explicit in the mission, vision and strategies, it is there implicitly: "vision, that's more about producing fresh bakery products for every occasion and so on so its not so much purpose about that. Its more implicit it has an influence on everything we do" (l. 499-501). He further states that being too explicit about purpose and using it too much is maybe not the best way: "... sometimes is much more, much stronger to communicate something implicit that explicit. I am good. Yeah, show it to me instead. So we would rather show that we bake with love, than to communicate that we bake with love." (l. 1137-1139).

## What makes baking with love meaningful as a purpose-concept?

According to Furhauge, Baking with love was actually already being lived by employees before it was put up as the headline for the values: "We lived it already before the headline, but putting it up fueled the behavior." (1. 909) hence all he did was putting a headline on how people actually already worked together for the last 130 years and that made a big difference. Beside the fact that employees could instantly recognize the headline as a universal truth in the organization, it was simply "... a good headline... for a company, who produces bread for everyday." (1. 910-911). In that way it is a good headline because it tells that Pågen is a bakery, according to Furhauge purpose is like Maslow's hierarchy of needs, you need a good product before you can have higher aspirations: "...its important [purpose] and its giving you higher purpose and can make you a world brand, but if you have shitty products it wouldn't work." (851-853). Furhauge states that the "what" of the business (bakery+bread) is the precondition for having a purpose that works: "The foundation is that your products should somehow connect to the purpose..." (1. 878-879). And that it needs to be honest: "If it is not honest forget about it... In all parts of the company we are actually baking with love, and that makes it solid." (1. 890-891).

Hence according to Furhauge a good purpose is something that connects to your products and how you actually work as an organization.

Why of purpose branding at Pågen?

## Alignment, pride and firewall

Our findings above indicate that the primary reason for talking about baking with love, is to align and motivate employees. And actually Pågen has experienced that using baking with love as the headline for the organizational values has overcome the typical challenge of having generic values, that no one uses or actually understand what they are suppose to mean.

Furhauge saw that people could not remember the existing values, and that people increasingly used baking with love as their value foundation. Hence after a two years as CEO, Furhauge made the decision to replace the old values commercial and effective (Furhauge could not remember the remaining) with one phrase: Baking with love.

According to an employee investigation from March 2016, 90 of Pågen's employees, across countries and departments, answered "definitely" that they know Pågen's strategies and values (refence). According to Furhauge this is way above Pågen's own benchmark and previous performances and a lot higher than other companies in Sweden.

While it seems obvious to our findings above that baking with love aligns and motivates employees at Pågen, why else is Pågen adopting the thoughts of purpose?

Furhauge indicates that the bigger you are as a company, the more humble, open, honest and communicative you should be (l. 766-769) and taking responsibility is the precondition for a company's existence (l. 644). Hence besides being a demand from employees and a strategic leadership tool to align and motivate, being humble, open, honest and communicative is also a general demand facing big companies. Hence Pågen applies baking with love as the theme for their CSR activities as well. According to Furhauge it works well in terms of disarming critical issues from the outside: "Externally there has been none..." (l. 555) but Pågen does CSR anyway, to prevent critical issues to surface but also because of the internal value the initiatives have in underpinning the meaningfulness of Pågen as a big company not just existing to earn money.

How is purpose branding done at Pågen?

Baking with love, implicit foundation and explicit storytelling

Following the what and why of purpose-driven branding in Pågen, it is evident that baking with love is primarily an organizational culture concept that helps align employees and guide organizational behavior, all from justifications of everyday decisions to informing leadership strategies. Besides that, baking with love is explicitly used as the conceptual frame for the company's CSR initiatives and sometimes used as the payoff on POS materials and packaging. Interestingly, baking with love is according to Furhauge not sufficiently incorporated into the marketing efforts: "... I actually think that some of our tv commercials have too little baking with love" (1. 1203-1204).

At Pågen, the explicit use of baking with love is spearheaded from the communication and hr department run by Boel Lagerwall. A Swedish woman and mom representing baking with love in her very personality and looks. As Furhauge states it: "She communicates baking with love in her way of being" (1. 524). Externally, the CSR communication is where baking with love is used most explicitly. Pågen gives food to refugees, take care of farmers, sponsors employee communities like local sports clubs etc. (Pågen, 2016) reduces energy consumption and waste, all of this because Pågen bakes with love. Internally, baking with love is formulated in a yearly communications plan with small pop-up events like the monthly baking with love employee, release of movies showing how various employees bake with love, employee party themed with baking with love, posters shaped like a heart, articles about this etc.

Overall it seems that Pågen has taking a storytelling approach to nurture and keep baking with love alive in the organization, and especially the development of baking with love-movies seem to have played a central role. A series of movies were produced a head of the roadshow together with Copenhagen-based advertising agency Adtomic. The movies told different stories of the employees staging what it meant to bake with love. The movies were produced ahead of the first roadshows in 2014 - a tour that the management team goes on across countries to present the strategy and to launch the new value headline: Baking with love. Three of the movies were shown without introduction as 'breakers' during the management presentation of strategy, mission, vision and values. When Furhauge finally made it to talk about values, he showed the old values, which no one used and said that from now on "baking with love" describes our values, and you have just seen what baking with love means for different employees. The response was extremely positive: "... people were crying and clapping their hands, it was very emotional..." (1. 407-408). Following the

roadshow, a new movie was released each month for 1,5 year to keep the storytelling alive and nurturing the internal culture.

#### Sub conclusion

In Pågen it was found that baking with love is used as the headline for the organizational values, providing the implicit foundation for every action and decision carried out by members of the organization. It serves as a plausible explanation to the why of the organization and its interpretation scope is wide enough to incorporate and align all members of the organization resulting in a record high 90 of employees definitely knowing Pågen's strategy and values. According to Furhauge it has strongly improved the atmosphere in the organization with more smiles, happiness and hugs. Baking with love is explicitly used as the theme for internal communication and CSR initiatives. So far Pågen has avoided harmful critic and has for the first time in five years presented a positive profit margin.

Interestingly, baking with love is not as such guiding marketing efforts, although it is used as the pay-off on POS materials and packaging.

#### FINDINGS: SECONDARY CASE STUDIES

The study of P&G and Cola-Cola is based on material selected upon their relevance in extending our knowledge of purpose-driven branding in practice. These sources includes materials produced by the organization it self, e.g. annual reports, website content and communication campaigns; articles, book passages and the like where the organizations' practices are discussed, reviewed or presented.

## P&G

## About the organization:

Procter & Gamble, the home consumer good global conglomerate number 1. Also the world's largest advertising and home to world-renown products brands like Pampers, Ajax and Always just to name a few.

P&G has been identified as one of the most mentioned companies in the practical literature and serve as a stellar example of a global corporations with global brands, and especially P&G's brand

architecture and how purpose is applied to a house of brands (Olins, 2008) with a well-know corporate brand, provides additional knowledge to the field.

What is purpose branding at P&G?

## Link purpose to product benefits

P&G is a largely consumer-focused company. This might be somewhat self-evident due to the fact that the business produces tangible and everyday products for everyday life, hence it is no wonder that consumer benefits are the central point in their work with purpose-driven branding.

P&G and its corporate brand apply an explicit formulation of their corporate brand purpose by using the tagline: "Touching lives. Improving life" in combination with the P&G logo and is further elaborated on their website with: "Making your day better, in small but meaningful ways... we see big potential in life's little moments..." from there the text goes on by exemplifying what life's little moments could be, like cleaning the house, brushing teeth or caring for the baby.

Besides the corporate branding tagline and the accompanying text on the website, P&G's approach to purpose-driven branding has been widely covered through the last 5-10 years in practical literature. As an organization traditionally organized around the marketing of product brands. Marketing to consumers has been the overarching activity at P&G. Hence the conceptualization of purpose is highly influenced by a marketing perspective.

Around 2010, CMO at P&G, Marc Pritchard started describing a fundamental shift in P&G's approach from marketing to serving: "We need to shift from marketing to consumers to servicing people with our brands and to making their lives better." (Precourt, 2010).

According to Pritchard the purpose should be directly linked to the benefits of product brands and how these benefits make everyday life better: "We need to change the definition of why brands exist - to focus on how their product benefits can change and improve the lives of our consumers. "It's the soul of the brand and it's our core benefit. And when people buy into a benefit, they will buy into a purpose." (Precourt, 2010). In other words, purpose should be defined in terms of product brands' benefits in everyday life to the consumer, leaving the corporate brand and tagline as the universal umbrella.

Why purpose branding at P&G?

Positive contribution to a common cause and growth – Trust a key currency

Looking at P&G's website we find three key take outs that explains why P&G adhere to and adopts purpose: improvement of consumers' lives, growth and employee inspiration:

"Our Purpose unifies us in a common cause and growth strategy of improving more consumers' lives in small but meaningful ways each day. It inspires P&G people to make a positive contribution every day." (Procter & Gamble, 2016).

Pritchard states that trust: "... is becoming a key currency." (Precourt, 2010), Hence indicating that purpose-driven branding in terms of sharing openly the values, what a company care about and how it seeks to make life better for its consumers is key to be trusted as a company, which is a key currency in the current marketplace. In the same article Pritchard credits the chairman, president and CEO of P&G, Bob McDonald for placing purpose at the center of P&G's growth strategy, while also claiming that purpose works as a growth strategy explaining that despite the recession P&G have consistently grown sales and its customer base to now almost five billion people (Procter & Gamble, 2016).

Hence for P&G purpose is seen as needed to redeem trust, as a vehicle of financial growth and to inspire employees.

## How purpose branding is done at P&G

## Purpose flows through product brands under a corporate purpose umbrella

As indicated above, P&G is famously known for building strong product brands first of all. Hence P&G's approach to purpose goes primarily through their individual brand management of product brands. One example of purpose-branding on a product-brand level is seen from Always, the hygienic pads brand, and their recent campaign "Like a girl". A opinionated campaign fighting the gender-stereo typing of what it conventionally means to "do something like a girl" turning the linguistic convention on its head by empowering girls to rearticulate what it means to do something like a girl. The campaign was a great success and a stellar example of how to connect the product benefit of liberation and empowerment to P&G's overall purpose of touching lives and improving life. On a corporate branding level, P&G is one of the main sponsor of the Olympic Games, a sponsorship activated e.g. by the campaign: "Proud Sponsors of Moms", a series of movies showing the indispensable role of moms in bringing up the worlds Olympic athletes.

In more organizational terms, purpose is placed along side with values and principles as the building blocks forming the organizational culture at P&G. Especially the purpose of improving lives is consistently used in describing all sub areas of who P&G is as an organization.

## Coca-Cola

## About the organization:

The Coca-Cola Company owns more than 500 bevarages brands and is the world largest beverage company with a net operating profit of USD 44.3 billion in 2015 (The Coca-Cola Company, 2016). The company employees more than 700.000 people and their products are sold in more than 200 countries. The company is headquartered in Atlanta, Georgia in the USA, where John S. Pemberton in 1886 created Coca-Cola to counterfight headache. The flagship product brand is "Coca-Cola" or "Coke", but registered trademarks for the same product. For many years, Coca-Cola was considered the world's number one brand, and today it still keeps a third place in branding agency Interbrand's rankings of the world's most valuable brands (Interbrand, 2015).

Coca-Cola has a strong heritage of brand communication and has consistently been one of the symbols of American superiority for about 100 years.

What is purpose branding at Coca-Cola?

## Purposefulness in the DNA

Coca-Cola adopts the notion of purpose as part of their mission statement "To refresh the world... to inspire moments of optimism and happiness... to create value and make a difference." (The Coca-Cola Company, 2016). The mission statement is described as the standard to which the company weights all their actions and decisions. In Coca-Cola's presentation of vision, culture, values, focus, and working behavior no direct mentioning of the wordings from the mission statement are used directly. The closing remark however, a section with the headline: "Be the brand" encourages organizational members to "Inspire creativity, passion, optimism and fun". Former VP of Global Advertising and creative excellence at Coca-Cola, Jonathan Mildenhall talked about the challenge to channel purpose through everything the organization does: "The challenge for all of us is to channel that purpose through every aspect of the organization, so that consumers can see it in the communication" (Zmuda, 2012) thereby indicating the desire but also difficulty of making purpose apparent in the entire organization. However looking through the history of Coca-Cola, a lot of things indicate that purpose has been top of minds since day one. From the mission to cure headaches and refresh Americans with a harmless temperance drink to the mission of refreshing the entire world and inspire moments of happiness, seems to be a rather significant consistency of purposefulness.

In relation to the 2015 Annual Review of the company, CEO Muthar Kent acknowledge the core of the relationship Coke has with its consumers: "[consumers] turn to us for simple refreshment, uplift and togetherness..." (The Coca-Cola Company, 2016).

Why purpose branding at Coca-Cola?

## Roadmap for winning

The purpose is presented as the enduring standard "... against which we weight our actions and decisions." (The Coca-Cola Company, 2016), hence purpose functions a guiding standard of all organizational decisions.

Purpose initiates the "roadmap" for winning, which is followed by vision, culture, values and winning behaviors. The vision defined in terms of achieving sustainable and quality growth. Hence purpose is stated as part of the mission statement, enduring everyday actions that should guide behavior. Hence it is not stated as and end goal, instead the 2020 vision is more predominantly articulated as the explicit focus of the company e.g. in preamble to "Our Winning Culture" it says: "Our winning culture defines attitudes and behaviors that will be required of us to make our 2020 Vision a reality." (The Coca-Cola Company, 2016).

How purpose branding is done at Coca-Cola?

## Iconic brand communication

Coca-Cola has a strong tradition of advertising. Today, the company has 20 billion dollar brands among these Diet Coke, Sprite and Fanta and hence the company like P&G has a strong history of product brand management. However the product brand of Coca-Cola has served as the flagship vehicle for bringing the purpose of the company to life in brand communications, hence working as both the corporate and flagship product brand.

For as long as Coca-Cola have existed they have mastered the art of brand communication.

Coca-Cola's first advertisement was made the founding year of 1886 and had the slogan of "Delicious and refreshing" (The Coca-Cola Company, 2016) (c.) as was consistently used until 1920. The functional aspect of refreshment were used in one form or another until 1971 where "I'd like to buy the world a Coke" created by Bill Backer, from Coca-Cola's lead agency at that time, McCann-Eriksson, after he noted a night in a hotel bar how people got together over a Coke in a small moment of pleasure, sharing happiness. The ad struck a cord right in the societal tension after years of war in Vietnam and racial tensions in USA and staged Coca-Cola as a symbol gathering

people across divergent cultures and interests in peace and harmony. (The Coca-Cola Company, 2016) (d). In 2009, "Open Happiness" explicated Coca-Cola as a symbol of happiness e.g. in the form of the animated vendor machine ad, where we follow how a bottle of Coke is filled with refreshment and kissed with love and fun before it drops out of the mashine and into the hands of the consumer. "Open happiness" explicated the purpose of inspiring optimism and happiness up until this year, where Coca-Cola introduced their one-brand strategy "Taste the feeling", gathering the brand identities of Diet, Zero and Life under the red and white Coca-Cola visual identity. With "Taste the feeling" Coca-Cola is turning away from explicating their purpose directly in their brand communication. Instead Coca-Cola wants to focus on the simple pleasure of drinking any Coke and how it makes everyday moments more special (Moye, 2016).

Besides famous advertising, Coca-Cola has embarked on a series of initiatives internally as well as externally that reflects their purpose. They gather the efforts under a sustainability framework focusing on three key areas: water, women and wellbeing. Most of the activities can be regarded as regular CSR initiatives without a direct link to the purpose, like human & workplace rights, water and environmental stewardship. General community philanthropy has the headline of "Refreshing our communities" but the actual actions are not specified as an extension of the purpose. The domain of well-being is described as "Working to inspire happier, healthier lives." (The Coca-Cola Company, 2016). Here we see an explicit link to the purpose of inspiration and happiness in that the activities are about inspiring a happier life. However, the health aspect, e.g. fighting obesity has met a lot of critism and a deemed a misfit between the brand 'talent' of a sugary beverages and the 'world need' of obese children, a problem highly related to the increased consumption of sugared bevarages.

In sum Coca-Cola's use purpose as a guiding standard to which actions and decisions are made. Besides that, purpose has primarily been channeled through the brand communication and activations.

# DISCUSSION AND RECONSTRUCTION OF FRAMEWORK

Throughout the analysis largely none of the bearing principles of purpose branding was refused although all three cases applied purpose branding in various ways. The important outcome of the case studies were that some dimensions was highlighted as particularly important, something that the framework so far had not fully identified. Hence the following findings from the case studies informs and expands our framework as they shed a clear light on some of the most crucial dimensions of purpose branding.

#### PRODUCTS SURPRISINGLY IMPORTANT IN MAKING GOOD PURPOSES

When discussing what constitutes a meaningful purpose earlier on in this thesis, brand talent was highlighted as one of the three areas together with world need and stakeholder interests. When defining brand talent a special emphasis was put on investigating the genealogy of the corporation to identify e.g. the founding vision for the company, a unique culture or specific skills or capabilities. Products are arguably often part of a founding vision or specific skill set, however from our case studies it seems like the framework so far has under valued the importance of products in crafting a meaningful and powerful purpose.

Furhauge uses the analogy of Maslow's hierarchy of needs to emphasize the importance of product before its even relevant to talk higher aspirations and purpose: ""...its important [purpose] and its giving you higher purpose and can make you a world brand, but if you have shitty products it wouldn't work." (1. 851-853) and he continues: "The foundation is that your products should somehow connect to the purpose..." (1. 878-879).

Also at P&G products and product benefits are at the core of purpose: ""We need to change the definition of why brands exist - to focus on how their product benefits can change and improve the lives of our consumers. "It's the soul of the brand and it's our core benefit. And when people buy into a benefit, they will buy into a purpose." (Precourt, 2010).

In both cases, the rationale seems to be, that you cannot contribute or proclaim a higher order purpose, if it has nothing to do with your core of your company – your products. Products are the main output from many companies and hence their key contribution to society. If products are not somehow part of the purpose definition, then the purpose will not appear fundamental to the business and hence not perceived as a genuine intend governing everything the organization thinks, says and does.

#### STORYTELLING - THE DECISIVE FACTOR FOR INTERNAL USE OF PURPOSE

At Pågen, purpose branding is actually merely an internal endeavor, as the purpose phrase "Baking with love" is primarily used as the headline for the corporate values. In the case of Pågen, the use of internal storytelling seems to have been the decisive point. "Baking with love" already existed in the organization and in some marketing campaigns, long before Furhauge initiated the reformulation of values. But it was not lived before it was brought to life through the use of bottom-up storytelling in a series of films featuring normal employees and their personal stories of how they baked with love. Marking the strategic shift with a powerful film, illustrating and bringing the purpose phrase to life in a universal and truthful way ignited a special atmosphere in Pågen, described by Furhauge as people being more "...open-minded, more happy and smiling, you hear people laugh much more..." (1. 347-351). Since the first movie was shown in 2014 "Baking with love" has been the storytelling theme for communication and hr and today 90 of all employees at Pågen, globally, say they definitely know Pågen's values which is way above benchmark and the average in Swedish companies, according to Furhauge. Further insights into the importance of storytelling in bringing brand purposes to life would be an obvious topic for future research.

#### NURTURE PURPOSE THROUGH BRAND COMMUNICATION

A central point of discussion in developing a contemporary framework for branding has been the degree of agency of the brand. In a digital world the brand exists as a symbol in the brand discourse existing between the stakeholders interested in the brand, the brand manifestations and the brand meaning (Mühlbacher & Hemetsberger, 2008). Some argue the complete loss of brand management control of the brand meaning process, but when looking at the case of Coca-Cola, they show how some degree of control can still be exerted through crafting clever brand manifestations. Looking at how Coca-Cola has historically crafted powerful advertising campaigns, it is remarkably how they have made one iconic ad after another setting the stage for how brand interest groups should interpret the brand meaning. Acknowledging the pressure from various NGOs on Coca-Cola to reduce the sugar content in its products, and despite the somewhat mundane industry of beverages, Coca-Cola still ranges among the biggest brands in the world, ranging number three on Interbrand's Best Global Brands, only surpassed by Apple and Google (Interbrand, 2015). With iconic campaigns like "I'd like to buy the world a Coke", "Open Happiness" and recently "Taste the feeling", Coca-Cola serves as a stellar case example on how to nurture your purpose through brand

communication, making it relevant and appropriate in accordance the ruling Zeitgeist without being inconsistent with your heritage.

In a final note, and in relation to product emphasis in the case of Pågen and P&G, it is interesting to note that Coca-Cola in their latest global brand campaign: "Taste the feeling" from 2015 has returned to product focus both regarding visual style and tonality.

#### **SUB CONCLUSION**

In the cases of Pågen, P&G and Coca-Cola, the purpose branding concepts have been closely related to the product and industrial talent of the brand. This helps define purpose branding even stronger versus similar terms of cause marketing and CSR which are based on global consensus around the themes of e.g. fighting poverty, climate change, reducing pollution and water waste etc. When defining your purpose and the 3<sup>rd</sup> layer of meaning in societal and/or spiritual terms it must be done in relation to how products directly or indirectly render the achievement of the higher order goal probable. By keeping your purpose close to the functional and emotional benefits of your product, your purpose appears more honest, relevant, trustworthy, authentic and meaningful because of the conceptual link between product talent and your purpose.

## CONCLUSION

#### **Development**

The concept of purpose has evolved from being a tacit ingredient in successful organizations to become a conceptualized term in the field of strategy, management and marketing communications. Today the term is well alive in all three fields as evident from the practical literature written on the subject.

#### Thesis contribution

The purpose-driven branding framework enables the organizations behind global brands to deal with the legitimacy issues facing them in today's fragmented, open and turbulent world.

By combining the practical literature from strategy, management and marketing communications in particular with recent academic theory on how to manage global brands in a networked and

empowered society, this thesis has assessed the potential of purpose-driven branding as a strategic communications strategy to redeem lost legitimacy in global brands and the institution of for-profit businesses.

By managing brands as universally meaningful symbols for all stakeholders in a meaningful and authentic way, this thesis concludes that purpose-driven branding is a framework capable of transforming businesses and brands into morally good and communicable organizations leading the way to be assigned legitimacy by stakeholders in today's society.

#### Applying purpose-driven branding

Purpose-driven branding is a concept that can cover individual or collective strategic communication disciplines and has the goal of gaining legitimacy through authentically stating a higher order goal of the brand beyond profits.

Purpose-driven branding can thus be applied as internal/hr communication programs, as marketing communication campaigns or as a corporate branding program integrating business strategy, corporate communication, hr communication and marketing communication all together.

No matter the scope of application, purpose-driven branding covers the process of unearthing, articulating, activating and nurturing the reason behind the brand's existence (corporate or product brand) as a higher order goal in terms of societal or spiritual meaning in and around the brand.

A successful adoption of the principles of purpose-driven branding requires the purpose to be a meaningful intersection of the brand's talent, the world's need and stakeholder interest, authentically intended by its organization, contributed through coherent actions and negotiated openly between internal and external stakeholders.

Because of these high demands, purpose-driven branding is best adopted as a process-oriented brand management practice, with shared responsibility and implementation of brand thinking across the entire organization. Only through genuine intend and coherent contributions is purpose fully perceived as authentic by stakeholders.

#### Benefits

When applied successfully, purpose-driven branding gives your brand a higher-order of meaning which energizes everyone in and around your organization, which can lead to great reputational and economic success:

- Employees are aligned, motivated, guided, retained and future ones are attracted

- Leadership is guided and helped with organizational alignment
- Shareholders earn money while doing good
- Consumers feel good and part of the higher-order meaning when consuming or supporting the brand
- Customers benefit from the increased consumer value and aligns with your higher-order goal
- Society finds you a good and open citizen thus assigning your organization legitimacy and license to operate.

#### **Risks**

#### Asking for trouble

Purpose-driven branding is best applied with organization-wide integration. In reality however, this can be hard to achieve, especially when applied to product brands in organizations with house of brands. No matter what integrating purpose-driven branding will always be a process and stating yourself as a messiah will inevitably involve accusations of hypocrisy and inauthenticity as all your intentions and actions can never be fully aligned all across the organization. Hence there is a need for being open and communicable by default, to allow for dissent and consistently work on closing gaps between intend and contribution.

#### Too abstract

Another risk is to unearth a too abstract purpose. The best way is to search for a universal truth residing in the organization and matching it with a relevant world need. But because the purpose needs to be meaningful to so many different stakeholders across influence levels, interests and cultures, it risks being defined too abstract, either too vague or too high-flying and thus loosing its integrative and guiding force.

### PERSPECTIVES FOR PURPOSE-DRIVEN BRANDING

Purpose-driven branding is a never-ending, an organizational-wide and all encompassing endeavor that requires absolute commitment by an organization to be applied in the best way. In reality it is more likely that committing to purpose-driven branding will evolve gradually over the course of years. With the thoughts of aspirational talk in mind, this thesis claims that starting the process is the decisive point for global brands in 21<sup>st</sup> century. FMCG companies such as Pågen and giants as P&G and Coca-Cola has started the journey, and not even the these corporations with the biggest budgets are, despite years of commitment fully aligned in the actions and brand expressions.

Purpose-driven branding is a proposed framework enabling for-profit companies to get back on track according to the societal narrative being told. In a world with a global consciousness, people are demanding more meaning to come from global corporations and brands, otherwise they will not be assigned legitimacy and license to operate. Purpose-driven branding allows companies to still be for-profit but requires an organizational transformation to state the deeper meaning for their existence not in the terms of profit maximization, although that should still be the means, but in terms of a higher-order societal or spiritual goal. By merging the socially responsible narrative with the capitalistic narrative, purpose-driven branding provides a new grand narrative for the global society, building on the mechanism of capitalism but with the humanitarian aim of doing good. This enables global brands and business to redeem trust and legitimacy and be a powerful force of good for society as a whole.

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## **Appendices**

#### APPENDIX A: COCA-COLA TASTE THE FEELING AD



Retrieved August  $10^{th}$  2016 from: http://adage.com/article/cmo-strategy/coke-debuts-taste-feeling-campaign-strategic-shift/302184/

APPENDIX B: PURPOSE-FRAMEWORK SYNTHESIS TABLES

New global context	New legitimacy
	conditions for brands
Post-political	Be moral
Global consciousness	Be communicative
Empowered stakeholder	= Meaningful
networks	= Legitimacy
People look increasingly	Brands are meaningful
more towards brands to	when they are and do
close meaning-gaps, and	good while being open
they have the power to	
demand it	

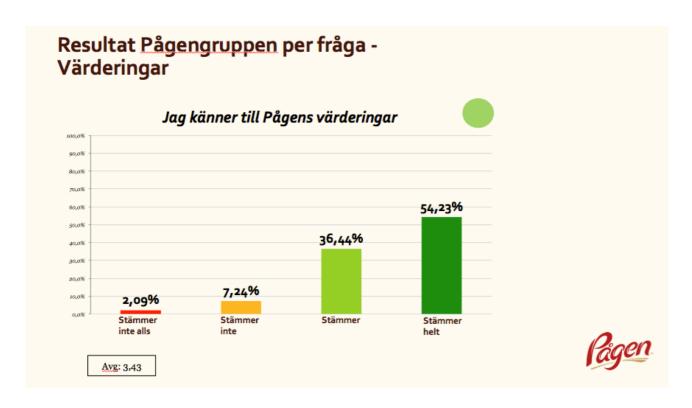
Why are we doing branding? What are the objectives and performance measures?				ıres?
Cultural branding	Enterprise branding	Purpose-driven branding (lay)	<b>→</b>	Meaningful purpose branding
Objective: To be a culturally relevant resource for consumers' identity projects	Objective: To be a symbol unifying disparate stakeholder groups in the pursuit of a common cause	Objective: To imbue brands with meaningfulness and contribute to make the world a better place		Objective: To make brands a meaningful symbol energizing and unifying stakeholders to make the world a better place
Performance		70.0		·
Measure:	<b></b>	Performance		<b>7</b>
Value-in-use of	Performance	measures:		Performance
consumer	Measure:	Value-in-use of		measures:
	Value-in-use of	all stakeholders		Value-in-use of
	all stakeholders			all stakeholders

What is the concept of the brand – the perspective on brands?				
Cultural branding	Enterprise branding	Purpose-driven branding (lay)	→	Meaningful purpose branding
Concept of brand: Brand as symbol	Concept of brand: Brand as symbol	Concept of brand: Brand as stand		Concept of brand: Brand as a universally meaningful and unifying symbol
Perspective: The brand symbolizes cultural meaning, this is what consumers buy and consume	Perspective: The brand symbolizes not just the product and corporate, but entire enterprise surrounding the brand	Perspective: The brand stands for something, it has a higher- order goal, is a transformational agent		Perspective: The brand symbolizes universal meaningfulness by existing to achieve a higher order goal beyond profit

Who is handling branding – organizing structure around branding?				
Cultural branding	Enterprise branding	Purpose-driven branding (lay)	<b>→</b>	Meaningful purpose branding
Organization Marketing/ communication	Organization: Cross- disciplinary + involvement of stakeholders	Organization Communication and marketing department together with consultants with the involvement of top management		Organization Top management + Communication and marketing department together with consultants Or Cross- discliplinary

How is brand management performed? How is value created?				
Cultural bra		Enterprise branding	Purpose- → driven branding (lay)	Meaningful purpose branding
Perspective: Unearth ideological opportunity and be a cultural resource for consumers  Vehicle External Brand expressions e.g. advertising	Perspective: Define identity and balance conversation between internal and external stakeholders  Vehicle: Brand spirit initiatives internal and external + aligned departmental practices e.g. employer branding, invester relations, marketing etc.	Perspective: Unearth purpose and live it. Intention that creates a contribution  Vehicle: Internal purpose film + purpose initiatives internal and external + aligned departmental practices	Perspective: Unearth purpose, bring internally, live it open force of good  Vehicle:	ly and be a  nd -management dures

#### APPENDIX C: EMPLOYEE SATISFACTION SURVEY

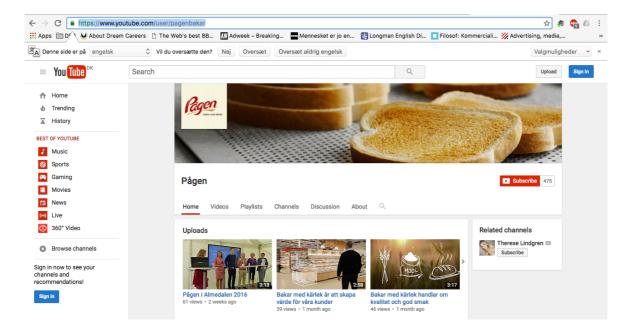


Slide from employee satisfaction survey 90,67% agree or fully agree that they are know Pågen's values.

#### APPENDIX D: LINK TO PÅGEN'S BAKING WITH LOVE FILMS

The "Baking with love films descriped through out the thesis can be found on following the below link:

https://www.youtube.com/user/pagenbakar



APPENDIX E: INTERVIEW GUIDE

Briefing:

Why? (Explorativ/descriptive serves to develop theoretical understanding) To deepen knowledge on

the strategic implications, thoughts and experiences when working with purpose in an organization,

as seen from a leadership perspective.

What? Purpose is a term increasing in importance among business leadership, especially within

strategic branding. Purpose is the "why" of an organization as espressed by a higher-order goal

defined in societal and spiritual terms - beyong the goal of profits. It is believed that if an

organization puts purpose behind its entire business strategy, expresses it and integrates it in

everything the organization and brands says and do, it can lift the whole organizations, external

stakeholders, wider society and increase profits that initiatiates the virtuous cicle of business doing

well by doing good.

How? The interview follow the extended case method and reflexive science, acknowledging the

researchers presupposite knowledge but uses this as an advantage to extract meaning from the life

world of the interviewee. The knowledge obtained during the interview constantly contributes to the

understanding. This knowledge is seen as a product of its contextual origin but sought structurated

meaningfully to the external fields of knowledge. The purpose is to look for anomalies compared to

the presupposed knowledge in order to later reconstruct theory and advance understanding.

Purpose of investigation: To deepen our knowledge on the strategic implications, thoughts and

experiences when working with purpose in a organization.

To gain understanding of conception of purpose term or similar

To understand its relation to strategy

To understand its relation to culture, other...

To understand its relation to internal comms

To understand its relation to external comms.

89

#### Research questions

#### About Törk and Pågen

#### How can purpose be understood?

# How can purpose potentially legitimate companies and brand

# How is purpose-driven branding applied in

#### Interview questions

Can you tell me a little bit about yourself, your career and how you ended up in Pågen?

Can you tell me a little about your job as the CEO of Pågen, what are your main responsibilities, what do you do on a day to day basis. How long have you been there?

Can you me a little about, how you approach the job of being a CEO?

- What is important for Pågen, what is important for you? What is your view on leadership? What is your view on branding and strategic communication?
- How do you balance demands from employees, consumers, partners? Public critics on a daily basis) Any examples?

Can you tell me a little about the journey you have been on with Pågen for the course of years?

- What have been the main challenges?
- What have been your main focus?

What has been your approach to challenges and your focus?

Could you tell me a little bit how you see strategy? – Culture?

Can you tell me how you define "baking with love"? how did you use it? and what is it good for? Is there anything it is not good for?

What role did "Baking with love" play with regards to your challenges and your focus?

Can you tell me a little about the background for "Baking with love"? (Background)

What does this mean to you and the people in-/ outside Pågen? (definition)

Do you see the relationship between strategy, culture and "baking with love?"  $\,$ 

How do you view Pågen 's role in society – in the world? How do you view your own? (context)

Do you think Pågen and you as a CEO has a special responsibility/obligation in the world? (context)

If yes, which responsibilities are relevant for Pågen and why? To what extend and where do you believe Pågen can make a difference? (What determines what Pågen should care about?) (world need)

What are you thoughts on "baking with love" with relation to the public opinion about Pågen? – consumers? Employees? Partners? (Stakeholders)

Can you tell me a little about how you prioritise these groups of people?

Can you tell me about your thoughts on how to address concerns of critics?

What has "Baking with love" done for Pågen? (Can you mention some examples?) (Results)

Could you describe what Pågen is particular good at, as a brand and as an organization? (talent)

organizations?

	What made you initiate "baking with love"?
	How did you approach "baking with love" / culture project? Can you describe the process (definition, expressing, activating, nurture?)
	Was there any learnings/surprises along the way? Any thing you would have done differently? Any advice?
	What was the outcome? (tasks, deliverables and results)?
	What do you do today? What are the future plans?
Main points:	
I have no further questions. Is there anything you	would like to ad?
Debrief:	

10 minutes of reflection

#### APPENDIX F: INTERVIEW TRANSCRIPT

What: What is the concept of purpose

Why: Why is purpose thinking adopted which demands, what was the initiating factor, how is succeed measured

How: How did it come to be, how is dealt with everyday, processes?

M: I will switch to English. Thank you for taking the time to do this.

T: You're welcome

M: I am writing my thesis and it is about the term, that is very popular right now in leadership literature and strategic branding, being purpose-driven and what it can do for both product brands but also corporate brands but also eehm, what it can do in terms of strategic tool for leadership. And that's why I thought it was very relevant to talk with you as the CEO of Pågen, ehm... and I know quite a lot about Pågen at least from the culture film perspective, that we have been involved in, and also I have been watching your video you was so kind to share with me about how you see management and leadership, these five bullets, but ehhh. Just to get started ehhh with this interview, its not gonna be like I have 30 well defined questions, I have more like a fluent structure, so hopefully its more gonna be a conservation between you and I, and ehh, yeah, hopefully I will just ask you some questions and maybe I will try to, to, make you elaborate on some of your answers.

T: mmm.

M: Cause there is no wrong or right answer; I just want to here basically, your perspective and how it has been in your context, ehh.. It's basically, the challenges of being a leader and how you have used ehhm. Also how you define purpose, but how have you used it, the implications and benefits of purpose in your job as a CEO.

T: mmm.

M: But first, I would like if you could just briefly tell me a little bit about, just very brief, a little bit about your self, your career, and how you ended up in Pågen, ehm..

T: mmm.

M: And what were the circumstances behind you getting the job in Pågen and you deciding to go there.

T: mmm... (Pause) ya, well, I think that my first leadership experience, I experienced was ehhm, when I was in the military, as a sergeant. 19-20 years old having the responsibility of 40 people, some of them didn't want to be in the military, 10 of the were previous criminals, so that's quite a challenging leadership job, and I learned a lot and before that, I went to a leadership school for 8 months, sergeant skolen i Sønderborg. Ehhh. Which is I think the best leadership education and it's took 8 months only about leadership and how to management people, manage and lead people in war. So and then I think that maybe the foundation for for ehm. Yeah, my first steps into leadership and many people think about military about military leadership that it is very much directive, shout up and do what I am telling, but, but its not, especially not in the Danish army, and especially not when the half of the people you have don't want to be in the military, and you have all sorts of people, completely mixed. From all different social levels and so on, and educational backgrounds and try to make them motivated an go in the same direction and. and... Learn to do what they do, its very challenging, so that was maybe my most important leadership education.

M: mmm.

T: but then it took some years before I had the next leadership experience, as a sales rep in Coca Cola, where I got the responsibility for i think 50 people, 50 sales reps and technicians, eeh... again then Carlsberg where I became the sales VP for Denmark, ontrade with a group of 250 people, all very mixed also technicians, sales reps, ehhh, academic people, developers, key account managers, I even had a ship with ehh. With captain and three matroser.

M: cool

T: Soo, and ehh, and ehh, yeah. And then finally here in Copenhagen I was recruited, no actually I called three headhunter companies, saying, Now I am ready to leave Carlsberg, very much because, Carlsberg at that time had bad leadership.

M: mmm

T: Ahh.. Just ehh, yeah. And so, I though after 30 years it was about time to try something new, so I called a couple of headhunters, saying now I am ready to try something new, one of them had a job in Pågen as International Manager, the job was to be responsible for a group of about 80-100 people and the sales outside Sweden. Denmark, Norway, Finland, and then export 25 markets and that was new for me to try to manage sales in various countries, ehm, and I started also a new sales organization in Germany, so that was also interesting experience to start up a completely new organization from started

with one person, and now they are 8, I think, ehhm, but then after a year the owner offered me to be CEO for the whole company.

M: mmm

T: and that's five years ago, so I am ending my time in Pågen here in one month, 1. September, after five years as CEO, six years in total, and starting in my new CEO in Løgismose-Meyers.

M: mmm, exciting

T: mmm

M: Ehhm, can you tell me a little about ehmm, why you think you were appointed CEO after just a year or what were the circumstances, why, what were the qualities they could use from you?

T: eeeehm, the owner of, of Pågen, is very special, he is fourth generation of the family, Påhlsson family, who founded in 1878, and he has some personal issues which is very, he is very open about, which is why I can tell about it here. He used to be an alcoholic for many years, in his mid forties he stop drinking, now he is mid-sixties, but he still has some, you know, he has a special personality. And he his extremely though. No one dares to ehh... dares to say anything against him in the company. And especially Sweden, where they are very, they are not so direct as we are in Denmark.

M: mmm

T: They just say yes yes and do whatever he dictates without ehhh. Questioning it, and I think that's one of the reason why, Pågen had so bad figures that they did everything he said, even the stupid things and yeah, he has many good ideas but he is sitting in the top, living in Switzerland, he cant have the full ehhh... .Full overview and understanding of everything which going on in the company, but he has a very black and white opinion about everything

M: mmmm

T: and if no one challenges him, of course no one can understand fully how such a big bakery, ehh. Stays in 25 markets and 1400 people and they need production, and two large bakeries how everything works in detail, so you have to use the, eh.. The knowledge from the employees and everybody else, but.... with the very I authoritarian and

hierarchical as a top management, top styled leadership, leadership style, you don't look at that information, no one dare to.. and I think he knows that, and that's wanted to say, I think he knows he needs someone, who is not afraid to challenge him. And when he hired me, actually I though, I was going to be kicked out, because I had recently had been very though discussion with him about international business where he wanted one thing and I thought it was a bad idea. And, he took me to his office and he offered me the job as CEO because I dared to challenge him. And I think he knows he needs that, because he has such a very, he is very emotional; he is 100% (pause) ehh. Stomach feeling-driven.

M: Yearh

T: and that I have had many though discussions with him, ehh... and even now I still have some where I think he is doing wrong things about how to communicate the change to the new CEO

M: mmmm

T: ehhh., its an internal guy who is taking over my job, and that's very good, its very good communicate, now Törk is ending his job and Anders is taking over, and Anders have by the way worked for us in four years, its its, a company with a long tradition and that's the kind of communication that have to have internally and externally that now natural ehhh.. Transition to a new CEO, but they want to communicate that he was only temporarily, because they wanted to see if he is good enough, and you know, this kind of communication externally, will just damage his position and... Demotivate him.

T: yearh

M: So I thought, until the last minute, that, that they can have a look at him as a treat him as he is temporarily, but that shouldn't communicate, and they didn't, so they communicated Anders is the new CEO, so

M: So they did not say he was interim

T: No no exactly... And he will do a good job, but eh.. so so.. Sometimes they don't understand how he would. There you know rich kids, they never live out in the real life, so... so they don't have the feeling about people and if we do this how would that influence on people's motivation and how will they react. They don't have this feeling... and that's why they... they should listen more to the leadership team that have. But I hope Anders will manage to be as tough against as I managed, and let the good the ideas be executed ehh. Perfectly. yeaah.. But to answer your question, why did I get the job? I

think because, I had dared to challenge him and then I also had the background they needed to do something about sales and having comprehensive sales background in my CV, ehh.. And I also showed first year in think we grew the international business with 25% that something, that was also helped him to take the decision. And then he wanted to get rid of the previous the old CEO.

M: so all that in combination, it made room for you. Ehhm.. Of course I have seen you video about "ohm ledelse" ehhm... but could you tell me just in your own terms here also how do you approach leadership maybe besides this plan, because I know this, but you general thoughs and how you approach leadership in an organization like Pågen.

T: year, when I starter actually, now, I am trying it again this time a job in 1. September, and the first thing i always do, is to try and to meet as many people as possible in the beginning. High and low, not only the leadership team, but everybody. Ehhmm. In all functions and just to hear what there ehh,,,, what they feel and see is the good and bad things, experiences and ehhh.. in the organization. and . and. during that phase, I build some hypothesis I keep for my self, but after the interview you can close down, take away hypothesis, or you can add extra meat to it, so... and then eventually you will have a very clear picture about, what to do in an organization.

M: mmm

T: and then the first time, you need your, some says the 100 day plan

M: mmm

T: I think in my next job, it will be a two-month plan, I have to present something the 1. of November, so I am in a bit of a hurry, but eventually, you will need to have your short-term plan, in some way you have to focus on the organization and... fix the wounds that are bleeding most. But again you have to somehow, if you talk about general leadership principles, it has to be, it has to involve people, especially now the next job I have, I come from the outside, that's new for me, all the other leadership job I have had, I have come from the inside. And that's a great advantage if you already know the organization the products and so, I come from a completely square scratch, so that's really a challenge for me to understand and its very complex because they have sales in all channels, so that come own shops, they have sales to retail, they have home delivery, they have catering, they have restaurants, mainstream and Michelin restaurants, and they have all food categories, meat, diary, ehh. wine and beer, so its maximum complex. and then also the infrastructure in the organization is very complex, with a capital fond as majority owner and then you have Claus Meyer and Henrik Grønlykke sitting in the board with their ideas,

#### M: yearh

T: and you have some issues in the organization between the partners, its very silo, they don't work together. Its going to be a great challenge to try to, but it is what they need is leadership, just to come in and start building networks between people and having some workshops, where we together define the next step... so using people, ehhh. using the organization to define the the next ehh. steps and strategies are very important to be. It shouldn't be, I have heard example of people who hire McKinsey group for five weeks and not involving the organization, I like to do it with the organization.

M: So people do that in their own departments? Hiring McKinsey to...

T: In Løgismose-Meyers I don't think to do, but I have heard from other companies that a new CEO comes in and hire external consultants and make the plan together with them. But then you are not engaging or involving people, I haven't used any business consultants during my five years as CEO in Pågen, ehhm... So.... but I have worked as a business consultant myself previously, so I know the techniques to do workshops on this and my staff... but yeah, I use the organization to define the next steps, that's most important, so that's most of it. ehhh... I have often been ehhh, critizesed for being too much in details and the machinery, from my previous ehh.. bosses and even ehhh. erhvervspsycohologist. Törk you are too much in, in the machinery.. And I don't agree, because, I don't go into the machinery, if people don't know which way to sail the boat and what is happening up in the top, and if there is no strategy no direction and everybody is running around like ehh hens without head, you should not go into the machinery, but if the strategy is clear, the direction the strategic, the must win battles, ehh. what every... everything has been done, I think it is a good discipline to also be out in the field once in a while. Meet the bakery in the night, and participate in creating some bread, be out with sales reps, see some stores.. ehh... do your power points and your excel sheets, so you when you need to do something before a board meeting in the middle of the night, you are not dependent on a PowerPoint guy who is sleeping. And again back to the military. that was also, that's the leadership style you learn in the military, in the Israeli military, they are very extreme, they have eh... permitted... forbudt,

#### M. prohibited:

T: jaah, told their officers they are not allowed to say forward, they are only allowed to say after me, so they have to go in the front and say after me before they are attacking. And I think that's a good principle to show that you are not.. eh.. afraid to get dirty hands, not afraid to do.. and in the military.. you start from the bottom, you learn about how to

assemble ehh. a machine-gun, how to dig a hole. ehh, a fox hole, how to whatever. and then you build from there, so when you eventually become an officer and have the people, you know the shooting distance for a machine gun, because you learned it when you where a recruit. In normal companies, the managers are often not starting from the bottom, they come from the outside, like I do in my next job. I haven't starter as a chef, or sales rep or key account manager, and you have to learn it from the bottom or from the top you have to learn about the details, and I think it is important to learn the details in every job to make good strategies. And if you come from the outside you have to once in a while go down in the machinery and participate in baking the bread or doing the power points or whatever, so you know how much, and I think that is one of the problems with the board in Pågen, they think you can just do this, because they have never tried to do this themselves. So.. They think you can develop a new product in a week, no it takes time you have to check this and this. But they don't know, because they have never tried it. And whenever they get, have to do something, where they cant involve anyone else, like with this communication strategy with the new CEO change, they couldn't involve anybody, it just, it just fucked it up, because they never tried to do something themselves. I have a very I have a story from my time as a sergeant, where I was given the task to build a defense... together with second, second. I was in the first patron, and then there was a second and third patron. And we had a whole down to dig it down, so it was a defense that should last for a week if we where attacked. Just to try it. So I had prepared this folkskole, where I had pictures light machine gun ehh.. fox hole, heave machine gun foxhole, Carl Johan foxhole, so I new exactly how it should look and what kind of materials should use. So I copied these pages, then next day I told all the sergeants you don't need to be attending, I just take the 40 people here by myself, and you can just prepare the next lessons for tonight, and then I took the 40 people and put them in eight roles, eight columns with good guy in the front, I good leader, a person I had, and then I just gave them each an assignment, you have to do the light machine gun over there, it has to be able to shoot in this direction and right and left and then the next one, you dig it there, all the materials are placed over here, so the first, first thing you do is to collect the materials and put it in a row behind the line, and then, while they were doing this, that. I directed the... the... randegraver, to dig the zigzag, eh.. ranne. and then they came back starting building, I will take the light mortar myself, all by myself up in the furthers.... and then we started, I went up and started my ... and once in a while a took a pause and went up and down to see, are everybody working, there was one place where they didn't work they just looked at the leader, who was digging around, and I had to kick them down, but the rest they were just motivated, and everybody was working, and I had some targets say we have to be finished before this time, we have to, when we go out 100 meters out and the enemy, you should not be able to see our fox holes from 100 meters. ehh. and and ehh. whatever. And I finished my fox hole and they finished their fox holes, I had so much time, because everything was so, so I went out to 2 and 3 to talk with second in

command there, they dint have time for me, there where so busy, because he was standing in the middle and people came to him saying now I have finished this what should I do now, and now go get two of these, and now what should I do, do this. and it was just one big mud hole, everybody running around with things and many people not doing anything, because they where waiting to get orders. and.. we finished our foxhole for two hours before the rest, so we were playing some football. we were the only patrons where you couldn't see from 100 meters, and people were just happy. I learned about delegating, but you have to be prepared and to organize, and ehn you delegate, and then it's okay to go down in the machinery like I did and do my own foxholes, because I had organized everything.

M: your were prepared and delegated...

T: I showed what are the targets for this, everybody knew what to do and what the picture of success was. and then I ran down and that's the same way I work today. But I am often criticized. why you do this, Törk, you shouldn't do this, you are CEO, you should but, instead of playing golf.

M: Yeah hehe, isn't that better. So you say here, that's only possible if the direction and strategy is clear?

T: Yeah and organization

M: How?

T: and the second thing it also does, it motivates people to see that there leader is doing the same thing as they do.

M: mmm.. but what would you say, how do you define ehhm... How do you define direction, is there any difference between direction and strategy in your vocabulary, or how do you see, how do you define direction for you?

T: Direction is your vision, what do we want to achieve, we want to... in Pågen we want to also be available for future generations. That's more a vision and that's determining that's. If you have that kind of vision, you don't do radical ehh.... risky things, you just build upon the foundation step by step, in in ehh. Løgismose-Meyers, its more about ehh. improving the food culture in Denmark. ehh... but strategy that's.. that's your themes, your priorities your must win battles to achieve this, that takes 2-3 years.

M: where, where does

T: and the way we work to achieve this vision. we are very customer-driven, that's a strategy, maybe fluffy, but it can be more precise. But we only work with organic products. Meyers is only organic, that's a strategy, but strategic...

M: and in the context of Pågen, what role does/did "Baking with love" play in regards to strategy and vision and everyday...

T: I think not so much about vision... and strategy. Of course in our strategy we have some initiatives supporting baking with love. for example we want to improve the culture in Pågen.. Ehhm. but it's more values. its more a foundation for... you build strategies upon. It's a precondition for for everything you do. Its some, some, you can say its, its kind of the atmosphere in everything you do. that's your values, baking with love. Its not explicitly... connected to strategic priority or the direction.

M: so you think its like the, you said the atmosphere, its, can you put a little more words on that and what importance it has for you as a leader, and how you have used it, and also internally...

T: it's actually mean a very concrete thing, we are baking with love that's why we don't use something, we try to change the x in gifflar from buræg to free-hatch eggs, whatever. and or, we take care about our employees because we bake with love, so we use it sometimes a reason why you do something, but on one set, it has been more something we communicate to make it okay for people to be a bit more lovable. Give each other hugs and, we use it as themes when we have our yearly employee party and so you can connect many things you do to baking with love. ehm... We used, we make the movies to show what is baking with love ehhh... and and... yeah.... Its difficult to say precisely, concrete what is has achieved, but my experience, and I hear it from many, is that, that that the .... (pause).... ehm... atmosphere in Pågen has improved very much the last couple of years, and I think the focus on baking with love have something to-do with that, and I think, eh., people are more ehh, open-minded, more happy and smiling, you hear people laugh much more than ..... previously. ehh,.. but I think its also much to do with the leaderships style from all of us in the management group, we now sit together out in the open ehhm... office... before the CEO sat in the room, we management team is not sitting out in their own departments, they also did that before, you have this tendency to create silos, if you let people sit out in their own departments, now the whole management team sitting together in the middle of the open office where everybody comes up the stairs, and... we ..it also creates some sort of social network between us, that we are sitting together, during the day, even if we are working with, people are

working with their own departments, its all to improve the atmosphere, make a more positive atmosphere in Pågen

M: But what was the background for. When did you first start thinking of this, as I hear you say, you think its very much a culture value thing, when did you first start to focus on that. I mean how did baking with love become initiated?

T: previously it has more been used as a payoff - externally on our POS materials and communication to consumers

M: Ja

T: And its not special, many companies say we do this and that with love and so on. When we went into Germany, many companies say gebacken mit Liebe, so it's not special. Ehh... (pause) and you know, all of these pay-off. Carlsberg have: Probably the best beer in the world - that's more special than Baking with love. But to live it like we do it I think is special. I think we have used it so much, extremely to everything that's very special. And I believe that so many companies could have this love as their payoff use as much we do it. But in the beginning when I startet there where three values... I think.. ehh. Engagement, proudness.... ehh. enthusiasm.... I can't remember them, and then the previous CEO made four new, commercial, effective and what ever values. And I always thought this thing about... I think its bullshit if it is now something you feel, but just something you have to do and put on your homepage and put some writing on the wall, I have seen so many bad ways to do it. but ehh.... But then often I experienced that in many meetings people were using this and we baking with love, that's why we do it, so they actually used it, this payoff as the values. Why should we do that? Because we bake with love. Okay so that's how... soo.. after a year or two as CEO... ehh. and and I also, I also thought that we didn't need to have all this management bull shit, we should have our strategies and then ehh.... ehhh a vision I think, but many especially the academic people they... they were asking to have this typical vision, mission, values, strategy and so on, so I thought okay, we have to do it. So... after two years I, or my second year as CEO, when we had our road show I.... I have ehh... with Adtomic made these movies and when I went to the scene together with the management team, eh... we showed the movies during our presentation, without any introduction the movies. First one movie started and they we had, typically when we do our roadshows, we start say, how did it go last year. How did last year go? And then how, what's the plan for next year? Ehh.. so... one movie, then how did last year go, then one movie more, next year, one movie more again, and then... ehh... the plans here are build on a strategic foundation with mission, vision and values, and then I went through our vision and mission... and then when I came to the values, I said, we have during the years have had

many different values, we had these, and then we had these four. But actually, our values is that we are baking with love, so we would park all these word and just communicate baking with love and you have just seen a couple of movies showing how, what we see as. what baking with love means for the different employees.

M: mmm

T: So that you understand what is behind baking with love. and then... actually it was very, and and. the movies were very touchy, people were crying and clapping their hands, it was very emotional, and ehh. and eventually I got to my speech saying, Pågen should also be here for future generations of ehh. customers, consumers, customers and employees. ehh..

And that's why we want to bla bla bla, and then I showed the movie about the children in the bakery as the ending, perfect fit for the future generations...

So that's was very... but then again people have asked, especially the academic people, "jaaa. baking with love" that's not a value, and what is it more concrete. And now this year, we still have baking with love as our headline for our values, but we have put some wordings on it.

M: okay

T: you will also see that from the movies, I think. there are some bullets underneath. The picture with the old. the old picture.. and so baking with love is in that, baking with love, so that we also actually have formulated some bullets, eh.. so we have the movies, and now we just finished mission, vision and values, so it is not necessary to change that the next... five years maybe. but now there's a new CEO, but he has been part of developing, so I think he will. and especially... I am also new CEO in the next company and shouldn't start working with mission, vision and values, just park that and focus on fixing on the business. That's not something you do in the first year as CEO, if you come to a company with a crisis, it is important but if companies bleeding, it is more important to stop the bleeding, by fixing the organization, fixing sales, fixing ehh.... customers, products and all this. Actually I have another, I can sent you another YouTube movie about turnaround and I had a presentation in Finland, that's some

M: Yeah that would be great

T: I talk about that also, but how to do turnarounds when your company has problems.

M: Can you tell me a little bit more about eh.. you said you.. you experienced kind of the demand internally from the academic people you have around you, that they would like you to to what are our value and they you started this process. But can you tell me a little bit more about what was the process around that time, what were your considerations?

T: Baking with love. deciding that that was our values, I took more or less the decision my self, and agreed it with the owner and the board and the management team, but it was not a workshop or session, because we had it already the payoff and we agreed that the existing values didn't weren't used, people didn't know them and it was just to keep it simple, so that was the simple part. Putting some more wordings on it and we formulate our mission and vision. For the vision was about being the best FMCG in the Nordics our what ever, but now it's more to be there for future generations. So that changed completely. But we kept our values baking with love, but we just took, added some bullets, and that's was a session, I did with the top management group, but also involving the next level leaders, so they gave me some, they had some workshops at Pågen. Where they were mixed across departments and came up with input and this input we took in the management group for two days we went up to ehhh... a fancy and nice place. and then we just talked it through and brainstormed and you now, simple session ehh. had a nice time with good drinks and food and then we ended up with this mission, vision and value ehh... I presented it to the board, they agreed and now its seen and it is actually, ehh. we produced ehh. ehh.. poster, two posters for ehh.. which had been sent out to all locations, we have 65 locations, all locations have received this and we made a competition where they should take a picture where they have put it up and sent it in, so we made a competition of who could do the best, make the best ehh.. exposure of these, just to motivate that they actually put it up on the wall

M: So it was a poster with the mission, vision and values..?

T: ... and show it to you're. I have a photo system at Pågen

M: Is that your intranet?

T: No this is fotokvarnen, it's...

M: But is it an internal thing

T: Its internal ja! This picture is not so fancy, but is shows our poster, our foundation and how we will work, this is our strategy, how we work with our customers, consumers, ehh...

M: So would you say that, everything that comes in here is that build on. Is that like elaborating on baking with love, or is baking with love just the bottom line and when we do this we think about this..

T: Yes these two pages that are our vision, mission, values and our strategies. They are strategies are on this side, how, what is important for our, how we work with our customers, our consumers, our self's and our...

M: But would you say that your vision, mission and your values and your strategy, would you say that, when you think about that, you form them, that they take outset in baking with love or do you don't look that much to that when you think about those things, vision, mission and..

T: no it is connected, like here in our strategies, we have defined three bullets per interessant, so we have four important.. categories to work from and our consumers, we have our customers, we have our company, and we have our employees. and here we define what is most important in our corporation with customers, for instance, chains, supermarkets, that we add value, that we are flexible and that we ehh... ehh.. are innovative. and in the same way for employees. and one of the that employee thing, is ehh.. is very much about engaging environment and that you are happy at work, so maybe would have that explicit as part of our strategy that people should have fun at work, and in our vision that's more about producing fresh bakery products for every occasion and so on so its not so much purpose about that. It s more implicit it has an influence on everything we do, more than explicit in the text of our mission, vision and strategies.

M: You mentioned, when you mentioned the groups of people that you took in consideration, you mention employees, customers and consumers. ehh. I would like to talk a little bit with you about being being a big corporation in the context to you could say, people who don't like big corporations ehh. and I know from research that there has been a little bit about Pågen and ehh..

T: It's very interesting also for the next company I come to, because they used to be small and now they are big. it gives some issues.

M: But I don't hear you mention the wider public as a stakeholder in that sense, but how is you view on like, especially in the case of Pågen and your role in society and you responsibility towards the wider public, how do you look at that?

T: Maybe that's where we most explicit in our baking with love communication, that we... we do a lot of CSR and give food to refugees and ... take care that that our farmers doesn't use any... ehh, slag slam (?) på markerne. And when you argument why do we do this, that's because we bake with love so we use it there very much and we, ehh.. and there's a lot of CSR things going on but, and in our communication also communication manager, I think is a very good representative, Boel, is a very good representative for the values, it could also be a tough marketer standing in front of the journalist, it wouldn't work the same way, she communicates baking with love in her way of being

M: Yeah her very appearance.

T: So you know if we let the owner or our our Swedish, our marketing manager do that it would just go completely wrong, because they are much more though and direct and square. You need to be a little smiling and round and open-minded if you communicate ehh. if you are Pågens face through to the public.

M: Yeah and I also noticed that you use Boel in picture on the website, because she...

T: Yeah and I can also be very militaristic and.. sometimes in my communication. so it is a lot better that she makes it, and it is in Sweden so sometimes the language can be a boundary for me. I speak Swedish and they understand me, but its maybe like a seven year old, my vocabulary.

I can communicate with everybody, but if you have to stand in front of journalist you need to have someone who is ... is..ehh. Native... that's, you should communicate in a common language, like English because then everybody equal. But but, I have let Boel decide when I should be the face out, there has been some newspaper articles about me as a person, and I. in Sudsvenskan, and I, couple a weeks ago, I went to Reimedalen, this political meeting where I also went on the scene, but Boel stood at the scene during the whole presentation and then I just went up for a few questions, but I let Boel decide. But sometimes you need to put the CEO in front, but that has all been Boels decision when to do that. We have also. We were nominated for European Business Award, and I made, I was the face of that.

M: You also said like you're the fourth pillar of your leadership approach you say is giving people ehh. time to work, and you mention in the video that it is also your responsibility to keep critical journalist and occupied. Can you tell a little bit about, what have been the issues facing Pågen.

T: Externally there has been none, Pågen is not as exposed as for example Løgismose, I think I will have a hell of lot of work to do with external communication compared to

Pågen. Pågen is also situated in Malmø. most of the newspapers and everything is going on i Stockholm, they don't care about things at Pågen in Skåne, its famer country, so maybe that's also the reason. But we have had some small incidents, but nothing, nothing complicated, and I learned from the communication manager form Carlsberg, Jens Bække, was at that time nominated. eller. he was the best communication expert in Denmark, he is in Velux now, when he, before he started at Carlsberg, we had ehh. the marketing director Ken Andersen, was the one communicating with journalist, and he was typical marketer, talking about numbers, and squares and excel sheets, and not no one where allowed to communicate, he was the only one journalist where allowed to talk to, so Carlsberg was experienced as very closed, very old fashioned, very stiff, very conservative and then Jens Bække came in, he looks likeehh.. en trold altså sådan en lille skaldet mand med strithår, han lignede sådan en lille nisse

#### M: hehe, very likeable

T: Very likeable, and very nice person, and he said everyone is allowed to ehh. to communicate about Carlsberg, there is only one rule: you are only allowed to talk about your own responsibility, so if you are sales rep, your are allowed to talk with the local newspaper about selling Carlsberg, but you shouldn't discuss Carlsberg strategies or earnings or profitability. That's not your. But you own, then you actually have sales reps saw it as an advantage if local newspapers talked about Carlsberg, so he developed support kits for everybody to, so they could, and press releases, in, if something happened in a local, in a part of Denmark, he sent it a press release to the sales reps, which he could go out and deliver to the local newspaper, handover, and then by, The number of positive articles, first of all, Carlsberg was perceived as much more open, secondly we had a lot of positive articles, because so many people could communicate, and if you talk, if you talk with the marketing director about being the sales reps in Lolland Falster, but if you talk about the sales rep in Lolland Falster about being the sales rep, you will get a much more interesting insights. so and that's a great, And I see actually the same in my next job they are very, there's is only one and they are very closed and its very that, there are defending and, its very us against them and I had an experience when I started, when it was announced that I start my new job ion Løgismose, all newspapers wanted to talk with me, and I said no, and then one guy wrote to my private email, Gmail, I don't know how he found that. and said, yeah I want to do this interview, but I said, cant you wait to a couple of months after I start, because then I will have something to say, but no, we want to make an article about you and we are going to make it whether you participate our not. And he found something on the web, something about me where I was called Hulken, you know the big green guy, and I just thought, fuck he found all kind of things, and if you don't manage him he will just write whatever. So I talked with the communication manager in Løgismose and the head of, altså the bestyrelsesformand. He

said don't do it. But I said I don't want him to.. He already sent my some fact, which was completely wrong so I took the the interview, a telephone interview. and he sent a photographer, but then I said I want to look through it and then he sent me the article and there were so many mistakes, even things he could see on the internet he wrote down wrong, ehh. and also the numbers from Pågen were completely wrong, so I took and changed a lot and he also quoted me for saying, its about time to leave Pågen, I would be very sad if you wrote that, because it could be misinterpreted, because I said I have been there for five years. And he took away everything and he took out everything I asked for. Even he wrote that the head of the board would like to be saying anything, I said could not you write you could not get in contact with him. and he did that, And it actually turned out to be a very good article. Both for Pågen, very nice things about Pågen, for Løgismose also, because, I didn't want to say anything about the company. The only thing I said was that I didn't see it as critical as many newspapers have painted it. because customers, consumers like the products and people are happy in and motivated, and that the two most important things for a company to exist. So I am not, but and that could calm maybe internally, when people read this they would think a okay its not so problematic. SO I think just be open, is a very good strategy. So I think to implement the same thing as Jens Bække did, when I come to Løgismose Meyer, everybody is allowed to talk with journalist.

M: Do you think it demands other things than the rule about just being allowed to talk about your responsibility. Does it require that people are aligned about certain things?

T: Yeah but the.... ehh.. It would look like a sect, if I had to say yes to this and this and this. So I believe more in if you don't have anything to hide.. just go out and be open and then manage, there will come critical articles where employees are negative about this and that, and then you just handle it from there. I am not so afraid, if you are not hiding anything and if you can stand behind everything you do. Just be open and take the critical questions whenever they come. Being open and honest is a very good strategy when you handle communication, both internally and externally. And I do the same internally, I meet the employees in the middle of the night and just take their questions and some of them have been critical, why do we hire and fire, and then you just take it, and also internally, my, what I hear is that it has been perceived very well from employees that we come out and talk with them and are open and take their questions seriously. People want to be taken seriously, they don't want ot be taking.. so I believe in that strategy, and then it can be tough of course if someone have said something stupid to a journalist and you have to handle that afterwards, but just come with is, I am not afraid of taking discussion, and answering questions.

M: Is it okay, do you have another 15 min, because I have more questions.

T: Yes I just have to be at a meeting at 12.

M: great, but you mentioned, that the most important for Løgismose, but also Pågen, that your employees are happy and that your customers are happy, do you think beyond that, that a company has a responsibility to the world in which it operates?

T: Of course, I think that is the precondition for existence, you shouldn't waste resources, you shouldn't, you shouldn't put filthy things out in the nature, you shouldn't treat people badly, you should help wherever you can with whatever you can, that's the precondition for being a company, and the good thing is that, with our new social media and informative society, if you do something bad it will be out in the open very fast and spread, so more and more companies, even the y don't think, even if it is not part of the personal values, they will do it because they can see the business idea in doing it.

M: Why do you do it?

T: Ehh. ja..

M: Or could you describe why do you think it is relevant for Pågen to take care...?

T: If you look completely rationally on it, its good internally to communicate to employees that we have helped refugees, we give our leftovers to homeless we reuse our old bread to yeast. People, now we are back to purpose, people want to know that they work for a higher purpose. They don't want to sit everyday at work just to get their own salary, some do, but they hate their job They don't want to work for a company who just wants to earn money, and I saw it in Carlsberg, when I was in Carlsberg, we have this payoff, that was what inspired me for baking with love movies, in Carlsberg we had an external company coming and and eh.. walking around in Carlsberg to find our what is the essence of Carlsberg and then they made a payoff which I think was very good, Carlsberg løfter holdet, Carlsberg is lifting the team, or however you can translate it, then they showed, and they made some small movies our film clips, showing example of how employees lifting the team by in our markets, but how the Carlsberg found is donating millions every year to improve the Danish society, how ja, many examples, and it really gave some proudness for the people, for our employees us employees, that we work for a company that actually did all this. but remember when we had this tsunami catastrophy there was a collection in Danish television one night, you the typical music, with music and then companies and private people can donate and then names come on the screen and now this real estate company has donate 10.000 kroners, and then they collect a couple of millions or hundreds of millions, and then the next day employees complained that

Carlsberg hadn't donated anything, Carlsberg's name was not on the screen. And they sent it to me I was the Director, so I forwarded it to the group communication, say, we have this guestion from employees, what should we answer, and the answer was that Carlsberg has donated millions of kroners direct, and apart from that, they had closed down the brewery in Sri Lanka and I think also in another market and ehh.. and this produced only water for the time being, which was free from cost sent out to the beaches and all the areas where people needed water without any should pay for it. but they didn't want to ehh. communicate it externally. And that was you know, that made us even more proud, that you didn't brag about you donation you just did it, but of course it was good to communicate internally, many had told there friends, but they just did it without getting the marketing value out of it, but on the other hand, many of the companies that donated that even, and which names where on the screen, they never send the money, you have heard afterwards that many haven't paid the money, they just. So that was the other extreme, so I think that's real CSR, you, if you do it to get the marketing purpose out of it its not CSR, its marketing, if you do it without communicating it, maybe you can write it on your homepage, but what you do yourself as people think you don't do anything and then people.. but if you really CSR, you just do without bragging about it. And ehh... yeah. And I think, why do people do that, if you have had a decent childhood and learned about good values, you do things like that, because its also good for, if you believe you should do that. Once a year I take my oldest son to Mændenes Hjem, and donate some Gifflar, and I take him three just to show that there are people who are much more worse off than you, ehh... just because when you grow up in North Zealand and all your friends from gymnasium, you never see the kind of life other people life here in Denmark. ehh... One thing is Denmark and then you have the rest of the world.

M: But is your definition of purpose? (pause) I know it is hard question, but could you put some words on it?

T: Yeah, but that's having a higher, higher purpose of doing things you do, than just ehh.. earning money, reaching your market share of profitability targets. Purpose is the mission, maybe its even more... I remember also Carlsberg had a very good mission, which I think they through in the dump, what I wanted to say about Carlsberg, after Niels Smedegaard left, the new team didn't understand a thing about purpose, that people wants to work for something bigger than being the largest growing brewery on the world, that's what they communicated for many years, and it was... no consumers, no customer, no employees cares about being the fastest growing beer brand in the world, they care about.. before that we had something about the mission about Carlsberg is to create hygge, eller you know, hygge is also special Danish, they, I cant remember the complete sentence, but it was something about, where every people are together at the Dinner table or in the bar or where, Carlsberg should participate in creating a cozy, en hyggelig stund

M: Et par Carlsberg kommer på border?..

T: Det er jo fandme.. That's something you can use, altså how you work with customer, you can build it with everything, where Heineken is more fancy, nightclub, street. This would be perfect position to take the hygge ehh.. and build from that. Its also very much football. That would be fantastic way to build, people want, and especially that world we see today with so much war and crisis and. fantastic position instead of following this smart ass Heineken position. ehh..

But year that marketing. But purpose. Purpose is something you feel make it, gives you a tear in the eye and something you feel. and company's purpose, you don't do that with numbers, Your that with. Baking with love is something that give people tear in the eye, we bake with love that's why we help people that's why this and that, we bake with love, I also used it in more critical questions, one of the road show, one employee asked how can you say you bake with love when you just dismissed 20 people, I said if I dismissing 20 people we do to have a healthy company, if we don't have a healthy company we are not baking with love for future generations of employees, you have all seen how bad numbers we had some years ago, we don't want to be in that situation again, that's not baking with love, just keeping people in if we don't need them. So you can actually also use it for more critical purposes.

M: And you also used it to critics outside of the company, you said al little bit about it before.

T: yeah use is sometimes when I represented my self at conferences. I work for Pågen we are the ones that bake with love. But as I said, I haven't had that much contact with journalist. But I use it, for instance here i Almedal, the theme was, why is it so, why has it become so difficult to eat food because you have, you are not allowed to, gluten and you have all these trends and then they had some scientist and they have some on the scene discussion this theme, and then I came up and they asked me some couple of questions. And she said, what are you doing to follow the trends. I don't like to follow trends, I want to, when you bake with love you work like this. I have told my team that the scientifically proven things, like whole grain and b-vitamins when that's scientifically proven that it is good for you, to try and increase the whole grain percentage in our bread, we don't to follow all the historical trends. So I have used it ones in a while, when you bake with love, you do like this.

M: But do you feel, I think an example from Denmark at least is that, and also maybe Løgismose, is that as they grow bigger people are finding it difficult to align with what they communicate in marketing because what they say is somehow incompatible with how big they are, and I don't know if that has been a challenge in Sweden, because of the food culture their of being big. Has it been any of you consideration that baking with love is like an answer to that criticism of being big?

T: Yeah it could be, but it also makes it, people unbelievable that such a big industrial baker, how can they bake with love, because you got to have your hands in the dough to bake with love. but I haven't met that so much, but maybe it is true that the bigger you are the more humble you should be. If we go out as the big market leader and are very aggressive, you know the story about Arla, Carlsberg also behave like this also changed with Jens Bække, you have to be more humble and open and honest and communicative, and have to help the small breweries. and so on. so of course, but its typical Danish, and maybe also Swedish, that small is good. You have the small handcrafted bakeries it is much better than the industrial, its much healthier and, but its not, its the opposite, you risks that there are all kind of shit in their bread, because they don't have procedures and securing policy, so often small companies, they don't do anything for CSR, they just work for earning money, where big companies have the surplus to actually. Carlsberg is donation 200 million every year from their surplus to Carlsberg Fonden just to give away, no small company would do that, they entrepreneurs only focus on earning money to themselves, so it is sort of wrong picture often people get about these small, small is always nice, not always, some small companies entrepreneur are very, have the vision about changing, improving the world and producer only organic and... so you also see that, but it is depending on the person and not that its small, you can also have this person in a big company, trying to make a big company a good company, its depending on people.

M: Why does Pågen exist, You said before that if a very entrepreneurial person where in charge he would try to make a good company, Why does Pågen exist?

T: We have fantastic bread. If you have a shitty product it is difficult to live for 130 years, I think they have been extremely good at improving and at having good products. Pågen produces bread that can last for ten days without preservatives its fresh and juice, soft bread, its very difficult for anyone to copy that, so first of all that. And then of course... I think the product is very important but, and that again depending on the people and the average employment time at Pågen is above 13 years in average, so we have many people who have worked there for many years, who have very good knowledge about how to handle if something goes wrong or, machine goes down or if, if the the.... the

wheat one year is bad, does it have enough protein have do we handle that, its very complicated.

M: If you ask some of your employees about why do you think Pågen exists, what do you think they would answer.

T: this and also that we are extremely good at distributing. We everyday send out 400 trucks in Sweden delivering fresh bread, and no one can deliver fresh bread like we can. In Sweden, people are very anxious to only buy bread baked the same day. They all look at the baking date, and its the only country where we actually write baking date on the package, SO this the good products and fresh deliver, many people would say that. But ehh... of course there are also some more not tacit competencies behind the existence of Pågen and but,

M: So what would consumers say, would they say fresh bread

T: Yeah good products, and Gifflar. No one have succeeded in copying Gifflar

M: I saw in my research that one of your commercials from DDB in Göteborg, where they have shown that is was the middle of the cinnamon bun...

T: Soo, yeah. Same,. consumers would say that. If you ask so direct, people wouldn't talk about higher purpose, they would talk about products. Løgismose, people buy Løgismose because it tastes fantastic, maybe also because that's, they have some CSR values added to, but if it tasted like shit people would by it, even if you say you will save the world.

M: So you, are you familiar with Simon Sinek, and his book Start With Why?

T: Ja

M: Yeah, he would say that any good business leader would start with why and not with what as you just did

T: You asked me what people would say.. I have seen his video also, I actually saw him at a scene somewhere, and he uses Apple as an example, and I think you could do the same exercise with Pågen, but ehhm....

M: But do you believe that, in the case of bread, and FMCG, that your why can become more important as actually your bread. As it is with Apple? Many people have the opinion

that there computers and hardware are not that good as for example Samsung's, so people buy it more because of their values and their ideology about think different, than actually their products. Do you think that with FMCG that it is also that relevant. Can a brand become preferred because of the higher-order values instead of their tactical, functional benefit?

T: Yeah they can for some time, but I don't no if in a big scale. For example Coca-Cola is also an example of a very strong brand. I think it is important, but if you have shitty product, its not enough to have a fantastic one-liner, if, if Apple computers were really the the worst technically they wouldn't have succeeded.

M: So it needs to, a purpose needs to be play very much together...

T: Yeah, one thing, maybe you can have a fantastic products and sales without having higher purpose, but you risk of course that you get bad will, and that people don't why to buy your products, because you are a shitty company, but... but... you need to have also, but, its, its, a precondition to, like Maslow, the why is the up here and its important and its giving you higher purpose and can make you a world brand, but if you have shitty products it wouldn't work. And what you often see, ehh... now. now I have come to a company where they focus very much on taste, and we also do that in Pagen actually, but we cant compare with freshly baked bread, but in the category we are in, we are in packed bread, I think we have very tasty products, and we try to have them as juicy as possible, and as long as possible, so we work, we taste the products every week we taste, is it too dry and so on, but again it is packed bread, and you see ehh. the you have in FMCG, you have this bad circle where you produce a fantastic product, and when it becomes popular they chains wants to have discounts, if you are a well known brands, and they use is as traffic building, Coca-Cola, Gifflar, whatever, ehh.. we sell Gifflar for 10 kr. or 5 kr. they don't earn anything on it, but it create traffic or profile that we are cheap, which is very important in Denmark, but then they come to us and say, we don't earn anything on Gifflar, we are loosing money, you have to pay us 3 millions, and they you negotiate and then you might end up giving them 1 million, then you go back to we cant accept earning less so how can we find this million, we cut a bit of this, we use another cinnamon, we cut a bit of the packages, we put a bun less in the package, we don't do that, but just an example, it happens a lot, we screw on the quality, because we have to find this million, and then they come back and then in the end there are crappy products on the shelf, because they have been devaluated on this negative circle. And they ehh... You should just say, we had the luxury that outside Sweden, we just say take or leave it, if you don't want to have Gifflar in Denmark, we can live without it, we just sell them to Ikea in Germany in stead. So if you have that position that you now have. That you not on the stock exchange you have promised +3% growth or what ever, but you are a familyowned and he wants to, our owner doesn't care about volume, he just want to have secured that the company is also there for future generations, you can be tougher to the markets.

But yeah, purpose is important, but the foundation is that your products should somehow connect to the purpose, so if you have, B&O, fantastic design, but somehow they haven't followed the technological development on hifi it doesn't work. But it doesn't have to be the best technical if you have the best design. And the same with Apple.

M: What do you think makes, I assume you think Baking with Love is good and very useful purpose for Pågen, what do you think makes it a good purpose?

T: The most important - we are baking with love, it not just something we say. If it is not honest, forget about it, it should be something that really, and then its actually a good umbrella for, we you see have, you know, when I walk through the bakery, people say, everyone is smiling here, yeah because we bake with love, people are happy, people are smiling, we care about the products we don't use preservatives, we.. in all parts of the company we are actually baking with love, and that makes it solid. So it is a good umbrella for how we work, that's, we bake with love in how we treat each other, how we work with raw materials, how we, how we help the community, the society. Ehhm.. if, for example if it was that most innovative, instead of baking with love, we are the most innovative, I should make something. We are not the first of putting red beet in bread or whatever, if you say we are the most innovative, then you have to be first mover on everything and that's has to be ehh. has to be adapted, you have to have innovative setup, meeting facilities, you have to have innovative working teams. You have to promoted people who have creative ideas, instead of people who have big heart like we do. We <mark>have månedens baker med kärlek employee</mark>, could be the most innovative employee, <mark>so</mark> it has the influence on how we work and as a starting point before I made baking with love the headline for our values, it was already like this, so I didn't have to change it so much, but by putting this headline up, it just fueled the baking with love behavior everywhere, I actually put up a headline for how we work together.

M: And ehh... so what makes baking with love work in the case with Pågen, is that you are actually able to live it and to do it?

T: Yeah, we lived it already before the headline, but putting it up it fueled the behavior to be.. if I, but. but that's also because we can see, that this is a good headline for the values, for a company, who produces bread for everyday ehh.. people for everyday living eh.. maybe it would not be a good headline for B&O or Apple. It's a good headline for a mainstream food supplier producing ehh. fundamental foods, not specialty foods. That we bake with love and been here for 130 years, so its a good and solid headline.

M: Also maybe, if we are to talk about semiotics, the verb of baking enticing an everydayness, its like this is a basic one, if we are to mention one of our operations is baking, so it gives a very concrete...

T: Exactly, it tells what we do, but we also us baking as, baking, the word baking, what you are baking ehh... baking on a girl what ever. You can it, and we use is as whatever you do, you are baking. And you should bake with love when you...

M: So baking becomes a verb for everything you do?

T: Yeah, and again the line also tells its a bakery

M: So it tells about the what of the business

T: Exactly

M: Ehh... Can you just briefly mention some of the activities internally you have had, that support this purpose, you mentioned the monthly...

T: We started developing these movies and they have been showed some of them on the road show some of then, where we showed baking with love and then afterwards during the rest of the year we released one movie after the other and then another. And then once a month we announced the monthly baking with love employee, which is, they employees are nominate candidates, we have posters with picture of everybody in the company shaped like a heart, we have a yearly party ehh.. that's also new, we didn't have any party before, we have ehh... we have posters. We have several articles. we for instance we bake some heart shaped ehh. buns... once in a while they have some untraditional buns and we will make them heart shaped and give it to all employees, we use the heart a lot. .ehh...

M: But have you had any, what have your process been, as I hear it hasn't been a very conscious decision now we are implementing purpose, its more like it started out as I hear you say, correct me if I am wrong, you had this demand from some of your employees, that they wanted a little more about these values and cultures, and then you started with the films. Or what was the process.

T: The first thing that I could experience, that the existing values, we had values, they weren't used and people could not remember them, so I just skipped them and said our values are baking with love, and then they asked for more description what is baking with

love, is it just some movie stuff happening or? But, I more or less took Baking with love as existed for many years, I just took it and used it for something for than a payoff on our POS materials. Ehh...

M: Have you had any conscious process about nurturing baking with love since? I know you have these regular releases of new films and you have these supporting activities, but has it been formalized in any kind approach.

T: Yeah communication makes a plan, how should we have pop-up, sådan nogle, ja, activites during the year, all during the year, there should be some baking with love, just to remember people that this is what we do, but I think everybody knows about it know.

M. Has there been..

T: We made employee investigation here in March and one of the questions was "Do you know Pågen's strategies and values" or Pågen's cant remember the question but about mission, vision and values, and all this, and I think it was 90 who said definitely.. ehh...

M: Is that ehh, is that comparable to investigations you made earlier?

T: Yeah we have a benchmark, a country benchmark and that's much lover. And it is also much higher than previous. So ehh... And I saw actually, I could see that there is one person on Finland, who doesn't think he og she knows the strategies and values, one person in Finland. But I made the Pågen Plan I four languages, so and Finnish was not one of them. Germany, English, Swedish and Danish and then it was distributed out to everybody and I know for instance Germans they were, had, one day, they had (pause).. they were gathered in the room and then they were presented for this (Törk shows German presentation on his iPhone)...

That was very positive, it was one of the highest scores in all the questions we asked, and that is also very unusually that people say, I know the strategies and plans for Pågen.

M: Is that number

90 is that a number that is comparable to similar investigation

T: yeah I think, we had an extreme improvement, but I can try to find it and send it to you, so I, maybe I am wrong with the 90, but it was a high, the conclusion was its very high and its much better than other companies in Sweden and its much better than previous years.

M: So it basically shows that it works.

T: And having the roadshows is also now, we have done it all five years, but before that, the plans were also shown for the leaders, but we come out to the bakeries, but at bakeries is only a small share of our group of employees, because some of them have to work, some of them have to sleep. We are having 4 or 5 presentations during 24 hours, in Gothenburg and then in Malmö also. And sales reps all round Sweden and other markets of course cannot attend.

M: So these activities supporting the purpose have primarily been run from communications?

T: Yes these small funny baking with love. But I also think that you can, explicit of baking with love have been made, but this is also implicit communication. I am making video that can be send out, its also showing respect for people that we want, indicating that we bake with love and take care, and in this movie I of course also communicate baking with love.

M: Does it play a role to your customers, out side of the business? Do you see that implicit/explicit or partners in general?

T: They wouldn't say if it did, but of course customers also want to have a supplier who behaves decent and treats its employees decent and have good values. Ehh.. They also interested in that, but they wont... for instance i have heard, its a bit confidential, but Högsted from Coop he told Claus Meyer that he is not so found of Løgismose-Meyer being owned by a capital fund, because he think it gives some bad values, people in Denmark have this strange thing about capital funds, so of course, he is the highest in Coop and that's a value driven, a he does like it, its not rational, its just his opinion, but he like it to be small and Danish, and I understand that but again I have to find a way to explain him that it is also good to have capital funds coming with competence and money to fuel something that maybe wouldn't fly on its own. ehh... as long as they don't disturb the core values of Løgismose, I think, they know what they are dealing with, but they just don't know how to do it

M: That's actually also one of the key themes of my thesis, this thing with, because, you say that the author of the purpose, there's a lot of books on purpose and conscious capitalism there is this Whole Foods Market, where it is very conscious and caring, almost like Alternativet, in their way of doing things, but there are also a lot of the authors proposing that you need to merge the paradigms of capitalism and doing good, because it is actually mutually inclusive, one part give what you say, the capital funds have the

money enabling companies to do good so they can earn money so they can earn even more money, so that's a virtual circle

T: So instead of trying they are fueling an existing journey of having more people in Denmark eating organic and dyrevelfærd, why is that bad, as long as they don't come in and say, not you shouldn't considered animal welfare, we just it cheap, that's destroying the whole value. I can't see why it's a bad thing, and they also pay taxes. As long as all organizations pay taxes to Denmark its all good. But my cousin Tanja Ellis, she actually wrote a book about companies who work for doing good but have made a profit out of it. Instead of, why is it bad to earn money if you are doing something good for the world? And the interesting thing is of course, if you can make something that does good, but at the same time also is profitable, then it is long lasting.

M: But what is your experience, I know it might be hard to answer, what do you think are the thoughts of people in the public that, what is you experience that, what is the problem for them about big companies and profitable companies.

T: First of all you also hear about big companies really doing bad things. Nordea for the time being. Where somehow and Volkswagen also, I discussed it also with Boel, when it happen with Volkswagen this is a company who has bad culture. Culture the internal culture is so important, you can call it values and purpose, but if you have culture where its just greed and bonuses and what I can get out of it, and how we can cheat customers and so on, and then we have a smart payoff externally saying we are doing good, but the internal concept is not connected to our external payoff, then you end up having companies like Volkswagen and maybe also Nordea, its maybe tough to say they have a bad culture in Nordea. But it came out that in Volkswagen there's a very greedy and aggressive also towards employees, ehh.. top-managed style ending up doing things like this.

I had had ehh. But I think. yeah back to your question. When people hear about this company is doing this, they say this is. Maybe it can happen more in big companies because, because they are more exposed or because you cant control what is happening in the organization, But even in small companies, you yeah...... Shitty things happen, but it's maybe not so exposed because it's a small company you wouldn't hear about it. You have had many food scandals in small companies, there was someone, listeria.... and that what also bad culture, where the CEO he just didn't care about food hygiene. ehh.... and at the end someone died because ehh. because of, ehhh.. rullepølseproducent, that was a small company. So it can happen anywhere it is dependent on people. People create culture and it starts from the top, fish roddens roddens from the top. ehhh.... and also when I started in Coca-Cola there was also tendencies, it was a fantastic company and it

still. The atmosphere is the atmosphere I have tried to copy everywhere since, It was extremely innovative, customer focused and happy atmosphere. But there was some managers who really had a bad behavior, really greedy, cheating, and ... doing a lot of bad things so...

M: What was the good thing about culture in Coca-Cola

T: in Coca-Cola there were many very clever smart people, everybody could make business plan, excel and power point. They were skilled. And many... a lot of practical jokes, fun. Everyday you had your laugh. But it was extremely focused on customers and consumers, That's was Coca-Cola is. Sometimes we just closed the office and went out to look at stores together with sales reps. And that's why I introduced here to Pågen also, to try to have this, everything starts by all the money coming into the company, starts by a consumer taking a loaf from the shelf. And the most important place, therefor is, out in the supermarkets, so that's why I also developed this tool where, when you are out, I actually took a picture here, I came a bit early, I took a picture here. ehhh. (showing app on phone) on Samsung it works must faster.

M: So why you have an iPhone

T: I had an iPhone 5 before and that was shit, but I can see it here. I took this picture in the Netto supermarket, down, and there no Gifflar, sold out. And then you can click and see, who did it, Törk, udsolgt, upload it directly. ehh...

M: What do you call that tool

T: Fotokvarnen

M: And it's for everyone?

T: Every sales rep in all markets.

M: And you use it to like

T: Whenever you go out. Sales reps are taking a lot of pictures when they... Then they send a picture, email it in trade marketing who have to save it somewhere and find it again and I have to, when I need some pictures for board meetings I need to ask, can you send me some pictures, instead I can just... Its much more efficient, you have a direct ehhm.. and you tag, you tag.. you can see here. ehh... The way it works you just take a picture, nu tager den sikker Netto igen.

M: And then you have some predefined categories

T: It find the closest supermarket, so its Netto, and then you just select your products and the theme, local promotion, and maybe a comment.

M: So you have these four categories.

T: It works very good

M: Yeah that's nice because it is often a problem, all this tracking images.

T: The happiest persons are the girls who has to save all the pictures they originally received from sales reps, they think...

M: Yeah it solves a lot, great idea. A couple of few last things, what was it. Back to if you have any like, ehh... Implementation wise. Do you do, you have like a lot of, at least a handful of things you do internally through the communications department. Do you have any activities to your external audiences?

T: There's a difference in communication "Baking with love" explicit and implicit. Implicit I think we do it everyday in our behaviors, leadership behavior, our communication, how our intranet is designed, the colours we use, whatever, the design of our packages, our promotions so implicitly its part of our DNA, in everything we do, including the external stuff. And sometimes is much more, much stronger to communicate something implicit than explicit. I am good. Yeah, show it to me instead. So we would rather show that we bake with love, than to communicate that we bake with love.

M: How do you show it?

T: For instance... Everything Boel does externally is, has the headline baking with love, but its not everything we say directly. FOr instance like, when we, when we donate bread, when we reduce our energy consumption, of course we also do it for cutting our costs, but when we communicate it we say we do it for the environment also. When we ehhm.

M: Do you have anything, any particular initiatives not to the wider public in CSR and not to employees, but do you have anything toward your partners or is it in your... What do you do with your partners anyway?

T: Recently we had, export, our export partners, we had a big event for them two day event with a lot of social get together, midsommer, we all had flower thing on our head and had some Swedish herrings and so on. And we sang a lot of Swedish snapsviser, ehh... We didnt communicate that this was baking with lov, maybe we did, but it is. Many people together, having a fun time... Is baking with love, but. It can also be too much if you contriniously communicate baking with love and do it every month and we are baking with, people get sick and tired of it. I think its better to do it a little more delicate. We write it everywhere on our POS materials and our packages. We have a standard text on all of our packs, where we are telling about our company, and our long history, we use no preservatives and we are baking with love bla bla. Actually I also suggested that we on our ingredients list write "... and love", but the Swedes didnt like it.

M: The legal department probably not

T: No I am not sure you are allowed.

M: Thats interesting, do you besides packaging and all that, do you have any, how do you engage with your consumers?

T: We are on all social media, instagram, youtube, facebook ehh. and twitter and all kind of communication.. hmm if its baking with love communication I dont know. But we are of course taking seriously, I also, we have consumer contact also telefon, they can write or ring, we have Susie, and shes also a good representative for Baking with love, we made a movie about her. If it was a different type of person, I wouldnt be right, you know a book keeping type persons. She polite, nice and smiling, she is baking with love.

So Boel and Susie having them as our external ehh... faces is not deliberate, but if they couldn't communication bakar med kärlek in their behavior, I would have to have changed them. Fortunately they are perfect in each their way. And thats also an indirect way to communicate baking with love, having Susie sitting at the telephone.

M: But would you say that your marketing, is that inspired from baking with love?

T: Marketing is very difficult, its been everything, certainly at Carlsberg. Its more of less live a bit in their own world, but... I think its difficult to make them understand and feel. They come from corporate ehh. backgrounds from other companies and do very much the same and do it the same way as they did there and dont adapt their behavior to all or their approach to Pågen I think. I have been in many discussions with them about ehh... often I think its just tv commercials is not the best thing for gifflar, lets do something on

festivals or.. but thats more to the brand. ehmm. I think marketing is not fully onboard there.

M: So, I mean, I can tell you a little bit, there is a big difference in the literature I have been reading whether like where purpose stems from, where it originates, and often its like it has been some fancy payoff in commercials or something, but then it usually stays in the marketing domain and never makes it to the corporate organizational domain, where as it actually originate as a way of communicating in a marketing payoff but make it to corporate but

T: ... but without having marketing on board, thats strange? Maybe if you ask, they would say they think a lot about it. And of course, much of our communication from our marketing is also inspired from our visitals from baking with love, hearts and so on. But I actually think that some of our tv commercials have too little baking with love. Some of our all tv commercials had much more baking with love than our new tv commercials. Which is a bit hard and bit so... ehh... yeah.

M: How is the role of marketing if you say like leadership wise, are they represented in the board at Pågen

T: Year the marketing manager, Boel is in the management group and the marketing manager is in the management group. But you know, the marketing manager.. is very is not so openminded as Boel, he often complaints that she doesnt control PR, - then coordinate with Boel, why people always have the responsibility for an area before they can do something within, If he needs some pr, coordinate with Boel, we work as a team here, and you these people who wants to have their own small empire. Instead of just working through the organization. Just do it.

M: I don't think I will take any more of your time, I just want to go through my notes to check, that I got what I need.

T: Er det handelshøjskolen eller hvordan?

M: Ja... (pause). Jaeh, I don't think I have further questions, but I don't know if there is anything you would like to add.

T: I have this, which I am engaging very much for the time being. I have this creative pulse. Why Western Europe have developed creativity so much. His point is that having small units competition but also cooperating makes creativity. If you become too big, ehh.. .creativity often dies. And I have used that, he use it as... on macro level on cultures.

But I can see the same thing in a company. Denmark, Norway, Finland and Germany are organized in completely the same way. Ehh. with managing director, field sales manager, key account manager, trade marketing manager and assistants and then some sales reps. And what we are doing is, once a month, trade marketing managers meet and exchange ideas and go out again and then they compete a big, the markets compete of having the best sales rep, in a nice way. And it has created a fantastic creativity. I don't interfere, for instance here in Denmark, they hang up Gifflar in the trees around universitet i Aarhus and København, before the trees have leaves on, you could pick some Giffler. They have thousands of creative ideas, not coordinated with marketing. Of course they should follow some branding guidelines, and not coordinated with me, they have some budgets, and then. I just demand from them that they have plan of what they want to do. But what should be in the plan is up to them. And I have seen this creative pulse now, and I fought against centralistic wishes from the owner and the marketing director, saying we want the money here, we want to, yeah but then everything would die, we have to have it out there. I really believe in having a decentral organization where people have their own budgets their own resources, but we cooperate, so you have functional networks meeting once in a while and discuss. And I normally don't dictate, like this idea hanging Gifflar in the trees, I take care that everybody see the idea and motivate other to do the same, and some does, but I don't dictate to do that. If in Finland they say no is nothing for us, okay, its your decision. Ehh. Or if they don't want to use the poster, you do your own poster, but then you pay for it, if you use this its for free, so I motivate to to... But I see this as a fantastic ehh. engine to creative to motivation. Good leadership. And I considering to do the same in Løgismose-Meyers, all the chefs and the innovators are organized out in the department and they are not cooperation, but I don't want to put them into separate departments. They should stay there but they should meet once in a while, you know all the bakers meet, all the chefs meet and discuss recipes and then go out and implement, hopefully inspired by a thousand new ideas from your colleagues, plus they develop personal networks across departments. I can see it in Pågen, the sales manager in Germany calls once in while the field sales manager in Denmark. Because he went out with him one day, visiting some stores, and now they have a personal connection, where I don't need to do anything, it just works by it self, discussion ideas and how to manage sales reps, how do you do the bonus system and how do you do when they need a new car and so on, discuss it out there. That's a fantastic engine to creativity, motivation, efficiency, ehh... If its baking with love or purpose, but its a good way of of letting a company lead it self more or less.

M: And and..

T: And to be able to do that, you need to have this higher purpose, mission, vision, value so everybody.. this is our common, we shouldn't conflict with that, that's, and we have

our strategy, overall Pågen strategy, it should also be, so that's a must, but everything, how you do it down there is up to you.

M: So you say it's about having a common ground and then encouraging this kind of cross departmental behavior, because then internally you would also positively influence the culture?

T: Yeah exactly.

M: Yeah, last thing is... how do you... how do you perceive the word branding?

T: Branding? (Pause)

M: Is that ehh... a marketing word or an organization word or?

T: It is for me maybe a marketing word, but maybe it should be more a... it should should be ehh aligned with you company brand. Is it company or products I think is the same. Thats when it becomes strong, that you product brand and your company more or less see it as the same. Ehh...

M: But in your terms, you don't work. What is the names of your departments?

T: ehh.. we have communication/hr,

M: Is that one

T: That's one, that's Boel. Communication/hr, the HR manager reports to Boel, then we have finance, it and controlling, that's one and then we have branch marketing, and then we have spygen(?), we have eh.. production, we have and then we have procurement, logistics and quality that's one department.

M: Yeah okay

T: These are the, and then we have international, export, export and Germany. I wanted to put Denmark, Norway and Finland under the international manager too, but the owner did want that. He wanted me to put it under Sweden. I don't want to do that. Actually to times I have put in my tie you could say, If you do that its without me, If you put Denmark, Norway and Finland under Sweden, Germany would be so small that they would not get any resources, and demotivate him. Then I just keep the responsibility. So Denmark,

Finland and Norway are reporting directly to me instead of the international manager. that's strange but..

M: That's a compromise sometimes.. Yes... Thank you very much

T: You are welcome

Some reflective thoughts:

its evident that he believes in the power of purpose, however it seems primarily to be a cultural thing and internal thing.

They have done a lot to nurture purpose internal.

He think BMK is particulatly powerful because ti resonates what they do in eveyday life. NOT used much in marketing. Instead much more as corporate branding in the communication departments,

Aligned the organization well 90 recognize BMK.

Its not framed as purpose its frame as a headline for the value that they have.

He talks a lot about also his new job, his expereince from Carlsberg and Coke, good reflections of his life world.

He thinks a purpose is something on top of a good what and product.

They do a lot of CSR; aligned with purpose, so initiatives and actions come from the communication department, but used as an implicit leadership framework.

I think he agrees that it needs to be related to what you do. Ehm. I think it relates to what we do, why stakeholders think the existence is important an meaningful.

Customers buy Pågen because its fresh bread, not beacuse they bake with love.

He seem interested in the talk, it lasted longer than he had expected, had a meeting at 12, but didnt seem anxious at all.

Done monday 25th of August 9-11.20 meeting room, empty office, juice water, table, warm summer day.

I gave him a bottle of red wine afterwards, hence his contribution was entire voluntary.

Thats it thank you.