

PURPOSE PREMIUM

PURPOSE AND THE PANDEMIC

In late May 2020, three months into COVID, we asked **1,535** Australians about their expectations of Australian business. They told us:

- Concern about the economy is up, and climate is down - way down
- Look after employees first - not shareholders
- Behave with positive purpose and we'll buy you
- If you don't have positive purpose, we'll remember that
- A looming dilemma for business as community and shareholders expectations clash

And if you thought Australia was similar to our close cousins the UK or the US... think again.

Key findings

In mid-2020, purpose in Australia is getting even more pragmatic.

Australians want clear purpose - not "purpose" - from businesses.

We're in a pandemic. We want business to take direct action, to do what they're supposed to do. Australians have doubled-down on our 2019 Purpose Premium findings.

Beyond basic success, reputation is built on:

Reliability

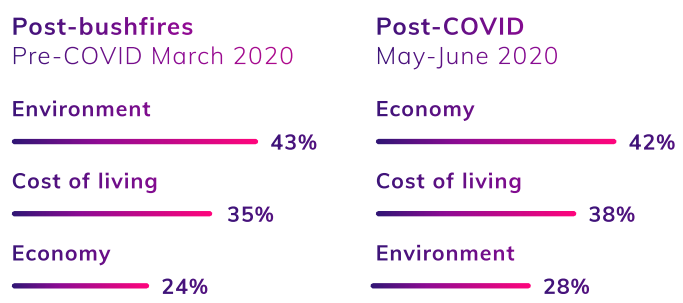
Secure, trustworthy, high-quality, transparent, caring. *Is your business doing what it said it was going to do?*

Responsibility

Purpose and the Pandemic: Rapid Change. *Is your business helping?*

This means jobs up, climate down
 way down
 way down
 way down
 way down
 way down

Reliability was reinforced by Australia's summer bushfire emergency, and then hammered down by COVID-19. We asked Australians what five things they expect our governments to act on.



In just eight weeks, economy and environment switched positions, echoing the 2008-9 Global Financial Crisis.

We want "practical purpose" from business. What does that mean?

Australians told us that practical purpose is helping people first - not shareholders.

Hardship support for customers

60%

Want businesses to temporarily eliminate fees or barriers to services

Employee wellbeing

60%

Prioritise employee health

58%

Prioritise economic wellbeing

68%

Prioritise employees' interests ahead of other concerns

Real purpose

Products or services to help relief efforts - not marketing slogans or what we call performative donations.

31%

of us agree that using marketing to communicate about the pandemic is a good use of resources (including donations to relief efforts).

And... we're watching. A reputation pand-ilemma is just ahead.

As we emerge from panic mode and approach a grinding recession, decisions business leaders make now will have long-term impacts on reputation. Many businesses will face what is effectively a "Sophie's Choice".

63% agree

Companies' actions now will impact our **perceptions** of them into the future

62% agree

Businesses that support **front-line workers** will be similarly rewarded

2/3

Are more likely to **trust** (64%), **remain loyal** (64%) and **purchase from** (62%) companies doing the right thing, right now

64% of Australians

Say they would **stop buying** products or services if they learned of irresponsible or deceptive business practices during the pandemic

At the same time, a big cohort of investors and wealthy retirees believe government has over-reached, and we need to "re-open".

	Own investment properties	Have stock market investments	None of these
Agree: Shut down should be relaxed	52%	48%	35%
Agree: Government measures are too strict	36%	33%	23%

As JobKeeper and mortgage payment deferral deadlines loom large and COVID-related measures are subject to review (and full-year results reporting season begins) how will businesses look after employees, customers or shareholders? For many, it will be a binary choice. The pressure will be on, and Australians will be watching. Business leaders must choose - and manage the reputational consequences. **Watch this space.**

Other findings

We want companies to behave well... but not necessarily if we're working for them

We will purchase from companies taking the right action, but we're less interested in:

54%

Working for them

41%

Or investing in them

When it comes to our own hip pockets, we want employers and investments to be profitable, stable and **Reliable**.

Australians have hammered home the point that this is not the UK, and this is not the US.

We're nothing like our two close cousins. Australians expect business to help, and we've placed our trust in government. In other places, it's very different.

28% of Australians have more faith in business to bring solutions to the pandemic than government.

40% of Americans feel the same way (from a high of 50% earlier this year, according to our US Purpose Premium research).

39% of Brits believe private companies are doing better than government (46% among those 25-34), which really says more about the state of governance in the UK than the performance of private industry.