

WORLD VALUE INDEX



MURPHY
RESEARCH

The Importance of Positive Impact in
Today's Business Environment

In just a few decades, contemporary capitalism shifted from hero to villain in its own story



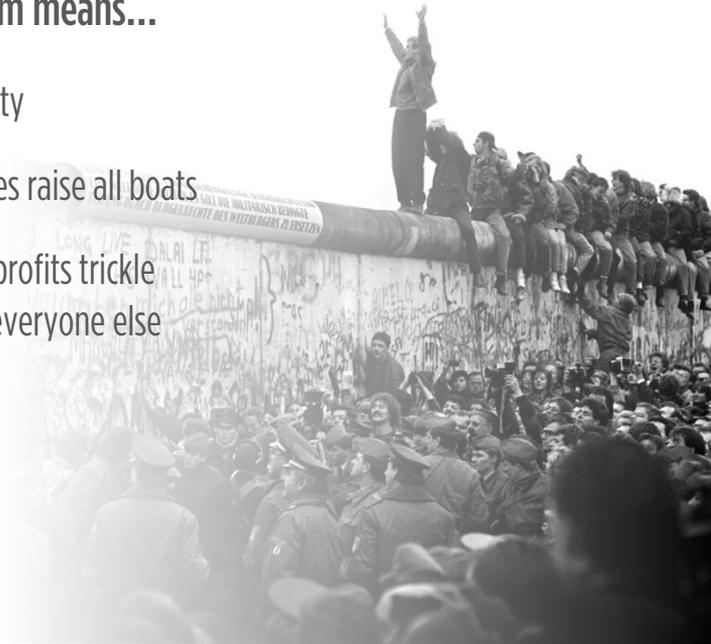
1989

Capitalism means...

Free society

Rising tides raise all boats

Business profits trickle down to everyone else



2020

Capitalism means...

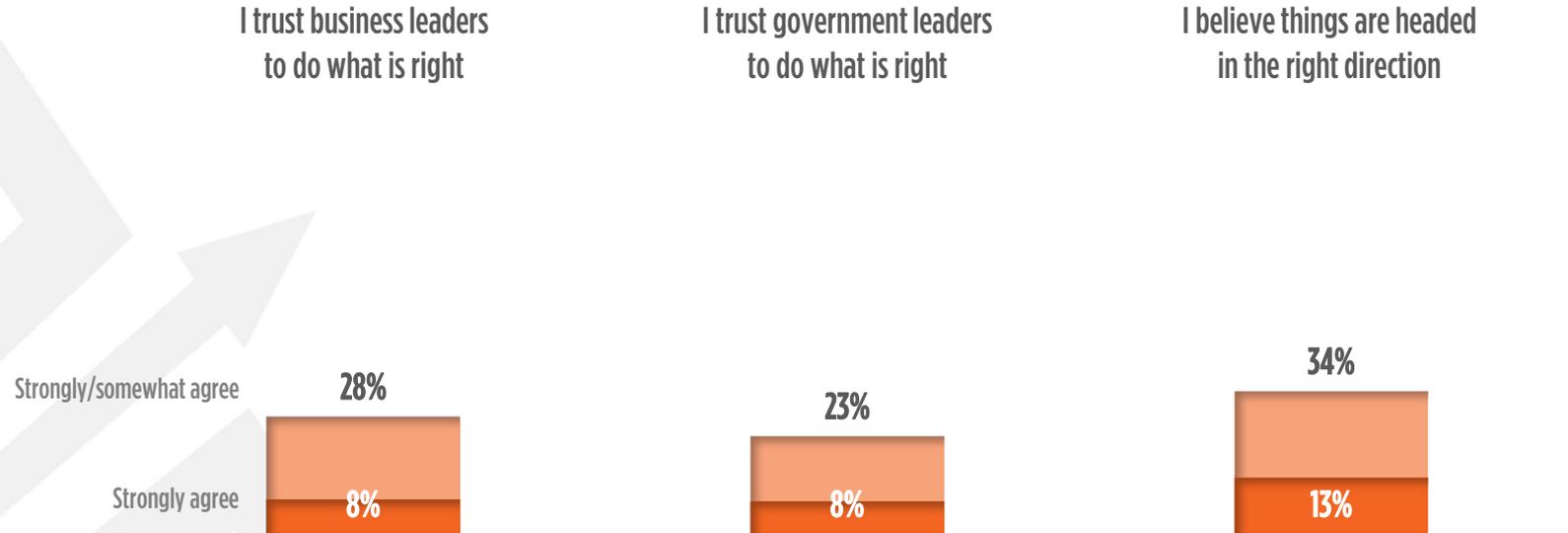
Rigged society

Winners take all

Business profits at the expense of everyone else



Few consumers trust business or government leaders to do the right thing, with movements on both the left and right questioning the value, and values, of contemporary capitalism



In response, leaders across the public and private sectors are calling for the business community to rethink and reposition capitalism's values to include external stakeholders as well as internal shareholders



BR Business Roundtable

CORPORATE GOVERNANCE

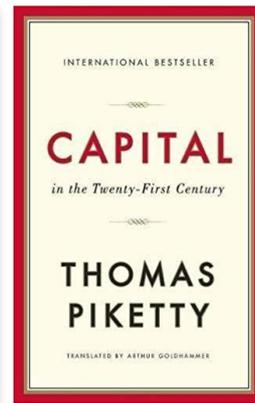
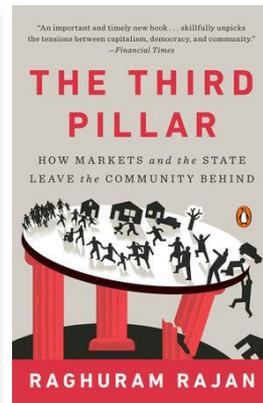
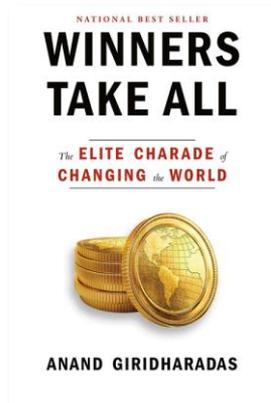
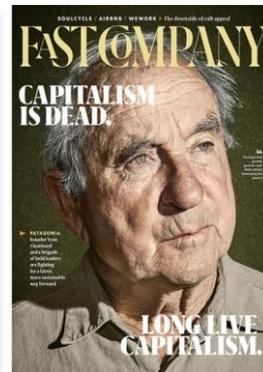
Business Roundtable Redefines the Purpose of a Corporation to Promote 'An Economy That Serves All Americans'

AUG 19, 2019

Updated Statement Moves Away from Shareholder Primacy, Includes Commitment to All Stakeholders

WORLD ECONOMIC FORUM

Davos Manifesto 2020: The Universal Purpose of a Company in the Fourth Industrial Revolution





A focus on stakeholders is not simply about altruism or marketing, but long-term business health

“As we have seen again and again, these actions that damage society will catch up with a company and destroy shareholder value. By contrast, a strong sense of purpose and a commitment to stakeholders helps a company connect more deeply to its customers and adjust to the changing demands of society.”

Ultimately, purpose is the engine of long-term profitability.”

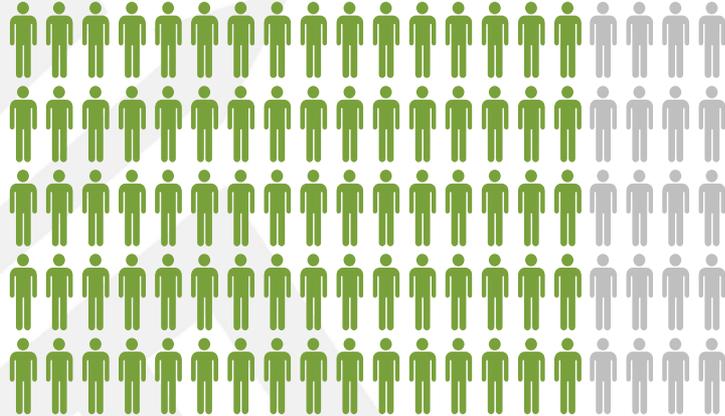
— Larry Fink, BlackRock

The idea that companies should be responsible to more than just their shareholders is mainstream among today's consumers, as is willingness to pay more for companies that act on these values



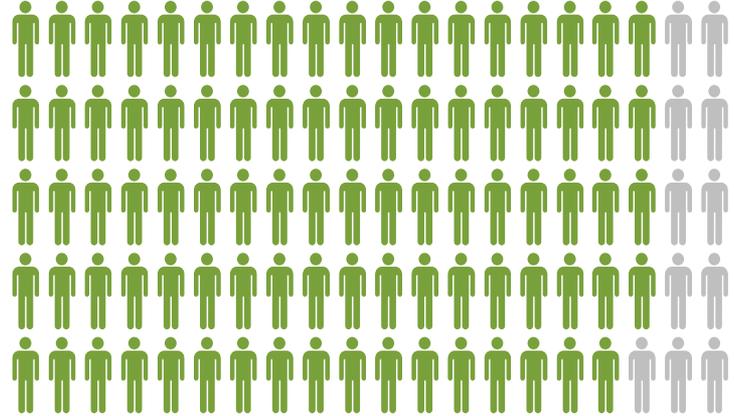
80%

of consumers believe **companies should have a purpose beyond making money**, such as helping their employees, local communities, or striving to serve a larger cause that makes the world a better place

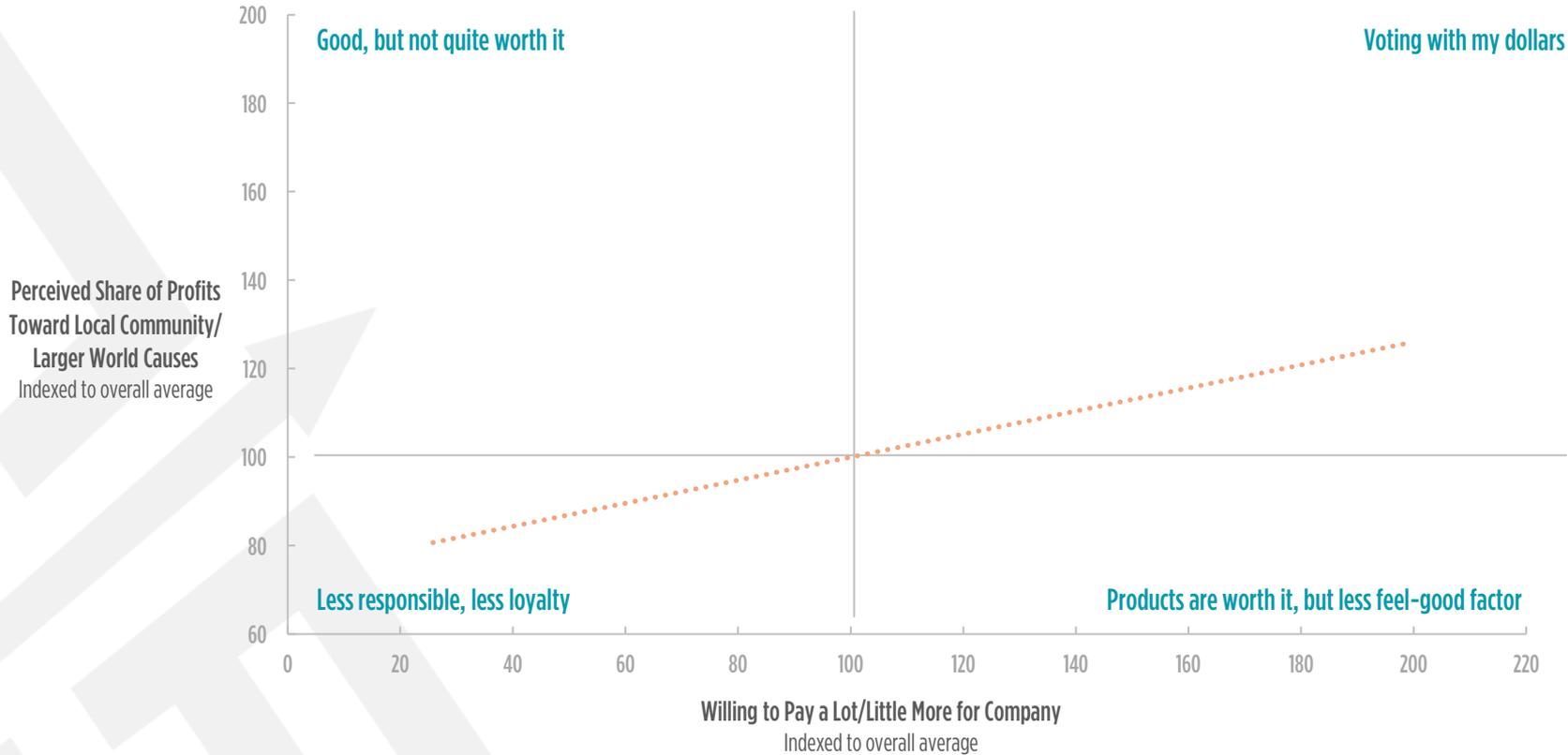


89%

are willing to **spend more money** on a company that **contributes to causes they care about**



Across brands and industries, there is a positive relationship connecting consumers' perceptions that a company actively supports a larger mission and their willingness to pay more for it



Q7. Which of the following best describes your willingness to pay for [brand] compared to competitors? Please select one. Q12. Now we want you to evaluate how much [brand] values each of the following? Please distribute 100 points to indicate the amount [brand] values each item. The larger the point value, the more [brand] values it. Your answers must sum to 100 points. BASE: Aware of brand/assigned to rate (approx. n=200/brand)

Measuring perceived impact

This company's success...

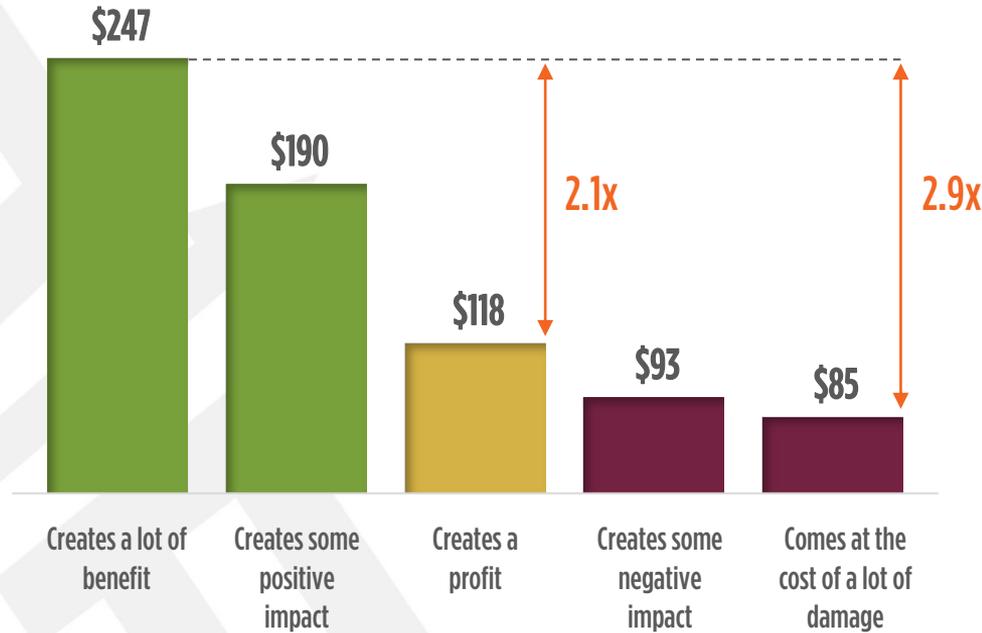
Across 125 brands rated



Consumers report spending nearly 3 times more on the most beneficial brands than on those that create damage; neglecting mission and purpose effectively means leaving money on the table



Past 12 Months Spend (USD)
On companies/brands whose success...



Q5. How much have you spent on/with [brand] in the past 12 months? Your best estimate will do. BASE: Total responses for each type of brand – Creates a lot of benefit (n=3309); Creates some positive impact (n=6350); Creates a profit (n=12214); Creates some negative impacts (n=1842); Comes at the cost of a lot of damage (n=1206)

Consumers may be willing to support companies that share their values, but in polarizing times those values can differ quite widely, highlighting the need for an objective measure of the impact of purpose

Causes Supported through Donations

Over-index relative to Total (≥ 120)

MILLENNIALS

- Gender equality
- Labor issues (inclusive employment, empower workers)
- Sustainable communities, infrastructure, and industrialization
- Collaboration for shared progress

BOOMERS

- Support local community & economy
- Support military
- Promote religious values
- Disease prevention

LIBERALS

- Animal welfare and ocean preservation
- Reduce poverty
- Disease prevention
- Climate change, sustainable energy and communities
- Reduce inequality (gender, education, income)
- Labor issues (empowered employees, American workers)
- Collaborate for shared progress and peace

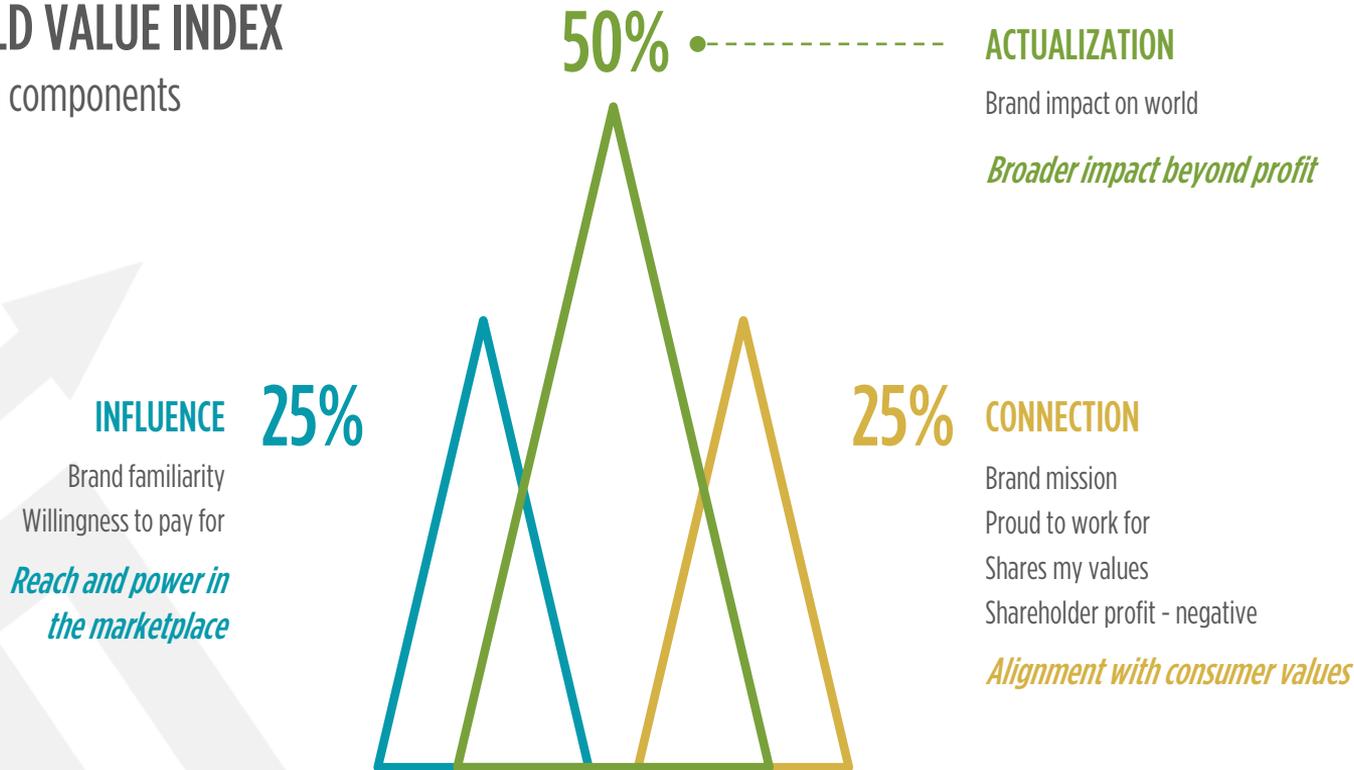
CONSERVATIVES

- Support military
- Promote religious values
- Support American farmers

Murphy Research's World Value Index measures the impact of purpose in consumer perceptions and purchasing;
 Actualization is weighted more heavily as this will become a key indicator of a company's health in the future

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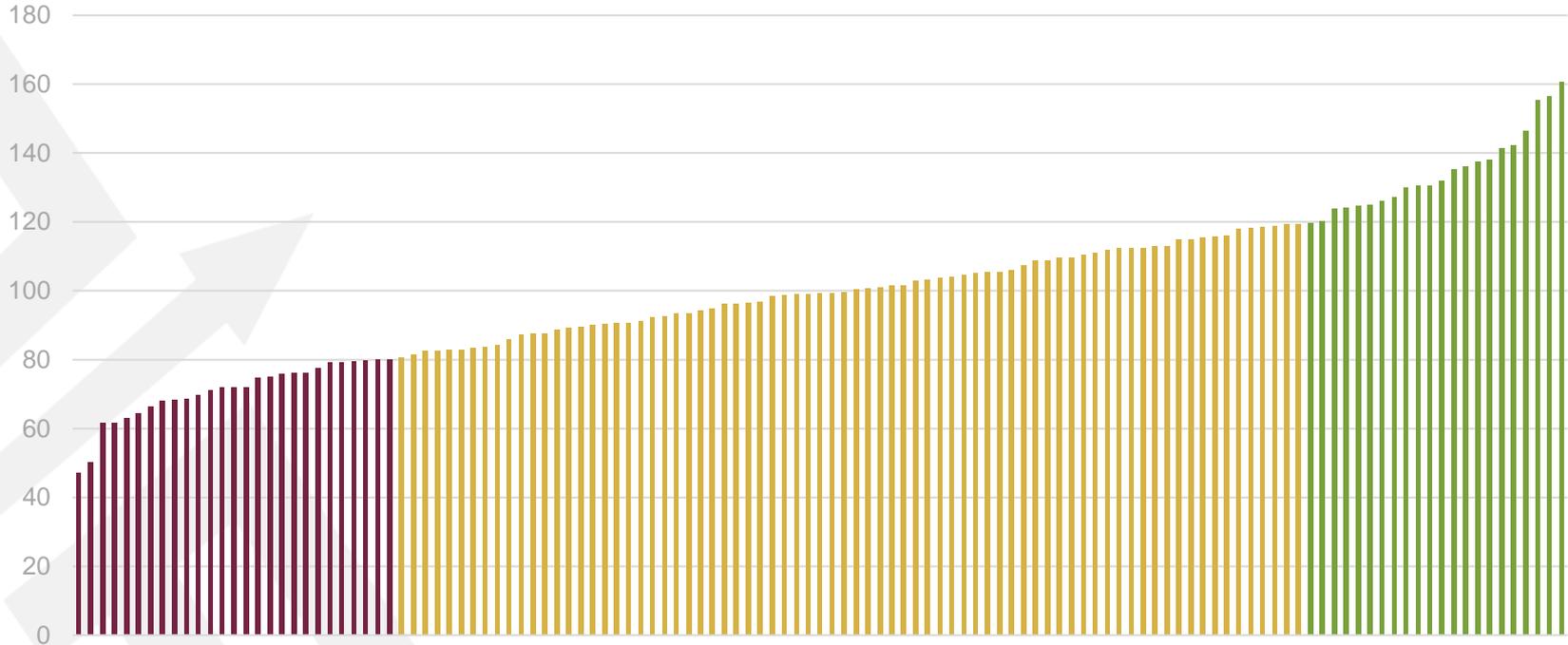
Scoring components



The World Value Index includes 125 major companies across a wide range of industries, with more to come



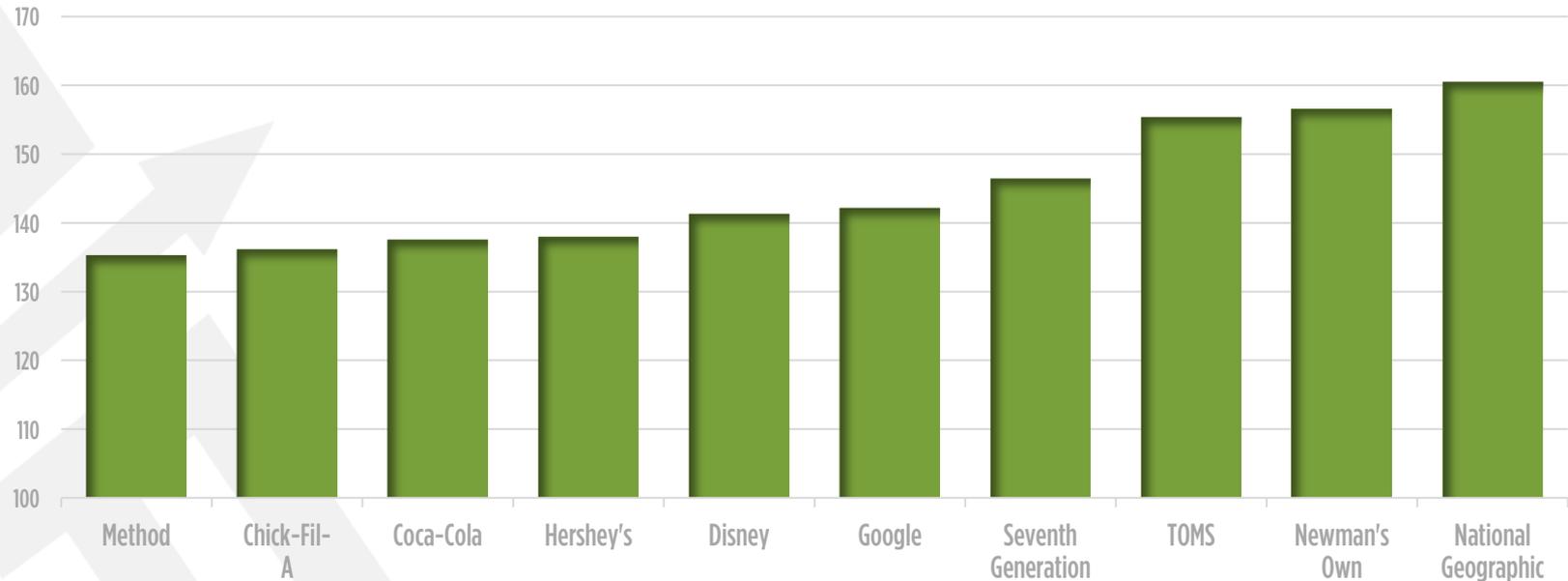
World Value Index Ranking



The highest ranked companies include a range of industries, products, and services, not all of which are explicitly mission-driven, highlighting the need to understand what drives consumer engagement with a brand's mission



World Value Index Ranking - Top 10 Highest Ranking Companies -

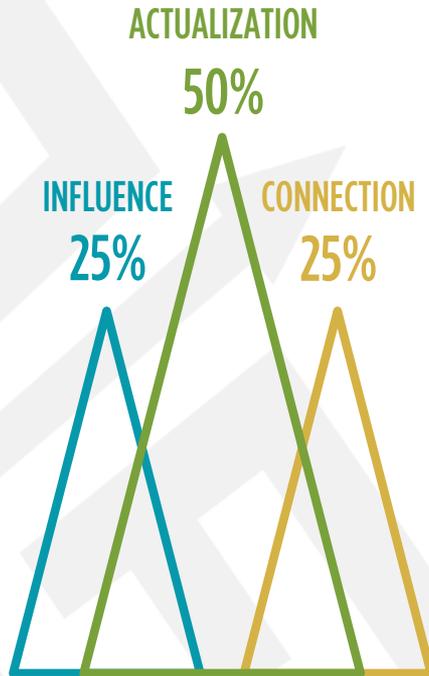


The World Value Index provides both a benchmark and a diagnostic toolkit for building loyalty and longevity in the new era of stakeholder capitalism, with 125+ brands in the system and more to come



WORLD VALUE INDEX

A data-driven method to measure and improve brand health in the 21st century





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