

# SOCIAL PURPOSE HAS NEVER BEEN GREATER IN RETAIL



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ALISON HUTCHINSON CBE, CEO OF PENNIES EXPLORES HOW CORONAVIRUS HAS HASTENED A FOCUS ON 'SOCIAL PURPOSE' FOR BUSINESSES

It wasn't meant to be this way. If 2019 was a turbulent year for politics and economics across the globe, 2020 has shredded the playbook and left us with challenges as great as we have ever experienced. Retail, as most other industries, has had to adapt and adopt strategies to not just survive - but also thrive in this unanticipated new landscape.

A recent survey by KPMG (April 2020) found that that the "new customer" is emerging - one that is becoming more altruistic, and prioritising community and integrity over deals and profits. Covid-19 has undoubtedly resulted in a surge in community spirit but also greater demands upon businesses to contribute to the communities they serve and hard-working charities - at a time when charitable donations are dramatically shrinking.

Retailers and retail leaders are responding and exercising the leadership we know them for; increasingly placing social purpose at their core - giving it as much importance as, and using it to inform, their marketing campaigns and financial plans. A 2020 study from Porter Novelli on an executive view of businesses asserts that "purpose is here to stay" concluding that "delivering value to all stakeholders, not just shareholders, is not simply an aspirational idea for a few leading brands, but rather the new go-forward strategy."

In addition, social impact has become an important driver of brand choice: 87% of consumers would purchase a product because the company showed support or advocated for an issue they cared about, according to a CSR study from Cone Communications, whilst 89% in the same survey claim they would likely switch brands to those that support a good cause, given similar price and quality.

Demonstrably "doing good" is also an important driver in the market to recruit and retain talent. According to data from the Chartered Institute of Marketing, 82% of millennials are more likely to seek employment at a company that has been publicly awarded for its ethics. PWC also cites that employees put 57% more effort into their jobs when they are committed to the companies they work for - and just as it plays a role in recruiting staff, a company's ethical position can inspire greater commitment from colleagues too.

## MICRO-DONATIONS ARE THE LIFEBLOOD OF CHARITABLE GIVING

Charities in the UK - which support millions of us each year when things get tough - are facing a near insurmountable financial challenge. Income from the public is the lifeblood of the UK charitable and voluntary sector.

"Micro-donations" make up a crucial part of this fundraising landscape for charities. This could be in the form of a small charitable gift made with coins or digitally. Think of it as the £2.50 handed to The Big Issue seller outside your local train station; the NFC payment points offering a digital 'tap-to-donate' option increasingly available in museums and churches across the country; and the small physical change dropped into a collection box on the shop counter. The latter of course - cash - has been decreasing in use for several years and in a post coronavirus world is shrinking in use to an even greater degree.

As a measure, Link, the UK's largest cash machine network, recently found that as high as 75% of people were using less cash, and 54% of those asked said they were avoiding cash altogether (April 2020). And 76% of people reported in the same poll that they expected to use cash less and move instead to other forms of payment, or online shopping more in the next six months.

## THE SHIFT TO GIVING DIGITAL

As fewer of us use cash in our daily lives, digital micro-donations are becoming ever more vital as a form of income-raising in a post-covid environment; particularly appealing in an age of less-cash; amongst ethically-minded consumers; and of course to retailers seeking innovation and differentiation in their response to the new consumer, colleague and investor.

At Pennies, we saw a dramatic increase in consumer micro-donations made with our ecommerce partners during the height of the first UK lockdown, and significant interest from new businesses wanting to explore micro-donations (in ecommerce, but also in app and in-store).

As an example, Health retailer Holland & Barrett responded to the pandemic by adding Pennies' micro-donations option to its website, app and stores - accomplished in 10 days. This allowed customers to support the NHS Charities Together COVID-19 appeal when making purchases at the retailer. With high levels of online orders and stores selling essentials during the pandemic, implementing an omnichannel solution maximised fundraising. Strong staff and customer comms helped ensure thousands of pounds were raised in the opening weeks of the partnership.

## EXPLORE MICRO-DONATIONS

At Pennies we believe that sustainable income for charities can be created - and increased - whilst unlocking a wealth of advantages for the retailers that support them: focusing social purpose by choosing charities and causes that resonate with their brand and mission, and at the same time inspiring customers and colleagues and satisfying investors. Because micro-donations matter now more than ever. To find out more about Pennies, please get in touch with the team and we'd love to explore the benefits of micro-donations to your business. [info@pennies.org](mailto:info@pennies.org), [www.pennies.org.uk](http://www.pennies.org.uk).

ALISON HUTCHINSON CBE

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14:24  
CHECKOUT

1 item

VIEW >

£45.00

### DONATE TO CHARITY

You can choose to add 50p to your order as a donation to Richard House Children's Hospice, who support children with life-limiting health conditions. [Find out more](#) about the charity.



Every penny of this donation will go to charity: 90% to Richard House (registered charity no. 1059029) and 10% to Pennies (registered charity no. 112489).

**DONATE 50P >**



<b>SUBTOTAL (1 ITEMS)</b>	£45.00
<b>STANDARD DELIVERY</b> Delivery usually within 3-5 working days	£2.99
<b>TOTAL</b>	£45.00

**COMPLETE ORDER**