

# Empathy to Purchase

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**I**ncreased sales and a strong bottom line usually are precursors of boardroom discussions about accountability. That dialogue is broadening, however, as the complexities of today's marketplace have led to a less black-and-white conversation — a more humanized version of accountability.

Your living, breathing, growing organization needs a heart. You need to “psychologically identify with, or vicariously experience the feelings, thoughts, or attitudes of another.” That is the dictionary definition of empathy, and for businesses and brands it means having a heightened consideration for the wants, needs and passions of their consumers.

Empathy is a key competency in everything from business leadership to parenting. It moves us from the simple identification and knowledge of needs to a depth of understanding, experience with, and belief in those needs, wants, and desires. Empathy can help businesses align authentically with what their consumers care about.

However, as we seek to develop successful solutions and innovations for brands to meet the needs of consumers and shoppers, empathy can be a big challenge. Can brands truly share and care along with their consumers? Empathy is far more an emotional link to the human situation than merely an intellectual understanding of it. It is the definition of ‘walk a mile in their shoes.’

This is almost literally true for Toms, which has given 35 million pairs of shoes to children in need across 60 countries. It has also helped 250,000 with their eyesight issues since it began selling eyewear in 2011. With its ‘one for one’ business philosophy and

‘humanitarian’ business predicated on caring for our world, Toms is at the top of the list when it comes to empathy. For Toms, corporate responsibility is not something you just read about in an annual report or a ‘nice to do.’ It is the way of doing business.

A big part of Toms’ success is that it has crafted a simple story that resonates with people. It’s a scientific fact that the stories we tell ourselves and others are embedded in our DNA. Scientists have used MRI scans to observe how stories affect our brains.

Elizabeth Svoboda, writing in *Aeon*, a digital magazine of ideas and culture, reports that Princeton psychologist Uri Hasson found that the brains of story listeners “lit up in the area of the insula — a region that governs empathy and moral sensibilities” in tandem with that of the story teller. “Listeners and speakers also showed parallel activation of the temporoparietal junction, which helps us imagine other people’s thoughts and emotions,” she wrote.

Neuroscientist Mary Immordino-Yang meanwhile found that “emotion-driven responses to stories” begin “in the brain stem, which governs basic physical functions ... So when we read about a character facing a heart-wrenching situation, it’s perfectly normal for our own hearts to pound.”

Every brand has the potential to tell a story, but how many make our hearts pound? That’s a high bar, obviously, and for most accountability simply means doing what they said they would do, without making anyone’s palms sweat. Whatever your intentions, your accountability is measured on your level of responsibility to the standards formally or informally put forth and understood. For brands, those standards come in the form of a value system authored in large part by consumer and shopper expectations.

## EXPECTATIONS HAVE CHANGED

Historically, the simplest ways for a brand or business to demonstrate accountability was through some combination of fiscal fitness and the creation

# Can brands truly share and care along with their customers?

of shareholder value or charitable efforts. The first was easy to measure, and gauge success. The goal of the latter was to identify efforts that it believed consumers cared about in order to demonstrate that it cared, too. Giving back to its community was—and still is—a good practice because it provides a meaningful connection between consumers and a brand. Today, it is no longer enough.

The focus has now shifted from philanthropy and charity to include sustainability. Brand efforts must now also include the broader environment and its impact. Brands should care for *our world*, or at the very least avoid hurting it. Brands also need to be authentic and true when it comes to holding a place in our lives. Actions can be hollow if they are viewed as disingenuous or too self-serving. If a company or brand is not authentically wedded to its values and promises, it will quickly become clear in this sophisticated, transparent environment, and quickly rejected.

The accountability equation can be a conundrum for companies and brands in which giving is not a key sales driver. Even when it wants to be in service to the needs and desires of its consumers and the world, it also needs to be profitable. Some self-interest is required to be successful. The simple concept of empathy offers a solution to the puzzle of how to be authentically accountable and successful, while also deepening relationships with consumers and shoppers.

Empathy can be demonstrated in any number of ways. For example, in February of 2014, Gap announced that it had plans to raise its lowest pay wage to \$10 an hour by June of 2015 for its employees at its stores, including Banana Republic, Old Navy and others. Was this decision based on a personal connection to the challenges of the hourly worker (empathy) or conceived entirely for self-serving purposes? Likely: both.

Regardless, the move signaled that Gap cared for its employees and was responsive to their situation. After the announcement, it was reported that job applications increased by 10 percent. Lynn Albright, an Old Navy vice president, said the pay increase made the retailer “more competitive and attractive in getting the best talent we can find.” This sentiment was underscored by Gap’s then-Chairman and CEO Glenn Murphy, who said he expected the new pay policy would “deliver a return many times over.”

This is self-serving to be sure, but it is also a fiscally-sound decision that protects shareholder value and leaves employees happier with their higher wages. This should have been a clean homerun for accountability, but there were some cynical responses to Murphy’s comments—or at least to how they were stated. Gap needed to do a better job of communicating that its definition of accountability included caring for the human interests of its employees.

## THE STARBUCKS STORY

Starbucks chairman and CEO Howard Schultz needs no help communicating empathy and accountability. His strong support for American veterans is no secret and it’s a cause that reaches both employees and the broader population. The Starbucks chairman publicly backs our US troops, corporately and personally.

In a press release distributed in late 2013, Schultz stated: “The value we are creating for shareholders is tied to the values that guide us as an organization. As I look at the opportunity ahead of us, we’re going to need to hire men and women with like-minded values and the right job skills in order to continue our current levels of growth.”

Between a Starbucks \$30 million gift to help war vets, a pledge to hire a minimum of 10,000 returning veterans or their spouses, and the Schultz Family Foundation’s launch of the national initiative, *Onward Veterans*, Schultz is leading the charge to enable a successful transition to civilian life.

His agenda includes reminding the public of the needs of the 2.5 million who have served, 20-40 percent of whom have come home with some form of post-traumatic stress. There is no doubt that Schultz and his commitment to American veterans boosts brand love, loyalty and most likely sales, yet the cynics accept this as authentic and applaud the accountability to business and country.

It’s worth noting that empathy is written into Starbucks’ vision: “A culture of warmth and belonging, where everyone is welcome.” It’s also true that Starbucks has had its struggles living up to that vision, particularly during the early 1990s, when it was expanding very rapidly. As recounted by Rich Karlgaard in *Forbes*, Schultz thought the problem



## The Empathy Express

1. In today's world, accountability *must* extend beyond strict business goals.
2. Beware when the financial benefits to the company greatly outweigh the relevant consumer value.
3. Find a way to give your brand promise the sniff test. If it feels manufactured and somewhat hollow, it will almost always feel that way to your consumers.
4. Accountable intentions must be authentic, transparent and credible.
5. Measure the success of all of your activations (including charitable and sustainable initiatives). It is as important as tracking sales; and in the long term the two are linked.

could be solved with a deep dive into data. His second-in-command, Howard Behar, whose “gift was empathy,” saw things differently, however.

Instead of relying on data alone, Behar took a tour of Starbucks locations: “The problem, he discovered, wasn’t complicated: New employees weren’t buying into the Starbucks culture; older employees felt alienated from headquarters.” Behar took his observation back to Schultz and the Starbucks board, telling them: “We don’t need more data. Our problem is simple. Our employees are unhappy. Is that enough data for you?”

While accountability can be measured in whether or not a business did what it said it would do, there is no direct metric for empathy. Perhaps it is simpler to identify where it doesn’t exist or isn’t happening than it is to say exactly what the impact is when a business is—or is not—empathetic. Suffice it to say, the impact is significant.

We can turn to science once again for more insight here. Robert M. Sapolsky recently wrote an excellent *Wall Street Journal* column about the vagaries of empathy. He started out by noting our sometimes contradictory behavior when it comes to feeling others’ pain.

He writes: “Our hearts break at a disaster on another continent, and we send money to people whose faces we will never see. We look after the wellbeing of our pets with deep, empathic concern. We feel the pain of characters in a novel. But at the same time, we can walk past a homeless person sleeping on the sidewalk without noticing him.”

Sapolsky goes on to cite studies showing that stress impairs one’s ability to empathize. Scientists also tell us that we are far less likely to empathize with strangers than with friends.

This goes a long way toward understanding why Starbucks was struggling back in the late 1990s—its rapid growth created stress among employees, who were growing so rapidly in numbers themselves that they suddenly were mostly strangers. This tore at the very fabric of the company’s once-formidable culture of empathy.

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Our world today is more transparent and connected than ever, which adds pressure to accountability. Consumers will forgive an honest failing; they will not forgive attempts to misrepresent or falsely support something as a means to connect or convince.

The interested audience is bigger and armed with more information and opinions than ever. Their ability to cry foul when they see brands and businesses stray from what they believe is the right course is amplified as never before. However, from an empathic perspective, this can be good news for companies that approach accountability with honesty and integrity, and communicate their stories effectively.

Using empathy as a basis for accountability can be very powerful when it benefits both the company and its consumers in a balanced way. It allows us to glean insight into—and heightened consideration from—the consumers who buy our brands and services, and to whom every brand ultimately is accountable. ■



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