



The business case for diversity, equity and inclusion in marketing

Why understanding DEI is critical for good and for growth in 2024-25

October 2024

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Foreword

Why understanding DEI is critical for good and for growth in 2024-25

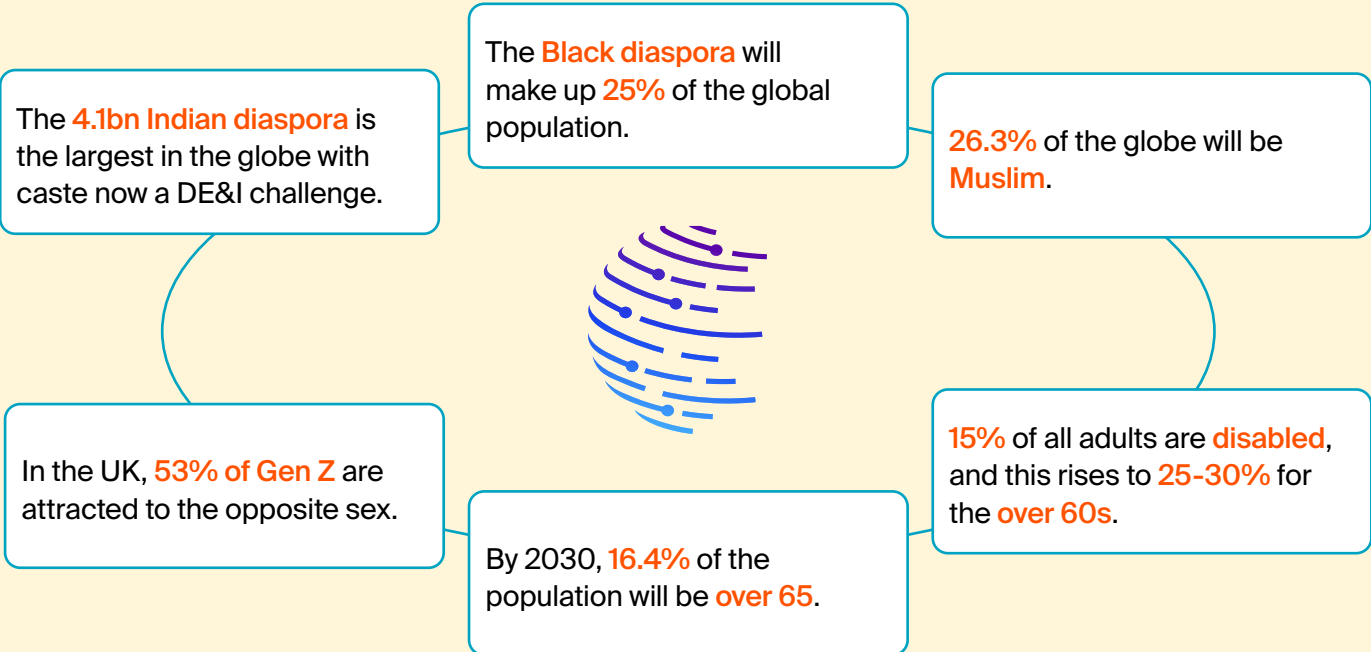
According to the World Federation of Advertising, the number one priority for marketers this year is building brands. In the top five priorities are also marketing effectiveness, marketing capabilities and talent, marketing transformation and creative excellence.

The simple fact is inclusive marketing is a driver for ALL of this. Smart brands are doubling down in their investment in inclusive marketing. The research is clear, the results are there. This page sets out the business case and looks at examples of progressive brands and how they leverage inclusive marketing for growth. While this is a driver for profit, it is a powerful force for good and has profound social impact – with the rise of the Far Right and increasing division, our role in social cohesion and inclusion is critical.

As importantly, a values-based organisation is a key motivator for young talent to join a progressive, thriving business, which diversity, equity and inclusion drives, as you'll read below.

Setting the scene: why now?

Globally, society is becoming more diverse. Generations of migration have led to multicultural and multiracial societies, many countries are experiencing an ageing population, and more people than ever are identifying as LGBTQIA+.



This had led to certain expectations from businesses and consumers. From McKinsey’s research, 94% of CEOs indicate DEI, or Diversity, Equity and Inclusion, is a priority and brands with representative advertising have seen an increase in sales. However, brands are operating in an increasingly politicised climate. Global elections, divisive debate, and algorithmic bias fuels the fires of, what the World Economic Forum has called, “an era of historic, unprecedented levels of political polarisation and partisan division”. Due to multiple global pressure points, DEI knowledge is an imperative for businesses to be able to navigate these uncertain times.

To sum up, brands that hold their values are more likely to be rewarded:



For every 1 consumer rewarding brands that back down from DEI positions due to criticism...

...there are 4-5 consumers who would reward brands that uphold their DEI values in the face of criticism

Three reasons why it matters now

1 Brands don't operate in a vacuum



To future-proof, brands must understand the consumer of today: DEI literacy is critical. Brands that can activate DEI with authenticity are driving culture, while those that don't risk falling behind. The world is changing, so marketers need to be on the forefront of what society looks like now, what it will look like next year, and beyond.

2 Brands on the forefront of culture and social discourse are winning with audiences. Let's look at two examples:

CASE STUDY:

E45's "This Is Me, This Is My Space"

Channel 4's 2023 Diversity In Advertising Award brief challenged advertisers to 'Be bold' and "Proud all over", in response to the growing fear of brand backlash when representing LGBTQIA+ identities, and specifically trans identities.

E45 responded with a powerfully authentic campaign, one that shined a light on the true lived experiences of transgender people. "This Is Me, This Is My Space" shares the deep, the personal, the comical, and the difficult elements of transitioning that trans people experience, particularly when it comes to the changes that their skin goes through.

Standing strong on the brand's position as an expert of diverse skin types and conditions, despite a polarising and often transphobic media climate, paid off. The award-winning campaign was backed by over £1 million worth of commercial airtime across the Channel 4 network.

<https://www.youtube.com/watch?v=y6cNCyEDSKg>



CASE STUDY:

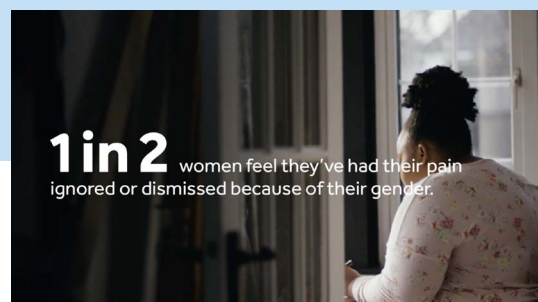
Nurofen's "See My Pain"

Nurofen has pledged to close the Gender Pain Gap and "to do all we can to help make women's pain visible". This comes from the insight that women are far more likely than men to have their pain ignored, overlooked or underestimated by medical professionals. The "See My Pain" campaign was part of a wider purpose-led platform and long-term initiative to address these medical inequalities.

The impact of this campaign has been staggering. Not only has Nurofen grown its market share by 1 pp in a category down 3% year on year, it also secured £3 in funding from the NHS for Gender Pain Gap training for GPs. 'Gender Pain Gap' is now the fastest growing medical term on Google Trends.

This is a great case study on how brands can address inequalities whilst authentically building brand relevant purpose propositions and campaign platforms.

<https://www.youtube.com/watch?v=DOsq5Ex4Ato>



3 Brands that don't keep up face backlash and can impact a brand's reputation overnight

CASE STUDY:

Zomato India's World Environment Day campaign

Zomato is an online food delivery service in India that intended to raise awareness about food wastage for World Environment Day. However, the campaign's concept clashed against an important cultural context – casteism.

Despite being illegal, casteism is still rife in India, with connotations of purity and social value. Within the hierarchy of the caste system, Dalits are forced to occupy the lowest strata and are a marginalised and underrepresented audience. Zomato's campaign insensitively drew comparisons between 'kachra' (meaning garbage in Hindi) and a Dalit character with the same name from the Hindi-language film Lagaan. The advert showed the

character being turned into items from recycled waste such as a table and a watering can.

This led to backlash from consumers who felt the campaign was dehumanising, insensitive and perpetuating casteist tropes. It further led to the National Commission for Scheduled Castes serving the brand a notice for the portrayal of the character. Zomato issued an apology via X and pulled the advertisement. Given the breadth of the Indian diaspora, knowledge about Caste-ism is key across the world.

<https://www.youtube.com/watch?v=OQyQEWCURiM>



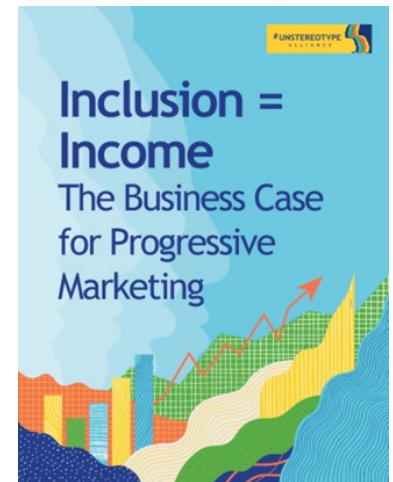
What then is the ROI?

Inclusion = income: the facts are clear

Latest research from the Unstereotype Alliance Secretariat at UN Women with Saïd Business School, University of Oxford “Inclusion = Income: The Business Case for Progressive Marketing”, proved that brands committed to DEI saw greater consumer loyalty (+29%), greater long-term sales impact (+16.3%), and greater pricing power (+52%).

Research from Ipsos Mori further supports this business case, showing that inclusive portrayal positively influences long-term brand building. This is evidence that, as an industry, we must fight against the counter-productive narrative that the “go woke, go broke” crowd push, and instead stand strong in support of the fact that inclusion equals growth. We have the power to make people feel seen and heard, so we must keep pushing for progressive marketing.

To listen to this further, please see this presentation at Creative Equals’ conference, supported by ISBA, RISE, 2024. https://www.youtube.com/watch?v=MFjOwO_IOcw



Inclusion = social impact

There is no doubt inclusive marketing makes a difference on the world and is a driver for social impact and ‘good’. Being a ‘force for good’ also delivers profit. The two are not mutually exclusive as this case study from Dove shows.

CASE STUDY:

Dove

The insight:

20 years ago, only 2% of women saw themselves as beautiful.

The impact:

- Dove’s ‘Real Beauty’ platform has not only made each and every woman feel seen – *diversity, equity and inclusion*

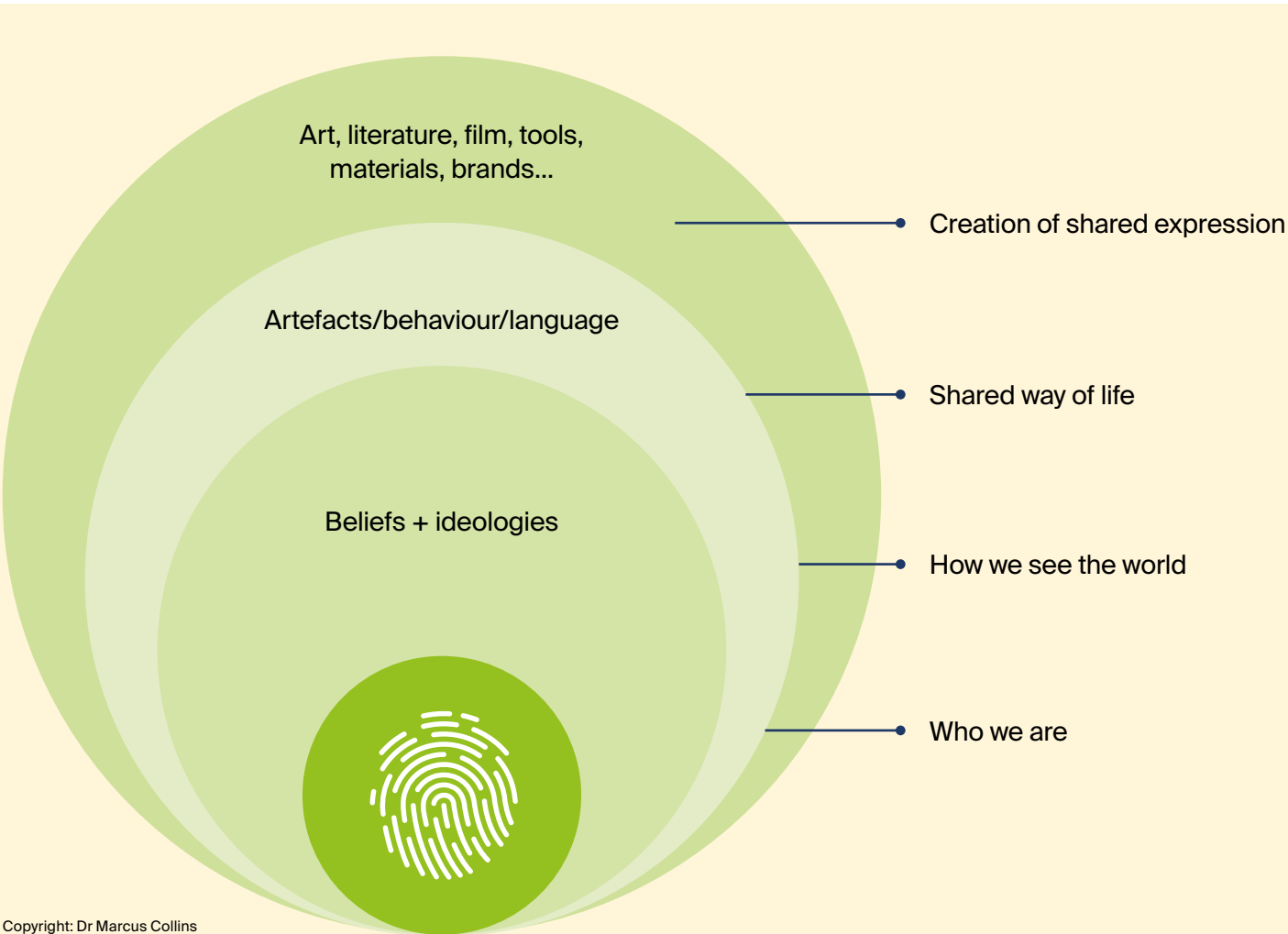
- It’s tripled Dove’s sales to €6 billion turnover – *marketing effectiveness*
- Dove’s Self Esteem Project has reached over 100 million young lives with body confidence education – *material impact*

<https://www.dove.com/uk/stories/campaigns/keep-beauty-real.html>

How can brands leverage its key driver, cultural fluency?

But how? Let's look at Diversity, Equity and Inclusion through the lens of Cultural Fluency as a lever of growth

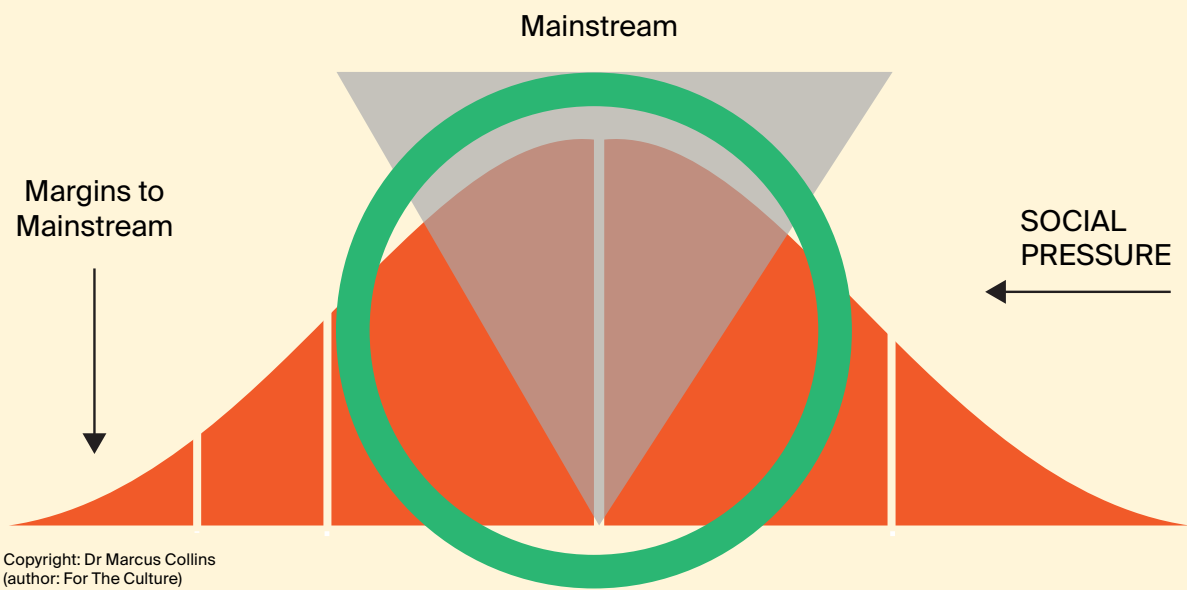
Marketing has made great strides, but consumers still feel misunderstood and misrepresented. 63% of consumers overall agree that brands do not conduct enough research when they incorporate diversity in their advertising, and different minority groups have expressed dissatisfaction with how advertising depicts their identities. Could this be due to a misunderstanding of our consumers and their culture?



Culture focuses on who we are – culture is our everyday life. It's 'how we do things around here', intrinsically linked to our beliefs and ideologies. Think about culture as an operating system for people, and as brands we exist to influence the behaviour of people. If we can tap into people's cultural practices, we can get them to buy.

What about the role of subcultures?

Subcultures play a critical role in dictating mainstream culture, influencing it from the margins. The world's most successful brands understand subcultures, which often consist of marginalised identities and groups. These groups don't play in the mainstream, they make the mainstream.



Why do brands need to be culturally fluent?

Brands need to have cultural fluency to authentically connect with each and every consumer. As cultural strategist Dr Anastasia Karklina Gabriel says; “Cultural fluency is a brand’s overall ability to understand and strategically navigate culture that can only be acquired, developed and harnessed through the ongoing practice of analysing cultural patterns”.

Five ways DEI is a key driver for building resonant brands

1
Brand Equity



2
Brand Affinity



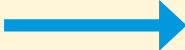
3
Brand Trust



4
Creative Effectiveness



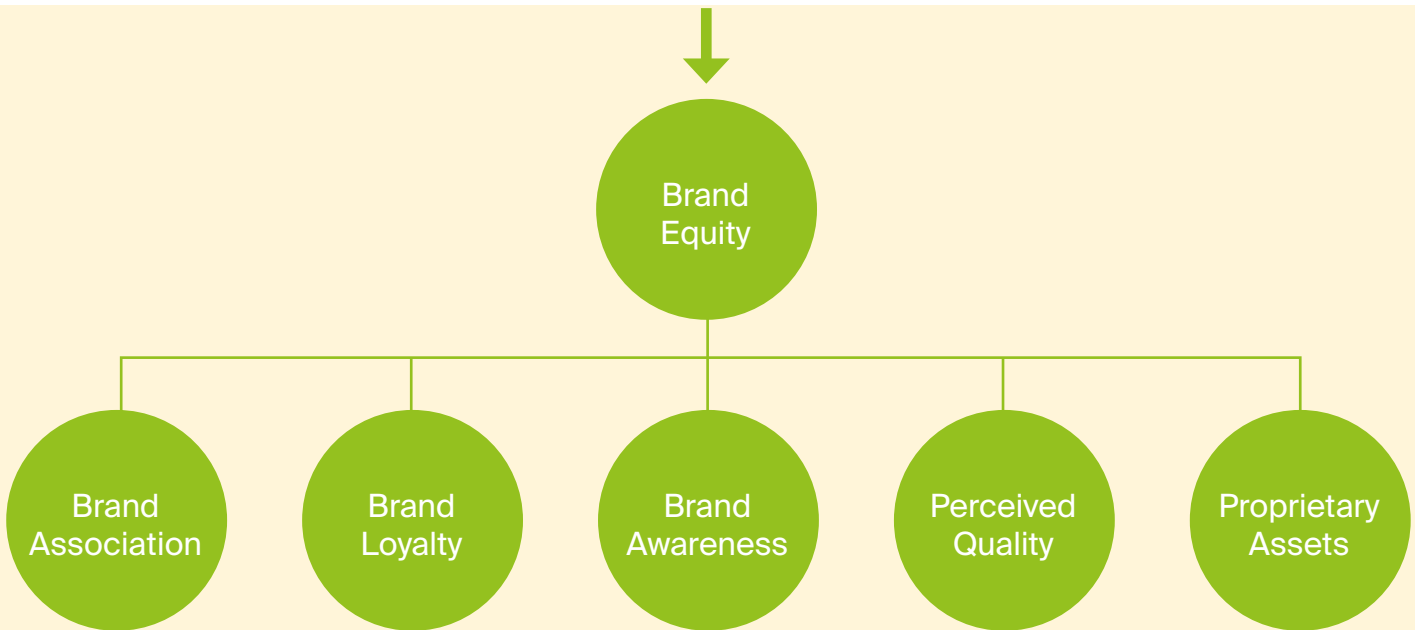
5
Talent Attraction and Retention



1 Brand Equity

How inclusive marketing impacts decision making

Brands that are strongly associated with inclusive marketing can drive better distinction and meaningful connection among those who value DEI efforts.



Data spotlight: high-scoring brands on progressive advertising indicators are 9.8% 'meaningful' and 1.8% more 'different' (key drivers of brand equity as scored by Kantar BrandZ).

WHO IS DOING THIS WELL?

Nike

When asked to name a brand that should be commended for its DEI efforts, Nike was the most frequent response from UK consumers. They

praised its inclusive advertising and a product range that caters to diverse needs. Several respondents mentioned values of diversity, fairness and inclusion that the brand embodies. (Kantar)



2 Brand Affinity

Inclusive marketing creates an affinity among under-represented groups

Strong brand affinity creates strong customer bases

When consumers have a strong affinity for a brand, they are more likely to become:

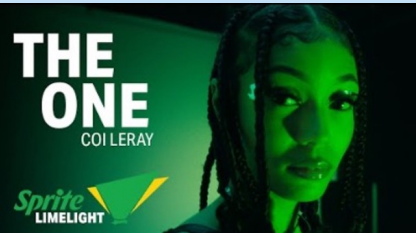


WHO IS DOING THIS WELL?

Sprite

Sprite has an impressive history of amplifying Black voices and passion points, creating strong affinity for consumers who are more likely to engage with brands that speak to their specific cultural

experiences. Sprite scored high on the Brand Cultural Fluency Quotient (BCFQ), which measures cultural fluency by gauging consumer sentiment. Sprite had a +33 difference on its BCFQ scoring with Black consumers, proving the high brand affinity the Black community has with the brand.

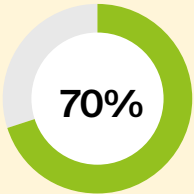


3 Brand Trust

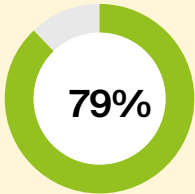
Inclusive marketing makes a brand more trusted

Cultural fluency helps build brand trust, with 70% of Gen Z consumers more trusting of brands that represent diversity in ads. And trust is more important than ever, with 71% of consumers viewing trust as a top purchasing priority.

DEI fluency helps build trust



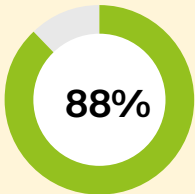
Gen Z consumers are more trusting of brands that represent diversity in ads



of people from minority ethnic groups trust brands that are more ethnically representative in their advertising compared to 60% of white people



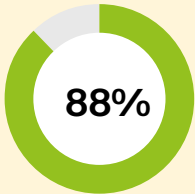
Trust is growing in consideration



adult consumers globally say that trust is an important consideration when they buy a brand



Trust is 3rd in the top three buying considerations, after good value at 91% and best quality at 89%



of consumers agree that it's more important to trust the brands they buy or use today than in the past

WHO IS DOING THIS WELL?

TikTok

The diversity in UGC reflects TikTok's diverse global community and users' increased exposure to diverse audiences will naturally influence brand perception. However, TikTok also demonstrates

cultural fluency in its branded content and influencer partnerships. With Gen Z being more trusting of brands that represent diversity in ads, it's no wonder they are more likely to trust the platform. Trust of TikTok is 23.8% higher among Gen-Z relative to US adults overall.

4
Creative Effectiveness

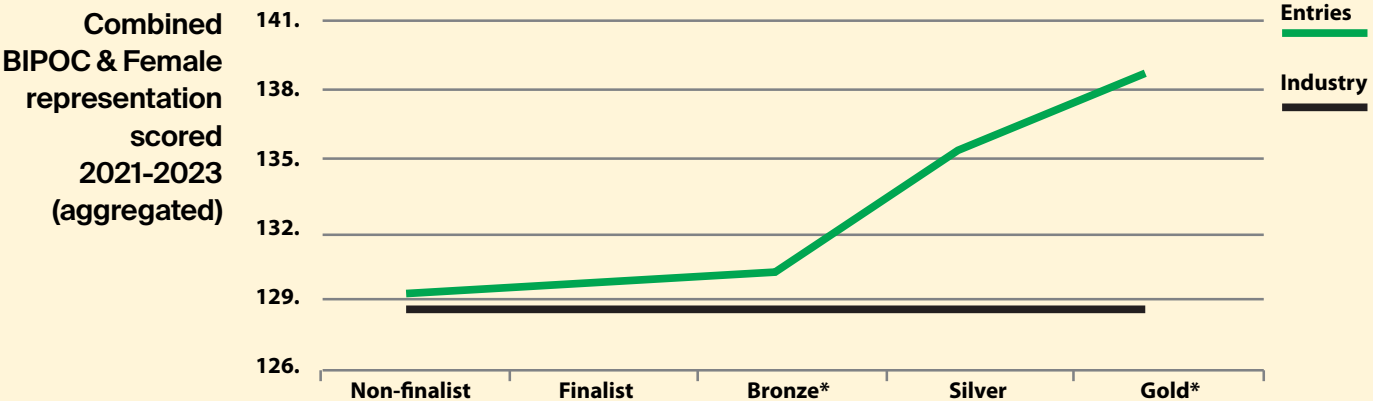
Creative Effectiveness and Excellence: inclusive marketing delivers a direct ROI

Culturally fluent insights and processes are enhancing and driving creativity effectiveness, and creativity drives 4 x higher profitability directly linked to Return On Inclusion.

At Cannes this year, 60% of Grand Prix winners had a DEI theme as part of the work, spanning every topic from social economic inclusion to gender equity and migrant inclusion.

Please see this [downloadable sheet](#) from Creative Equals.

From our qualitative research with The Effies UK, DEI is also a key part of effective work, with diverse teams proving to be more likely to win in creative effectiveness:



WHO IS DOING THIS WELL?

Mayor of London

Mayor of London campaign wins gold with an authentic take on sexual harassment:

An important and powerful campaign that emphasises men’s responsibility of tackling harassment and violence towards women. It is an authentic take on a very common scenario that many women can relate to.

A positive portrayal of a young Black man positioned as the hero and not the predator, which goes some way in dismantling a harmful and racist stereotype with deep history, of Black men as a physical threat to white women.

Overall, a solid example of how to spark behaviour change in men and a national conversation around gender-based violence.

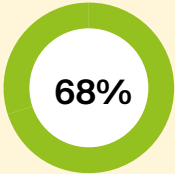
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Talent
Attraction and
Retention

Talent Attraction and Retention

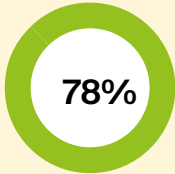
Inclusive companies are more likely to attract diverse talent, with 66% of UK workers saying that the acceptance and inclusion of employees from all backgrounds is important to them when searching for jobs. Having Diverse workforces are important for performance, with 78% of diverse companies being 70% more likely to capture new markets. Cultural fluency is critical in leading diverse teams, with better creativity and innovation and higher productivity.

Inclusive companies are more likely to attract talent

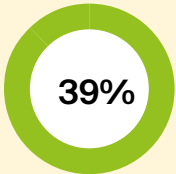
Diverse workforces outperform



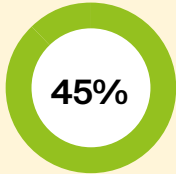
of UK workers say that the acceptance and inclusion of employees from all backgrounds is important to them when searching for jobs



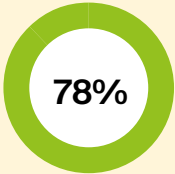
of 18-24-year-olds said that the acceptance and inclusion of employees from all backgrounds is important to them when job searching



Increased likelihood of outperformance for those in the top quartile of ethnic representation versus the bottom quartile



Companies with above-average diversity drive 45% of their average revenue from product innovation



of diverse companies are 70% more likely to capture new markets

Cultural fluency is critical in leading diverse teams

“For leaders to engage their workforce to deliver maximum value, they must learn how to fully utilize the talent of all employees, not just those who are similar to themselves.”
Harvard Business Review



- Increased trust
- Higher productivity
- Better creativity and innovation

WHO IS DOING THIS WELL?

Unilever

Unilever builds better brand power with a

commitment to disabled talent. They launched an industry-first ‘Inclusive Set Commitment’ in 2023, making the brand a leader in creating inclusive and accessible advertising.

Summary

The business case is clear

In short, inclusive marketing is an imperative for ALL marketers over the next year. In a challenging landscape, this has a clear ROI. Representing ALL our customers simply makes good business sense. The challenge is bias and the way we look at our whole marketing value chain. By unpacking this, then rebuilding for growth, we can leverage this new ROI, this Return on Inclusion.

To hear one of the world's most awarded CMOs, Cristina Diezhandino, CMO, Diageo, please take a listen to how inclusive marketing has supercharged their business here: <https://www.youtube.com/watch?v=592I9BOjy7w>

Thanks to [Creative Equals](#), one of the world's top pioneers and specialists in their field, who work with some of the world's top brands, including PepsiCo, Diageo, Reckitt, McDonalds, Mars, Philips, H&M Foundation, BBC, News UK and many many more. They are the strategic partner of the WFA.

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NIKE

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OTHER USEFUL LINKS

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