

# Customers Seek Purpose Driven Companies Creating A Rise In B Corps

<https://www.forbes.com/sites/shelleykohan/2021/03/28/customers-look-for-purpose-driven-companies-creating-a-rise-in-b-corps>

**Shelley E. Kohan**

Contributor



AERA, a luxury 110% sustainable footwear brand, is in the process of becoming a certified B Corp. ... [+]

COURTESY OF AERA

The number of certified B Corp companies has tripled in 5 years to 3500, spread across 70 countries. Fashion businesses are a small percentage of the total but are growing as the younger generations seek purpose-driven

companies when they shop. Sezzle, a buy now pay later fintech company that is in the process of becoming a certified B Corp, recently conducted a survey among its users. Survey respondents were 57% Millennials and Gen Z while 31% were Baby Boomers. An impressive 81% of Sezzle respondents said it is important for them to purchase from brands that align with their social values and 80% stated they would pay for a sustainable product. The majority of shoppers are favoring businesses that promote social justice according to the survey. Purpose-driven companies look to satisfy all stakeholders of the business including the employees, customers, society as a whole and shareholders. Charlie Youakim, CEO of Sezzle, stated, “Millennials, Gen-Z, and the generations that follow them are becoming more and more loyal to companies that not only talk about social good but act on it. They extend trust towards purpose-driven brands.”



Sezzle is a public benefits fintech company that focuses on the fashion segments of the retail ... [+]

COURTESY OF SEZZLE

The Triple Bottom Line approach to business including people, planet and prosperity (or profits) aligns with the principles of B Corp status and the major shift of today’s consumers wanting more from retailers than trading

dollars for product. Purpose-driven consumerism will continue to grow alongside the buying power of Millennials and Gen Z.

PROMOTED

Founders of up-and-coming brands want to engage in business for the good of society as a whole. AERA, luxury footwear without a footprint, believes real luxury is leaving the world better than you found it. Tina Bhojwani, co-founder and CEO of AERA, said in an interview, “My personal mission is to make a positive impact by creating AERA to show how luxury shoes do not have to be compromised in the name of sustainability and ethics.”

AERA designs footwear that is ethically crafted from certified vegan materials and uses true ... [+]

COURTESY OF AERA  
MORE FOR YOU

**‘No Christmas Trees, No Christmas Trees’ Another Shortage May Be On The Way**

**The Grocery Business Is Going To Get Much More Competitive**

**Costco Addresses Supply Chain Pains By Chartering Their Own Ships**

**Being a certified B Corp is a continuous process and not an easy road**

John Pritchard, Founder, Pala Eyewear, stated, “Becoming a B Corp isn’t a ‘badge for life.’ You get reassessed every three years and it is incumbent on you to use that intervening period to improve those areas of weakness.”

Pritchard believes the great value in becoming a certified B Corp is that companies can learn how to make improvements, use tools and set goals within the assessment framework, stating, “It is enabling me to build a roadmap for Pala’s continued evolution and growth. I’ve found it becomes an important ongoing tool for the business.”



Pala Eyewear is a certified B Corp meaning it has demonstrated specific measurements of public ... [+]

COURTESY OF PALA EYEWEAR

There has been much discussion about making B Corp status a requirement by law which would really force companies to have a purpose beyond profit. Some arguments claim such laws would stifle innovation, suppress entrepreneurship and undermine capitalism. Others argue that enacting laws that companies should all become B Corps will inspire innovation, help entrepreneurs thrive and, in the end, drive capitalism.

Pritchard said in an interview, “I think we have to disrupt the traditional capitalism model. For the sake of the planet, the business practice needs to change as does how we evaluate a business. Companies should still be able to compete to be the best in the world, but they also need to be valued on being the best *for* the world.” The idea of maximizing wealth for shareholders has increasingly been a philosophy that has not been adopted by the younger entrepreneurs who have demonstrated greater concern for purpose over profit. Pala Eyewear, along with other B Corps, understands that the route of stakeholder capitalism is advocated by the B Corp model.



Tina Bhojwani, co-founder and CEO AERA, stated, “The process of becoming certified as a B Corp ... [+]”

COURTESY OF AERA

Bhojwani believes that a certain level of accountability will need to be established through legislation to make a larger impact on the industry. Unlike many critics, she feels that states requiring companies to become B Corps would drive more creativity and innovation. “The industry needs to change in terms of a more sustainable future,” she said.



John Pritchard, founder of Pala Eyewear, at a vision outreach project in Zambia.

COURTESY PALA EYEWEAR

## B-Corp status impacts employee culture

Pritchard believes that strengthening the employee involvement and engagement with the B Corp values will only benefit the future of the business. The employees are part of the stakeholder approach and the way they interact with the customers and community can broaden the reach of a company's mission and purpose. Millennials and Gen Z employees look to work for companies that demonstrate business for a purpose beyond profits.

Purpose-driven companies tend to have amazing cultures and a deep sense of mission. Bhojwani said, "A long-term vision of giving back to the community and society as a whole provides the greater purpose and increases both employee and customer loyalty."

Youakim said, “Every single team and employee at Sezzle stands behind our mission and commitment to stakeholders, and it's clear in our output.”

Being a public benefits company gives Sezzle employees and the company stakeholders at large even more purpose behind their roles.

## **The future of the fashion industry**

Sustainability and a circular economy have been growing initiatives in the fashion industry and B Corp status can be a catalyst for impacting greater change in these areas. Bhojwani said, "The industry needs to change at an accelerated pace if we are to have a more sustainable future." Both innovation and collaboration are needed, and Pritchard says, “The reality is that right now there is no solution that is efficient enough to deal with this vast problem of the circular economy.” Pritchard spends a good amount of time talking with others about the circular economy and indeed there is a significant issue that Pala faces: What to do with eyewear once it has come to the end of its economic life.



Pala helped weavers in Africa understand the use of recycled plastics when elephant grass, a ... [+]

COURTESY OF PALA EYEWEAR

Pritchard, on the subject of innovation, said that never before has there been a more necessary time to push the boundaries of science and technology to find solutions. “There is so much innovation going on in the fashion industry at the start of product life focusing on sustainable material production and conversely at end of product life — how it can be reused or recycled responsibly.” It’s a long-overdue outlook on how the fashion industry can move forward which today’s consumer supports.

## Consumers want transparency and social purposes demonstrated

People appreciate the transparency of a Corp B company as younger generations of shoppers are asking for details behind products, such as how they are made and where production takes place. According to the Sezzle survey, 90 % of [Gen Z](#) respondents believe companies must act on social and environmental issues and 75% will do research to see if a company is being honest when it takes a stand on issues. Although Bhojwani was surprised that some customers don't even realize the company is vegan and sustainable, she said, "Customers simply appreciate our style and when they find out more about the brand, they fall in love with our purpose."

Instead of just funneling money to charitable causes, Pala creates grants to help support specific projects, which allows customers to more clearly see where resources are being applied. One of Pala's outreach projects was building a vision center in Zambia which now serves 75,000 people in the community by providing access to eye care.

AERA is "110% responsible" which means giving more back to the earth than the company is taking from it. Bhojwani said, "We use scientific measurements to do so and transparently share this information with the end customer."

## The B Corp community

Companies that are in the process of becoming certified or are already certified are provided the opportunity to be a part of a vast B Corp community that provides resources and support to participants. The journey of becoming a B Corp can be a long arduous process, especially for young brands that are also trying to develop, market and sell new products.

Pritchard said, “There is a sense that all our businesses are ‘in this together’ united by a common purpose of trying to solve some of society’s most challenging problems and therefore there is an overwhelming sense of camaraderie and willingness to help and support. For smaller brands like Pala this is invaluable.”

*Follow me on [Twitter](#) or [LinkedIn](#). Check out my [website](#).*

**Shelley E. Kohan**