

# DOING BUSINESS IN AN ACTIVIST WORLD

6th Annual Business & Politics Study



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# DOING BUSINESS IN AN ACTIVIST WORLD

**Today, companies have an immediate opportunity. Americans have an outsized appetite to take action on issues and drive change. They expect brands to do the same – and to engage with them as consumers and employees.**

This past year, we witnessed record levels of political activity and activism – whether it was the Women’s March, the #MeToo movement, Black Lives Matter, public reaction to the Kavanaugh hearings, or the immigration debate.

People aren’t just marching, they are voting. Enthusiasm rose to levels never seen before for midterm elections. Turnout was historic – the highest for a midterm election in over a century. And people voted for change – which we saw in the record number of women and “firsts” elected to office.

Against this backdrop, we see companies continue to engage on political and social issues in more ways than ever before and on a wider range of issues.



This year's study underscores the actions companies need to take in order to succeed in this environment:

## Don't Sit on the Sidelines

There is reward for companies that **take action on political and social issues**, and a penalty for inaction.



## Do Your Homework

For decades, companies have worked to understand consumer sentiment about their brand and product offerings. In today's highly-engaged and highly-partisan world, **companies also need to understand their consumers' politics and ideology.**



[Unsplash.com/Campaign Creators](https://unsplash.com/Campaign Creators)

## Do Start Now

Success is earned over time, not bought. Companies need to **lay the groundwork with key stakeholders before big issues hit.** Much like building muscle memory, the more active and consistent you are and the more you prepare your audience to anticipate the positions you will take, the easier it will be to bring them along with you.



[Unsplash.com/Heather Mount](https://unsplash.com/Heather Mount)

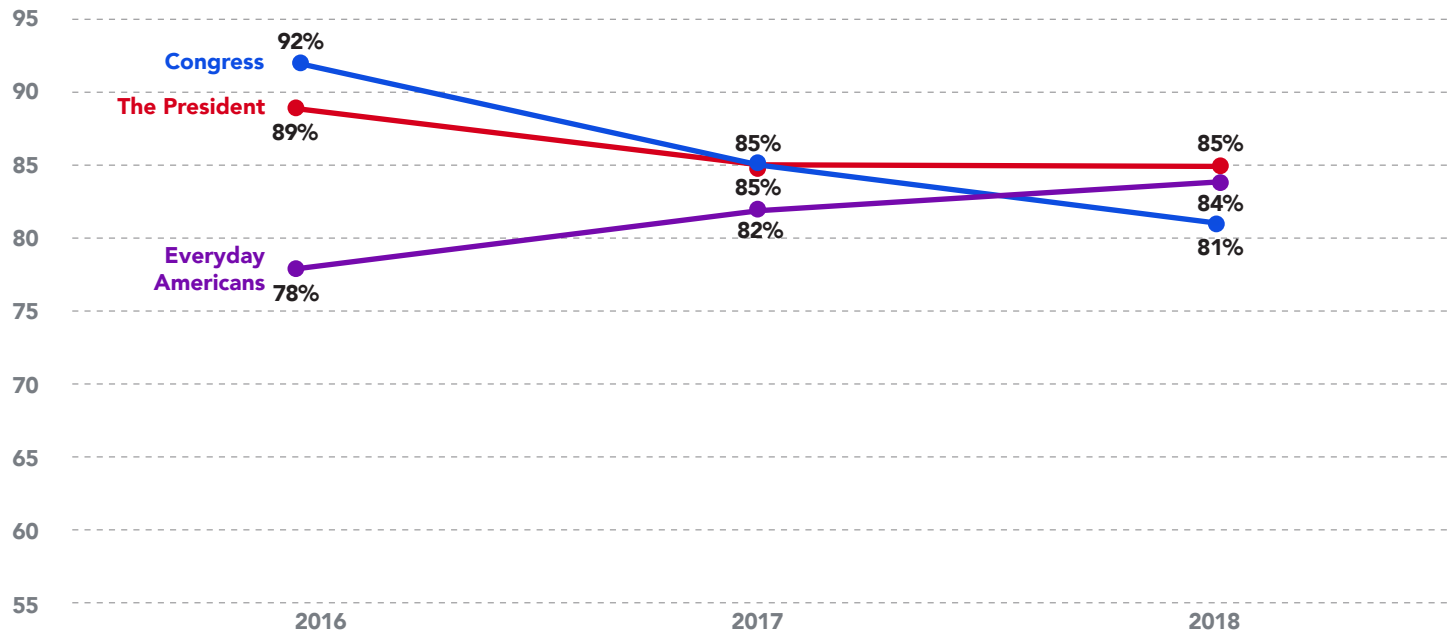
The 2020 presidential election is already well underway and consumers' appetites for corporate engagement will only grow as the political dialogue intensifies. There is an opportunity, and in fact an expectation, for companies to participate in the conversation. [Watch this space!](#)

# DON'T SIT ON THE SIDELINES

## Consumers are empowered!

At a time when Americans are losing faith in institutions to drive change, they are more engaged and motivated to drive change themselves. Given this new reality, companies have an unprecedented opportunity to engage with their consumers, employees, and stakeholders, who are ready to act on the issues that matter most to them.

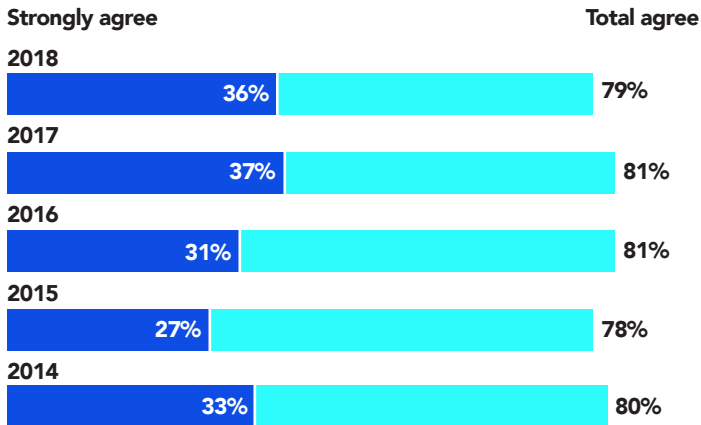
Responsible for bringing about social change:



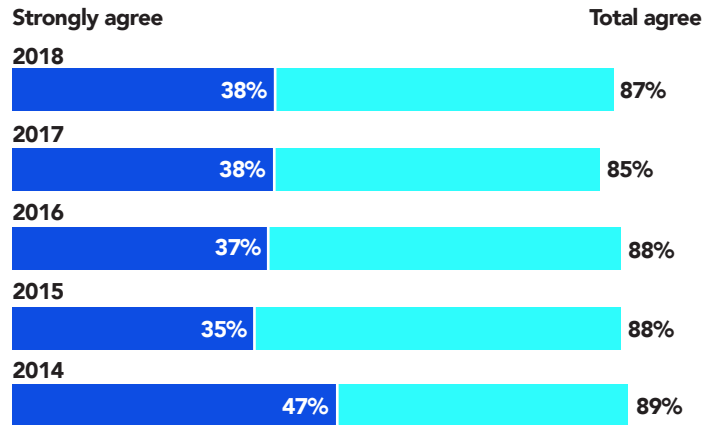
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## Inaction comes with risk.

Consumers continue to believe that companies should take action...



...and that companies have the power to influence change.



While there is a clear reward for taking a stance, there is also penalty for not taking action.

Please pick the six words that best describe how you would feel about a company that took/ NEVER took a position or took action on a political or social issue.

### Took a Position

TRUSTWORTHY  
MISSION-DRIVEN  
RESPONSIBLE  
RELIABLE  
BOLD  
PROGRESSIVE

### Never Took a Position

OUT-OF-TOUCH  
IRRESPONSIBLE  
UNTRUSTWORTHY  
SELFISH  
UNPATRIOTIC  
SHORT-SIGHTED




## Understand your target audiences.

Political campaigns focus on targeting the very small segment of the electorate that is up for grabs. Resources and communications focus on intensifying support among base and persuading swing voters. Voters that fill into the “oppo” category will never be with you and can largely be ignored (unless their opposition risks dissuading swing voters).

## Use your resources wisely.

In political campaigns, time and money are spent in different ways and at different times. Resources focus on shoring up base and convincing swing voters – and are not wasted on opposition that will never support them. Companies should consider a similar approach when taking a position on a political or social issue.

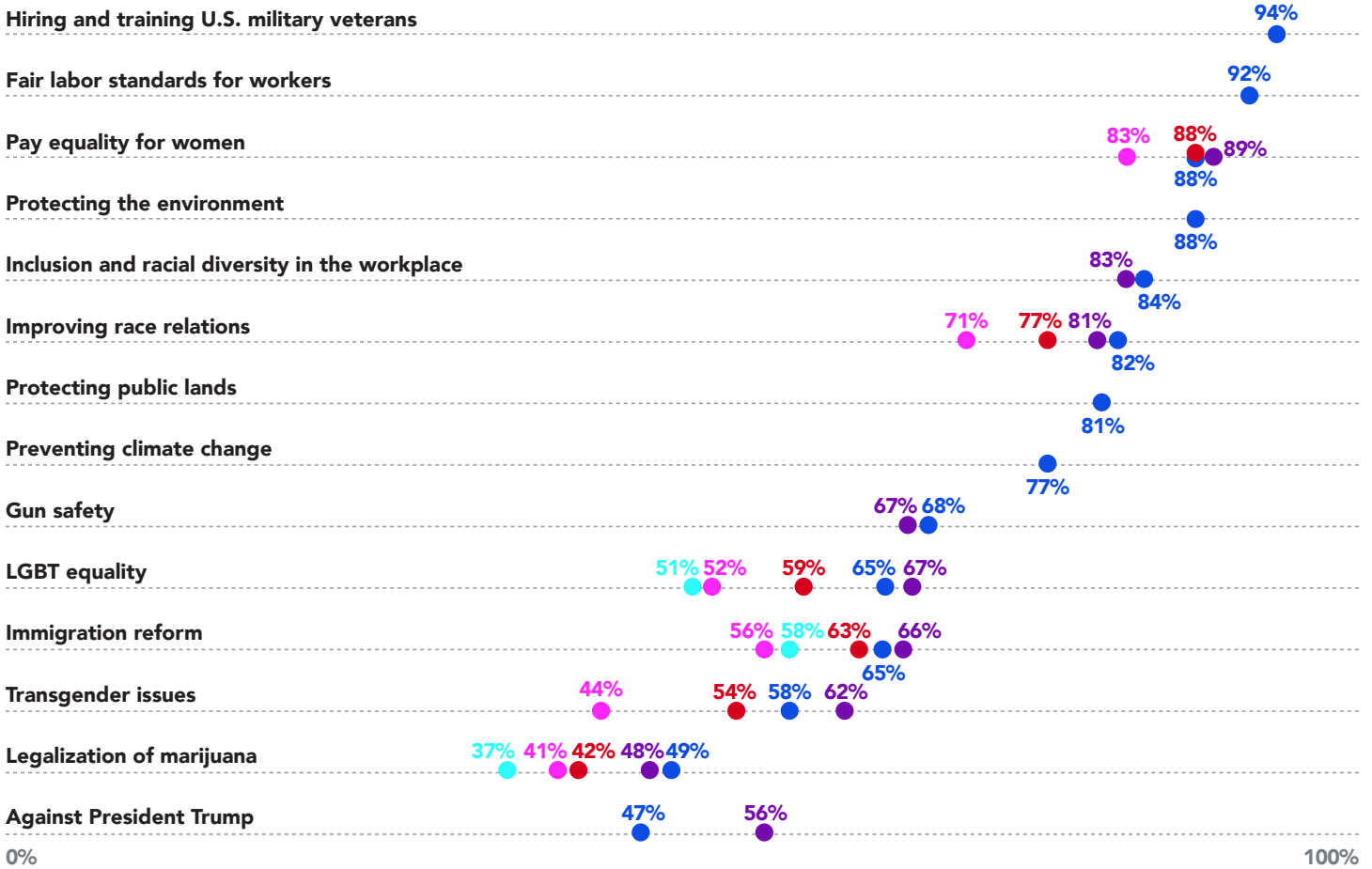
- Who are our brand loyalists and activists? Will this strengthen our brand among them?
- Who are our potential customers? Will this attract or deter them?
- Who are our brand resisters? Can we tune them out?

<p><b>In Politics</b></p> <p>Always supports Candidate X</p>	 <p><b>Base</b></p> <p>Any action you take should aim to strengthen your brand among this group</p>	<p><b>In Business</b></p> <p>Brand loyalists and advocates</p>
<p>Sometimes votes for Candidate X, but not always, or always undecided about their vote</p>	 <p><b>Swing</b></p> <p>Any action you take could potentially win over or deter this group (but only if they hear about it)</p>	<p>Consumers and potential consumers</p>
<p>Never supports Candidate X</p>	 <p><b>Oppo</b></p> <p>How they react should be less of a consideration in deciding to take action</p>	<p>Brand resisters</p>

## There is room to speak out on a range of issues.

■ 2018 ■ 2017 ■ 2016 ■ 2015 ■ 2014

How appropriate is it for a corporation to take a position on each of the following issues?



## It's about the issues – not about the President ... for now.

**This year's results saw a diminished focus on the role companies should play in taking action against the president.** This shift is consistent with Trump's limited role in the 2018 election cycle – just 10% of midterm ads mentioned the president in 2018, compared to more than double that number in 2014. As we head closer to 2020, however, that dynamic will likely shift as the Democratic primary brings a critique of Trump to the forefront of the national conversation and Democrats continue to be key supporters of corporate action on political and social issues.



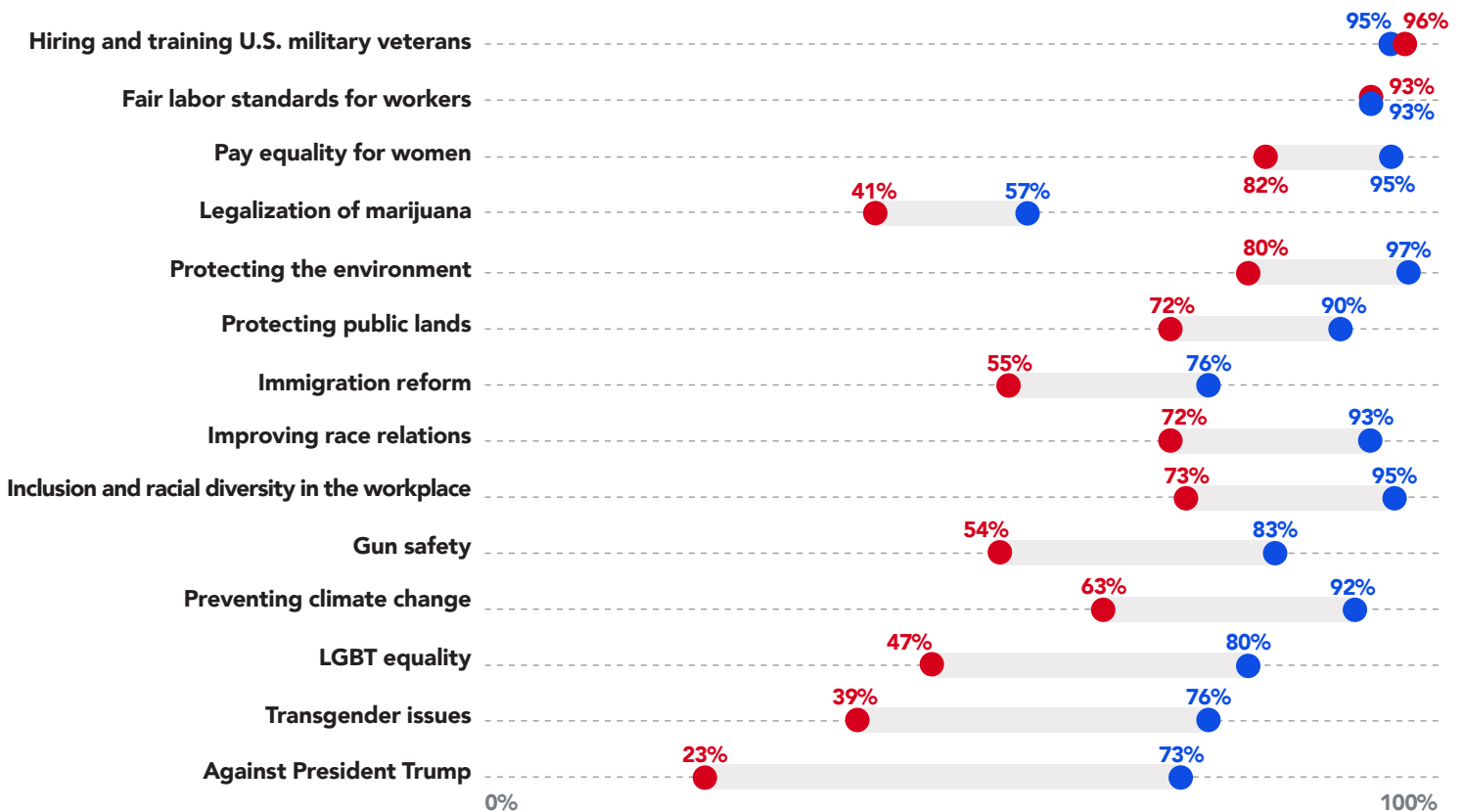


## Some issues are more polarizing than others.

It's important to know where your audience stands, and on what issues. The way you articulate an issue is also critical – words matter. For example, “preventing climate change” is far more polarizing than “protecting the environment.”

*How appropriate is it for a corporation to take a position on each of the following issues?*

■ Democrats ■ Republicans



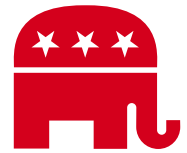
# People come to the table with pre-existing notions about your brand.

Americans view most companies as either Democratic- or Republican-leaning, coloring their perceptions of stances companies take.

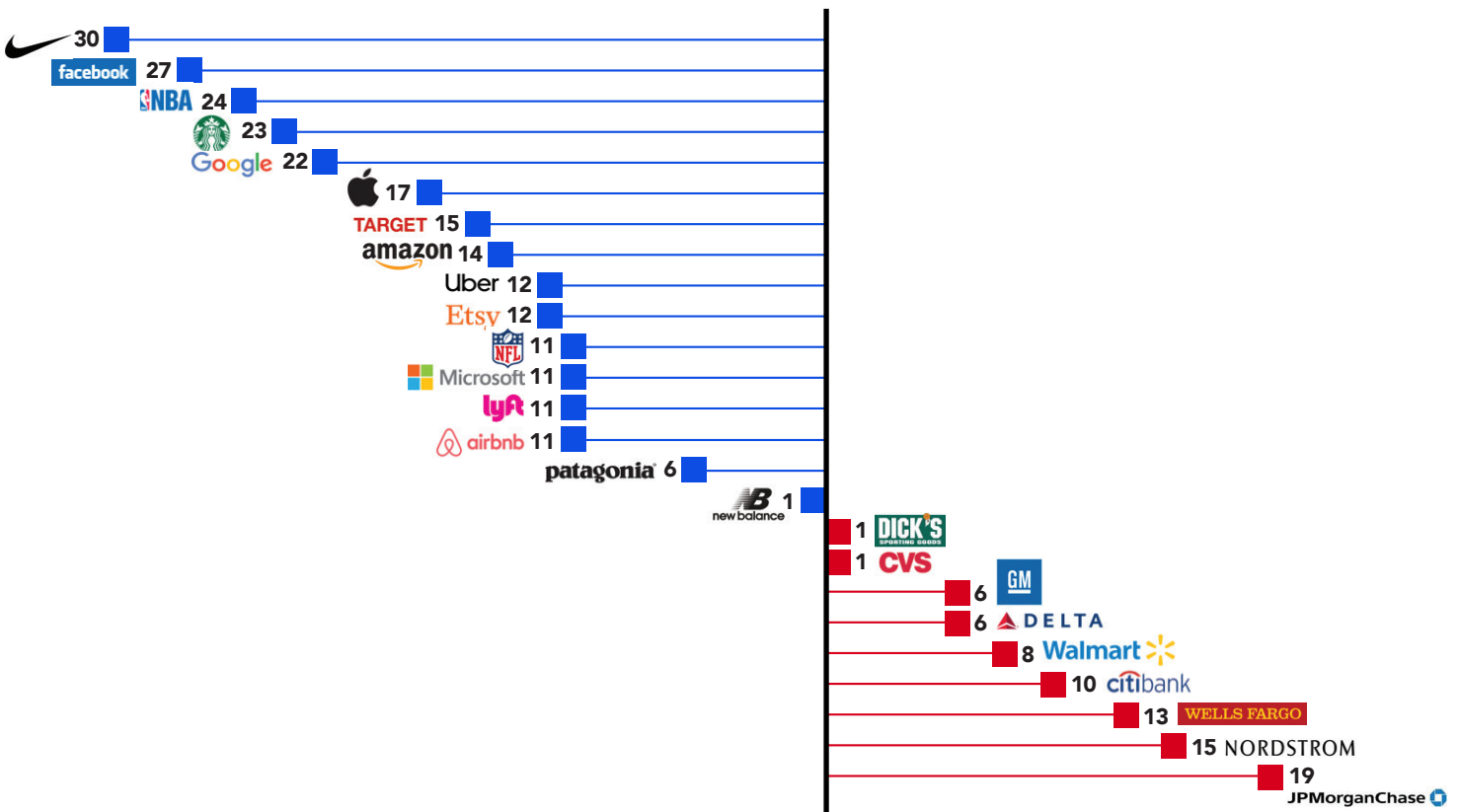
If (company) were a person, do you think it would be a Democrat, a Republican, or an independent?



More Democrat



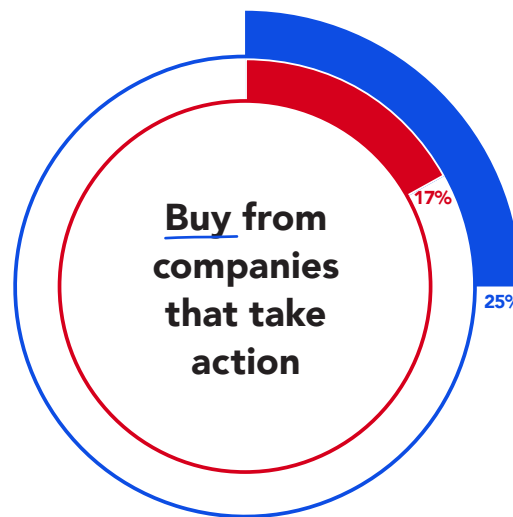
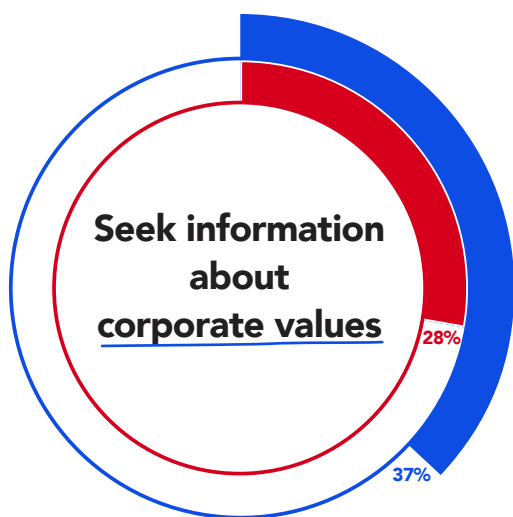
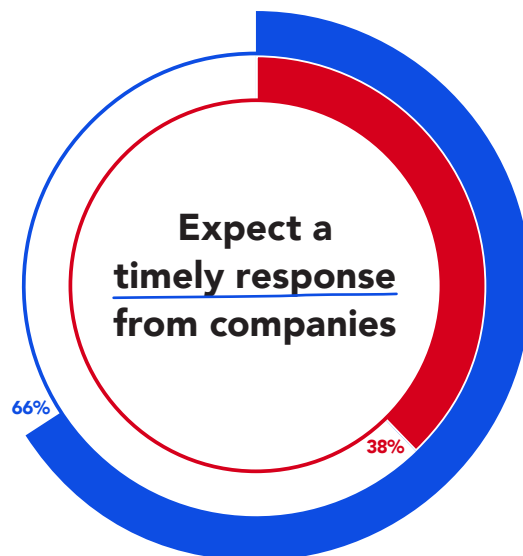
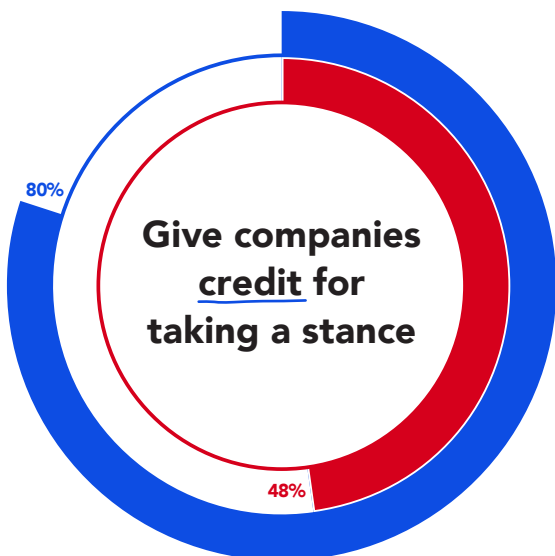
More Republican



## Consumers view the world through partisan-colored glasses.

Democrats have a heightened appetite for activism.  
They are more likely to:

■ Democrats ■ Republicans

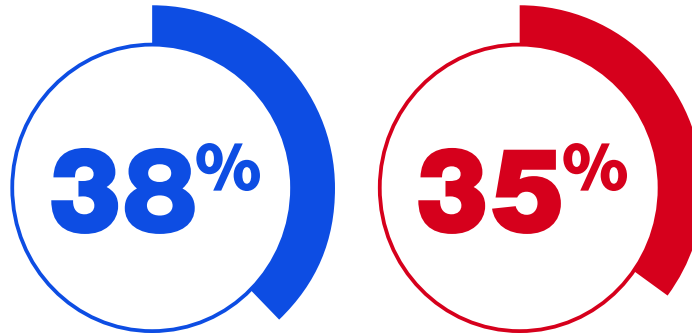


Both Democrats and Republicans are equally willing to boycott.

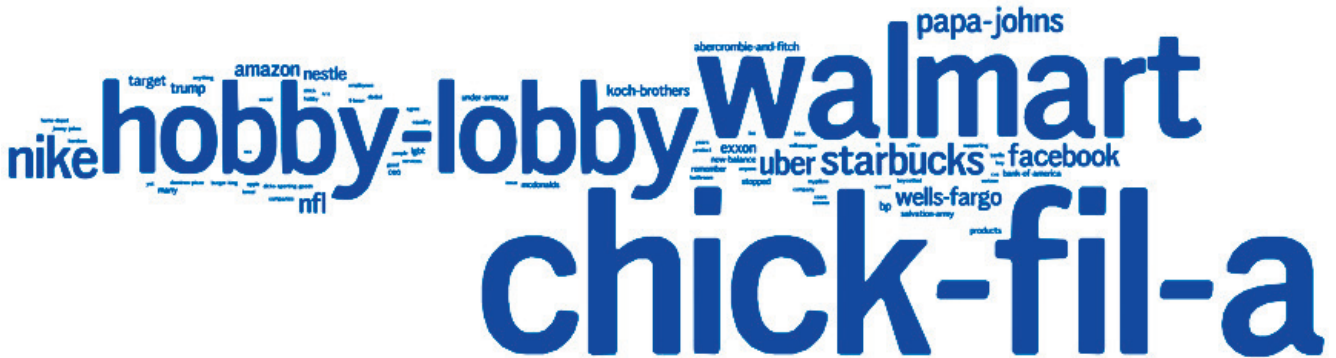
But they boycott different companies.

% who have boycotted

■ Democrats ■ Republicans



Democrats Boycotted



Republicans Boycotted



Believe in something.  
Even if it means sacrificing everything.

## Case Study: Nike Speaks to its Base with Kaepernick Ad

### Customers

Awareness



Appropriateness



Think it's appropriate for a company to take a stance on improving race relations



Top words to describe

**BOLD PROGRESSIVE**

Informed favorability



### Non-customers

Awareness



Appropriateness



Think it's appropriate for a company to take a stance on improving race relations



Top words to describe

**IRRESPONSIBLE DIVISIVE**

Informed favorability



## You do you.

Companies are given broad latitude by their customers on issues they believe are in line with their corporate values. Much like building muscle memory, companies should communicate their rationale for why they are weighing in.

# 92%

**Important that companies "take positions on issues that are in line with their values as a company."**

% agree

Stand up for what they believe politically

73%

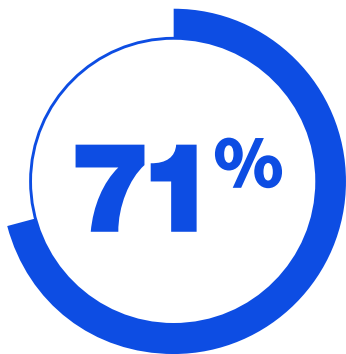
Stand up for what they believe politically regardless of whether or not it is controversial

72%

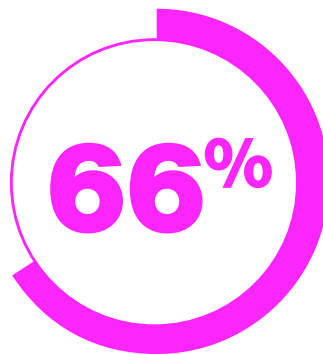
## Build your values from the inside out.

Companies should communicate with their audience about their approach.

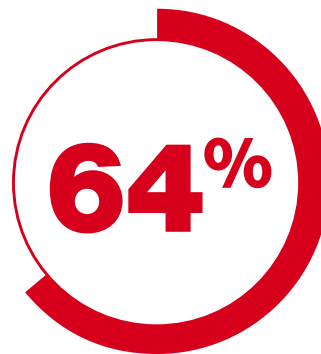
*Would be more likely to support a company's decision to respond to a current event if the company/the company's...*



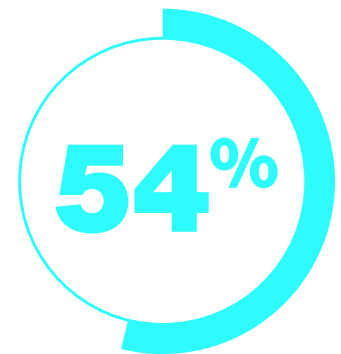
**...put a lot of thought into their decision**



**...leadership personally felt it was the right thing to do**



**...employees encouraged the company's leadership to respond**



**...knew it was what its customers would want**



## Case Study: Patagonia, Living its Values

### Giving a paid day off for employees to vote

Appropriateness

■ Total ■ Democrats ■ Republicans



Top words to describe

RESPONSIBLE  
FAIR  
PATRIOTIC

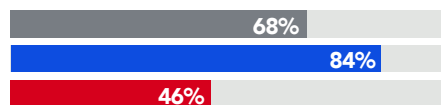
Informed favorability



### Suing Trump for rolling back public lands protections

Appropriateness

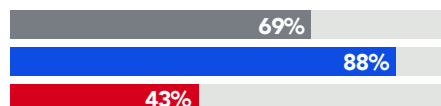
■ Total ■ Democrats ■ Republicans



Top words to describe

MISSION-DRIVEN  
MORAL  
RESPONSIBLE

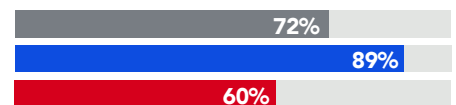
Informed favorability



### Endorsing Dem Senate candidates in 2018

Appropriateness

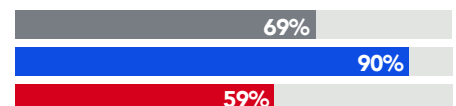
■ Total ■ Democrats ■ Republicans



Top words to describe

RESPONSIBLE  
TRUSTWORTHY  
PROGRESSIVE

Informed favorability



## About the Study

**Now in its sixth year, Global Strategy Group's Business & Politics study has become the authoritative voice on the role that companies play in the political and social discourse and how this impacts brand perception. The study has been cited by leading media outlets such as the *Wall Street Journal*, *Harvard Business Review*, *New York Times*, *USA Today*, *Money*, *Business Insider*, *Outside Magazine*, and *Politico*, among others.**

GSG conducted a public opinion survey among 810 adults 18 years and older and 307 Washington, D.C. opinion elites between December 7th and December 11th, 2018. The survey was conducted online recruiting respondents from a leading opt-in online panel vendor. Special care was taken by GSG to ensure that the demographic composition of our sample matched that of the adult population on a series of demographic variables including age, gender, region, ethnicity, income, educational attainment, partisan affiliation, and political ideology. This study may be downloaded at [globalstrategygroup.com](http://globalstrategygroup.com).

## About GSG

GSG is the go-to public affairs, communications, and research partner for companies, causes, and campaigns. We work with our clients to build their reputations, tackle big challenges, create positive change, and win.

**Our Corporate Impact practice helps companies:**



### Reframe or Elevate

their CSR programs



### Create

impact-driven initiatives that resonate with key audiences



### Build & Protect

their brands in the new political environment

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