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In polarized America, Democrats and Republicans are divided in their perceptions of corporate stances, new study finds

Politics of polarization now must be part of corporate calculus, but businesses can lead, gain visibility, even on divisive issues

Public awareness of corporate stances has nearly doubled in last year; Americans remain overwhelmingly supportive of corporate engagement on political and social issues

NEW YORK—Global Strategy Group (GSG) today released its third annual *Business & Politics: Do They Mix?* study, finding that in the lead up to the 2016 Presidential campaign, businesses weighing in on the issues polarizing the political sphere can be polarizing for business, too. Democrats and Republicans react very differently to corporate stances taken on issues such as gun control, immigration, and LGBT, among others. This can have a significant impact on corporate reputation.

The study asked Americans their opinions about the role that businesses should play in political discourse and examined how stances on a range of issues are perceived by voters. It found that public awareness of corporate political engagement is at an all-time high, having nearly doubled from 15 percent to 29 percent since 2014. Americans are overwhelmingly supportive of corporate political engagement—88 percent of respondents agree that corporations have the power to influence social change and 78 percent agree that companies should take action to address important issues facing society. The full report and infographic can be downloaded here at www.globalstrategygroup.com.

“Over the past few years we have witnessed a growing trend of corporations weighing in on the same political issues that have polarized Washington and the country,” said Nick Gourevitch, Executive Vice President and Managing Director of Research, GSG. “Because of the huge implications for corporate communicators, we wanted to understand how the increasing amount of polarization in our society affects people’s perceptions of the positions businesses are taking on these issues.”

The study tested the positive and negative brand impact of stances taken by nearly 20 companies including CVS, Apple, Delta, NASCAR, and Amazon. “What we found is that on many

of the issues that have divided Democrats and Republicans—guns, same-sex marriage and LGBT equality, the Confederate flag, and race relations—people are likewise polarized in their reaction to positions taken by these brands,” noted Gourevitch.

With corporate political awareness at an all-time high, the study also demonstrated that many of the most polarizing corporate stances also have the highest awareness levels. “This indicates that companies have an opportunity, if carefully navigated, to gain awareness and be a leading voice on issues in the public debate,” said Tanya Meck, Executive Vice President and Managing Director of GSG’s Communications and Public Affairs group. “In today’s political environment, if you take a stance on a controversial issue, it will likely get attention, and often without a huge paid media budget.”

“We know that in the real world, the public evaluates the appropriateness of a corporate stance from a variety of angles—including through a partisan lens,” noted Meck. “Considering that a brand could be putting its reputation at odds with half the country, it’s critical for companies to test their messages with their customers and other target audiences and be well educated about public opinion trends, before they take a stand. If a company is looking to increase its visibility, they should take into account polarization scores and paid media estimates, and identify the sweet spot that supports their reputational goals and fits their budget.”

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About the Study:

Global Strategy Group (GSG) conducted a public opinion survey among 803 adults 18 years and older between October 20 and 23, 2015. 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. More information on and further analysis of this study has been published in the GSG study: *Business & Politics: Do They Mix? 2016 Annual Study*, which may be downloaded at globalstrategygroup.com.

About GSG:

Named 2014 Public Affairs Agency of the Year (North America) by the *Holmes Report*, GSG is distinguished by our depth of talent, influential clients and winning track record. Battle-tested in the trenches of corporate reputation management and political campaigns, we bring unrivaled commitment to every assignment. Our clients—which include Fortune 100 companies, national political leaders, associations and foundations—rely on GSG for candid guidance and fast, effective execution. We provide a combination of critical thinking and on-the-ground results that many other firms talk about, but few deliver. Visit globalstrategygroup.com for more information.