



# CALL OUT CULTURE: BRANDS AND POLITICS COLLIDE IN 2020

7th Annual Business & Politics Study

# WELCOME TO 2020.

This year promises to be the most overt example yet of the intersection of business and politics. We are heading into a time of intense political activity. This follows unprecedented shifts by Fortune 500 companies to demonstrate value beyond their bottom lines.

Consumers today are asking for so much more than products and services. Brands that hope to remain relevant and authentic in this hyper-political environment must also demonstrate an elevated level of purpose and engagement through multiple channels and with a diverse set of stakeholders, including employees, consumers, shareholders and legislators.

There is both significant risk and immense opportunity for companies in this new landscape. The coming months will be a true test of whether brands can navigate this climate and build resilience for the future.

This is the collision of business and politics.

## IN THIS YEAR'S REPORT



# THE STATE OF THE RACE

As Democratic Presidential candidates jockey for support in a crowded 2020 field, big corporations have become a frequent target on the campaign trail. Pete Buttigieg marched with striking McDonald's workers in South Carolina, Bernie Sanders penned a petition demanding Walmart pay their workers a fair wage, and Elizabeth Warren took on Amazon on the debate stage. Vilifying big corporations can be an effective strategy for candidates, helping to underscore their Democratic credentials, but it can spell big trouble for even the most well-liked brands.

## Takeaway:

**Brands need to be agile. Companies must know their vulnerabilities, identify independent validators and effective messengers, and have a clear plan of action that allows them to move and respond quickly.**



## Voters are ready to influence your bottom line.

Candidates are going to call on their voters to take action against companies. This is especially true for Warren and Buttigieg supporters, who are not shy about boycotting companies with whom they disagree.

■ Adults ■ Dem Prime

Have personally **boycotted a company** because of a stance it took



Describe themselves as an **"activist"**



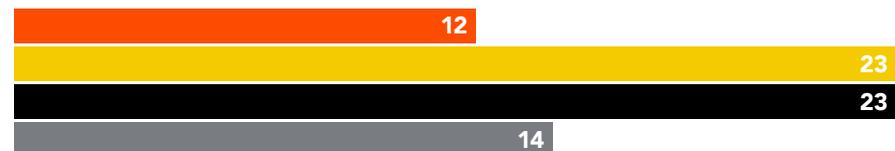
Within **Democratic Primary** voters:

■ Biden supporters ■ Sanders ■ Warren ■ Buttigieg

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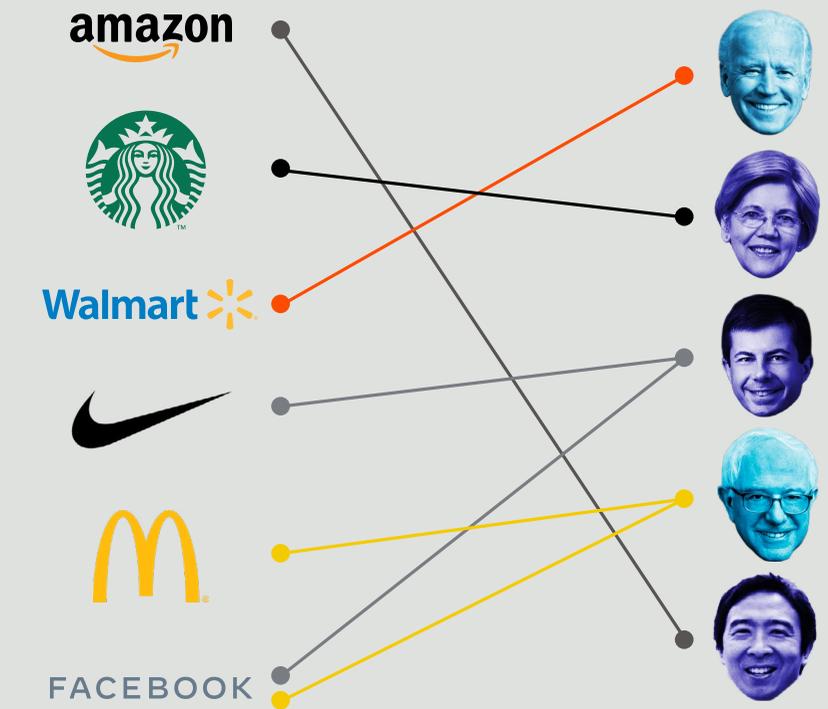


Describe themselves as an **"activist"**



## IF BRANDS COULD VOTE

If [Brand] were a person, who do you think they would support for president?



## Even the strongest brands aren't invincible.

Brands beware. Consumers across the political spectrum hold brands in high-regard, but even the most iconic brands are not invincible. Attacks from candidates can take a toll on a brand's reputation.

■ Adults ■ Dem Prime

Say **Amazon is part of the problem** with our country today



Say **McDonald's is part of the problem** with our country today



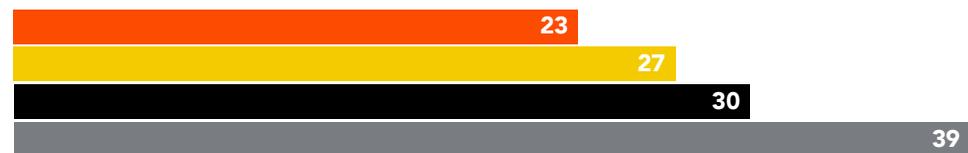
Within **Democratic primary** voters:

■ Biden Supporters ■ Sanders ■ Warren ■ Buttigieg

Say **Amazon is part of the problem** with our country today

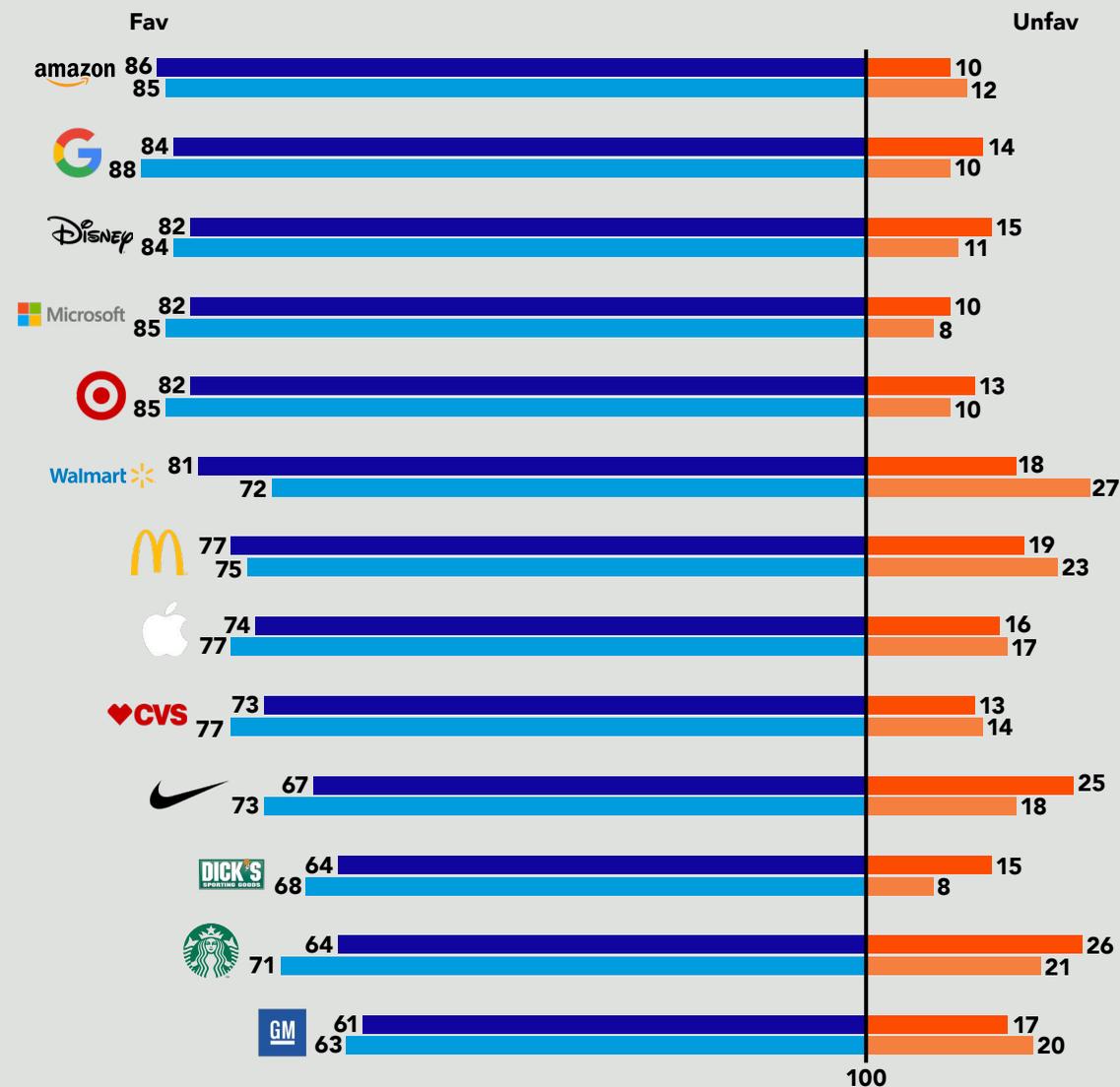


Say **McDonald's is part of the problem** with our country today



Please indicate if you have a favorable or unfavorable opinion of each brand:

■ Adults ■ Dem Prime



# CASE STUDY: MCDONALD'S

Candidates demand higher wages for workers.

"Everyone ought to have **\$15 and a union as a floor, not a ceiling.** That is the beginning of what it takes." 

 "McDonalds made \$6 billion in profits last year and paid its CEO \$22 million in compensation. It is not a poor company. **It damn well can pay all its employees a living wage of \$15 an hour.**"

**When candidates call out companies, brand favorability plummets.** Democratic presidential candidates are competing to win back blue-collar workers who voted for President Trump and are working to strengthen support among the party's left-wing. They are taking on industry giants, marching with striking workers, and elevating policy proposals to expand workers' rights. Companies like McDonald's now find themselves in the hot seat as they face potentially damaging threats to their reputation and their bottom line.

## Adults Overall

Awareness of candidates' position



Initial McDonald's favorability



Informed McDonald's favorability



Shift in net favorability



## Democratic Primary Voters

Awareness of candidates' position



Initial McDonald's favorability



Informed McDonald's favorability



Shift in net favorability



## McDonald's Customers

Awareness of candidates' position



Initial McDonald's favorability



Informed McDonald's favorability



Shift in net favorability



## CASE STUDY: AMAZON

Elizabeth Warren targets break up of big tech.



Companies like Amazon, Google, and Facebook are increasingly under attack by Elizabeth Warren, who launched her campaign with a proposal to break up big tech. As she builds her movement to "put power back in the hands of people," she is taking the fight to these giants by proposing to break up some of the country's biggest companies and put an end to concentrated power and taxpayer subsidies. While Amazon may be a consumer favorite, it is still vulnerable to these attacks.

### Adults Overall

Awareness of Warren's position



Initial Amazon favorability



Informed Amazon favorability



Shift in net favorability

**-42**

### Democratic Primary Voters

Awareness of Warren's position



Initial Amazon favorability



Informed Amazon favorability



Shift in net favorability

**-41**

### Amazon Customers

Awareness of Warren's position



Initial Amazon favorability



Informed Amazon favorability



Shift in net favorability

**-48**

# PROFITS, PURPOSE, AND PARTNERSHIP

With the public's frustration over corporate greed, chief executives at more than 200 of the nation's largest companies took an unprecedented step: a declaration that shareholder value is no longer enough. With this acknowledgement and a newfound commitment to purpose, companies hope to inoculate themselves against notions of robust self-interest and promote a deeper sense of corporate responsibility. While Americans do believe that corporations can be good for the economy and for society, they want brands to show true impact, not just lip service.

## **Takeaway:**

**Brands have a responsibility and an opportunity to communicate their values. While acknowledging there is more to success than delivering for shareholders is a good first step, brands will need to actively “walk the walk” — telling and showing their value.**

The Walmart logo is displayed in a stylized, 3D-effect font. The letters are white with a blue shadow, giving them a sense of depth. The background behind the logo is a dark blue, textured surface. The logo is positioned in the lower right quadrant of the slide, partially overlapping a large, stylized yellow and blue arrow that points upwards and to the right.



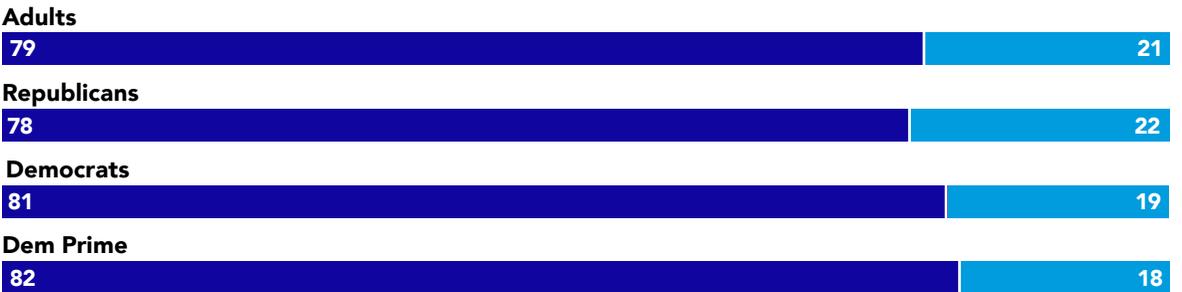
## Corporations face deeply embedded notions of self-interest.

It is nearly universally understood that for companies, purpose is profit. Creating shareholder value is what drives corporations and each policy and practice is measured against what it means for the bottom line. Broadly, Americans say decisions to engage on social and political issues are driven by the impact on business, ahead of what’s important to CEOs and shareholders, what’s good for employees, and potential consequences of inaction.

### Do you believe that **corporations...**

Typically use their influence to do things that are **good for themselves and their own bottom line**

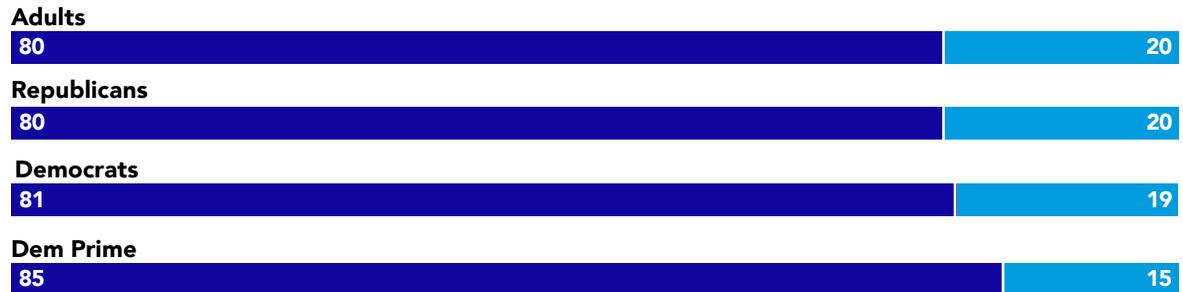
Typically use their influence to do things that are **good for the country and for workers**



### Do you believe that **CEOs...**

Typically use their influence to do things that are **good for themselves and their own bottom line**

Typically use their influence to do things that are **good for the country and for workers**



## Despite perceptions of self-interest, Americans also believe corporations **can** be a force for good.

Americans across the political spectrum are inclined to see companies as good for the economy and good for society. This creates an opportunity for brands to communicate their value.

### Which of the following comes closer to your view?

Corporations like Google, Walmart, and Amazon are **good** for the economy and workers

Corporations like Google, Walmart, and Amazon are **bad** for the economy and workers

#### Adults Overall



#### Republicans



#### Democrats



#### Dem Prime



### Within Democratic primary voters:

If a Democrat won the presidential election in 2020, would you want them to...

Work **with** big corporations like Google, Walmart, and Amazon to help consumers and workers

Some of both

Work **against** big corporations like Google, Walmart, and Amazon to help consumers and workers

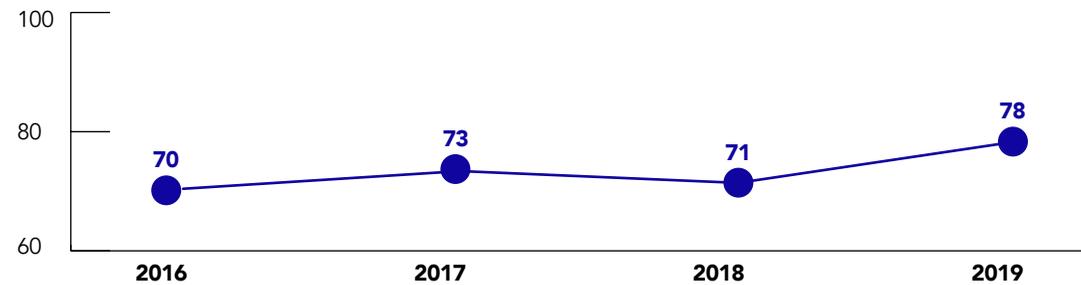


## In times of political gridlock, Americans demand partnership.

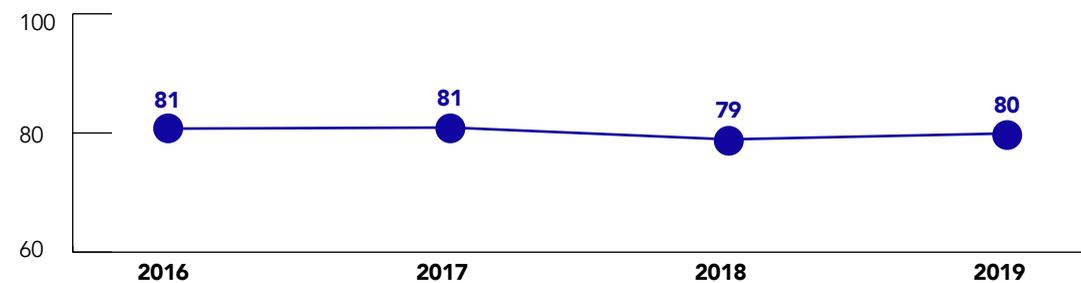
Government dysfunction and acute partisan gridlock are taking their toll as more and more Americans seem uncertain that progress can be made on important issues. As such, they are looking to companies to step up and drive positive change. They believe that companies should take action and can have impact. But they don't expect the private sector to go it alone either; meaningful partnerships with government are viewed as both appropriate (78%) and necessary (90%).

### Among Adults:

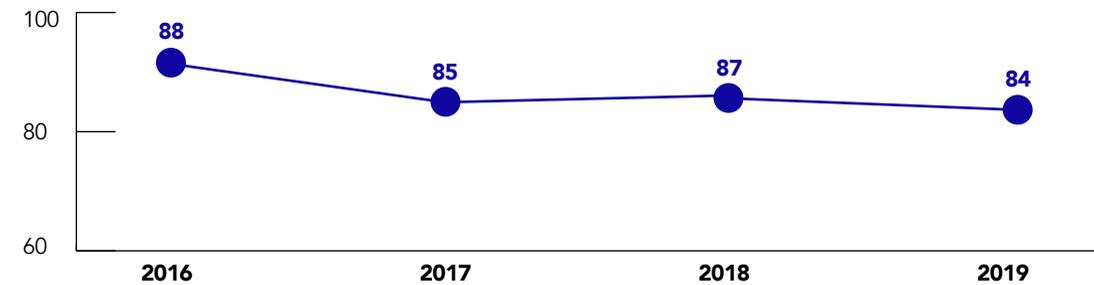
Our government is broken and corporations need to **step up** and help make positive changes in our society



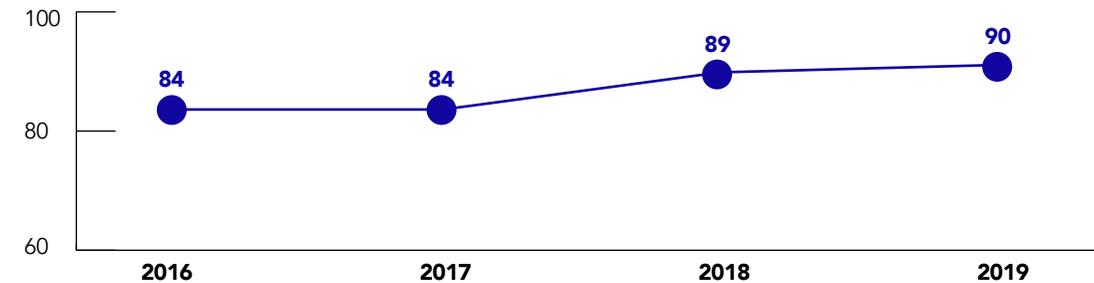
Corporations should **take action** to address important issues facing society



Corporations have the power to **influence** social change



Corporations and politicians need to **work together** to do what's best for the American people



# BRANDS GET POLITICAL

While companies have long shied away from stepping out on issues that they perceive as controversial, there is mounting evidence to suggest that Americans are willing to accept – and embrace – corporate engagement on a range of issues as long as the issue is one that is relevant and meaningful to the organization. It is time for companies to tell Americans what they believe – and why.

## Takeaway:

Relevance is the name of the game. Americans tolerate and even embrace corporate engagement on a host of issues as long as companies communicate what they are doing and why. Tell us your story!





It's time for companies to **stand up** and **speak out**.

■ Overall ■ Dem Prime

% agree:

Corporations should stand up for what they believe politically



Corporations should stand up for what they believe politically regardless of whether or not it is controversial



% appropriate:

To take a stance on political issues



To take a stance on political issues that impact their company

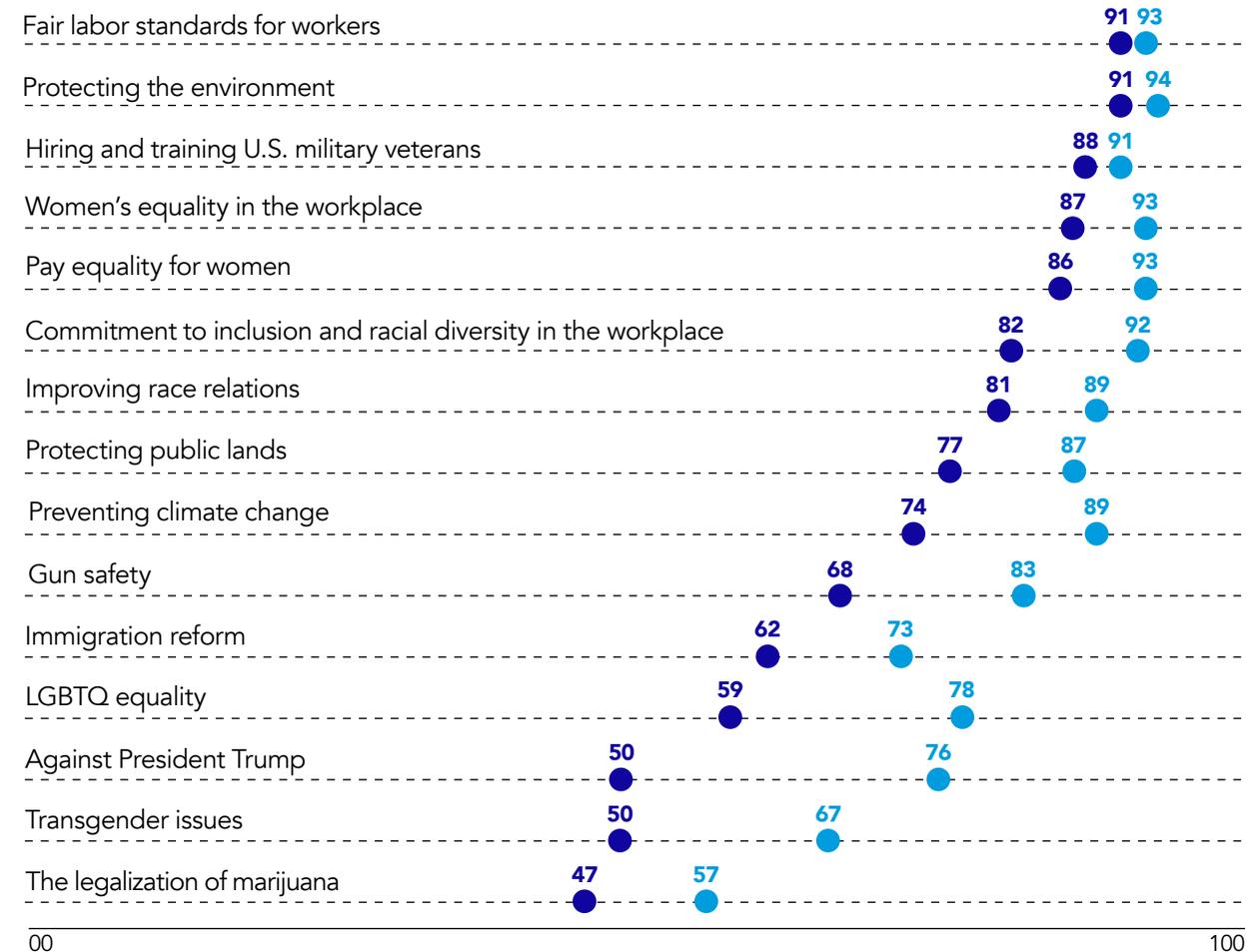


## There is room for companies to speak out on a range of issues.

How appropriate is it for a corporation to take each of the following actions?

■ Adults ■ Dem Prime

Take a stance on:



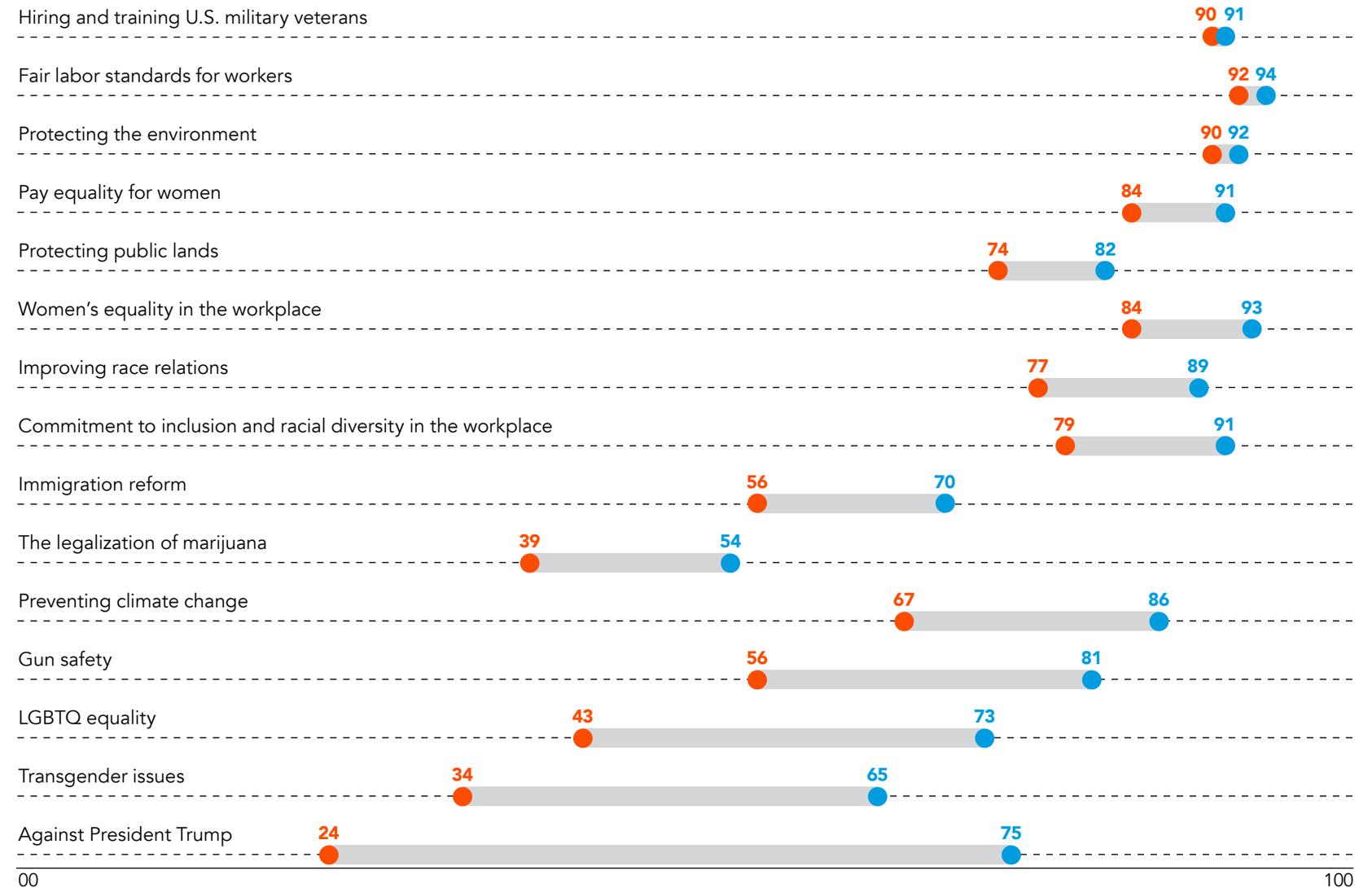
## Among Democrats and Republicans, some issues are more polarizing than others.

Know your issue and know your audience.



### How appropriate is it for a corporation to take a stand on the following issues?

■ Democrats ■ Republicans



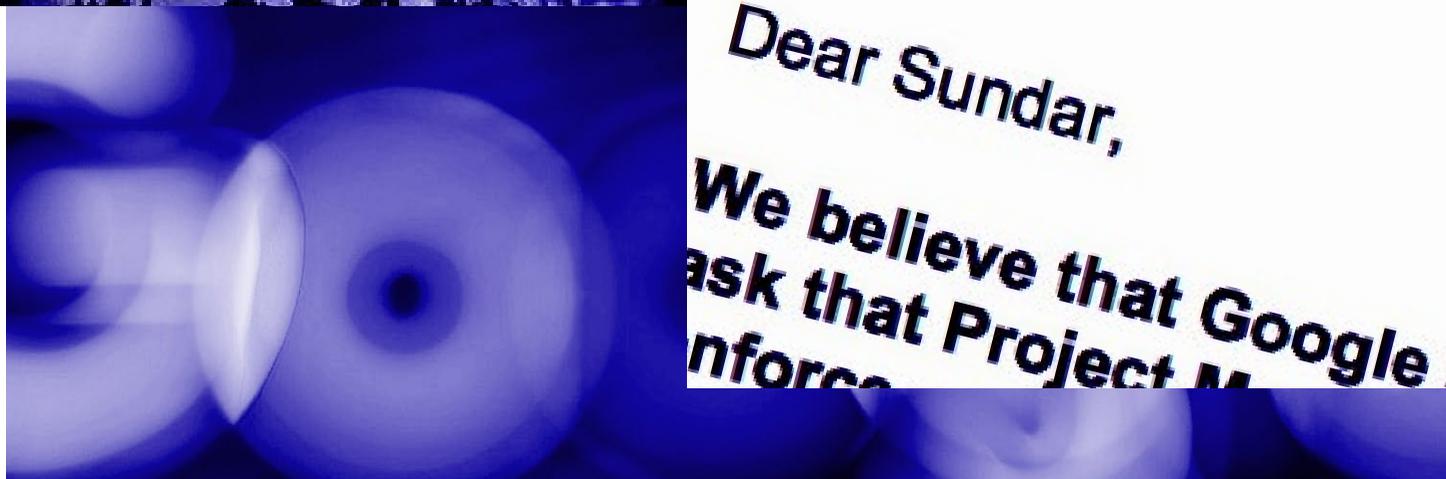
# POLITICS AT WORK

The people have spoken. Americans today are talking about politics at home...and at work. Employees at companies like Wayfair and Google are penning letters to leadership, calling for online solidarity and #boycotts, and staging mass walk-outs — all to make sure that executives and the public know what matters to them. There is an increasing commitment on the part of Americans to work for companies whose values closely align with their own and an audible call for companies to do more to consider their employees in their decision-making processes.



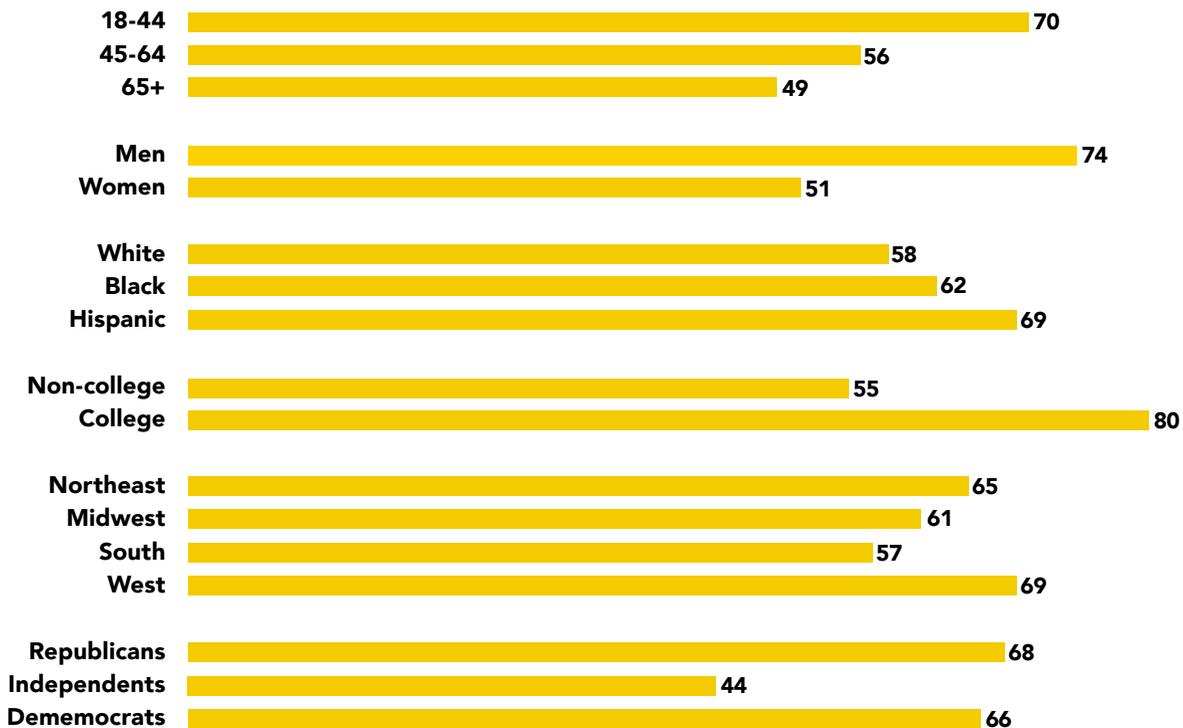
## Takeaway:

Your employees care about their own values...and those of their employer. Regardless of what actions your brand is taking externally, every company needs to understand what its employees care about. Communicate your values with your employees. Failure to do this may pose a threat that spills beyond the walls of your organization.



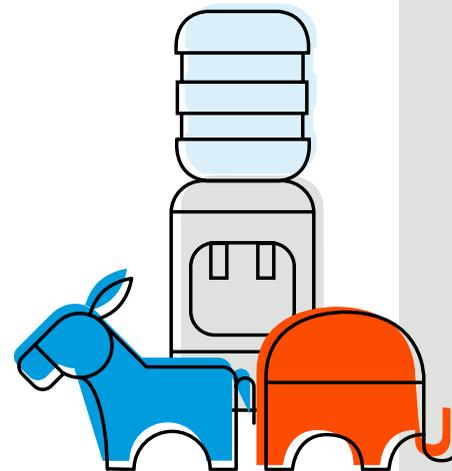
## Politics at the watercooler.

No crying in baseball. No politics at work. As it turns out, sometimes old adages are just that, old. Today, as the lines between work and life are increasingly intertwined and more and more Americans look for workplaces whose values are aligned with their own, a plurality of Americans have shunned the “don’ts” of the past and embraced the political watercooler huddle.



## Employees are ready to take action.

Employees have a powerful voice and they are primed to use it to help elevate the issues they care most about. Corporations have a meaningful opportunity to harness this activism and engage their employees to help advance their organizational goals, and drive forward their corporate impact.



Please indicate how likely you would be to do each one:

■ Adults ■ Dem Prime

**Sign a petition** urging your employer to take action on a political or social issue



**Donate a portion of your pay** to support a cause or issue that was important to you



**Share a post on social media**, like Facebook, Twitter, or Instagram urging your company’s leadership to support a social or political issue



**Co-author a letter to the editor with your colleagues** to support a cause or issue that was important to you



**Organize a sit-in or walkout at work** to encourage your employer to take action on a political or social issue



**Attend a boycott or rally with your colleagues** encouraging your company to speak out on a social or political issue



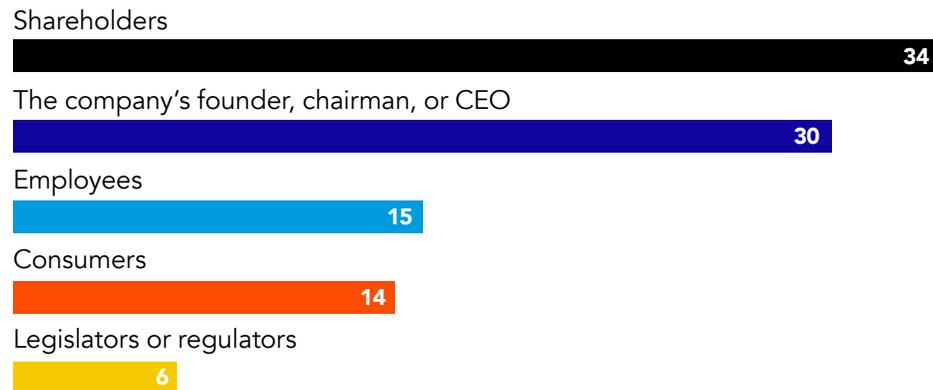
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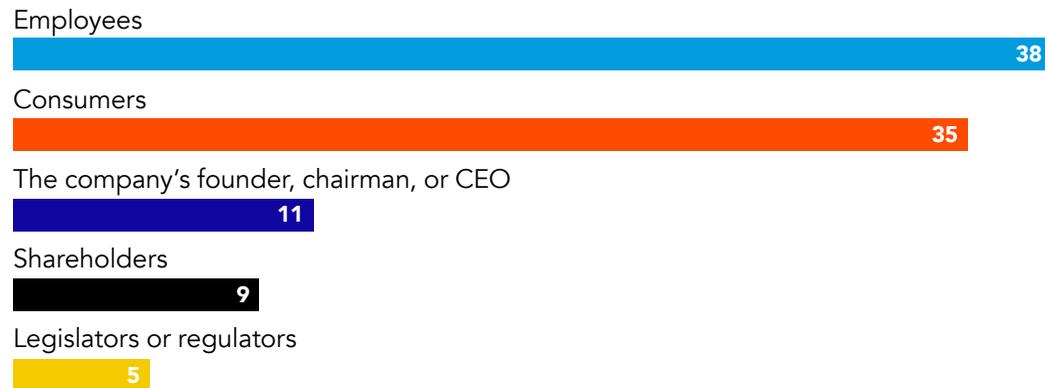
## Employees (should) matter.

Americans believe that corporations put their shareholders and leadership first. However, they believe that employees should come first.

**When thinking about a company's decision to take a position on social and/or political issues, who do you think companies consider first in their decision-making process?**



**And who do you think companies SHOULD consider first in the decision-making process?**



### Employees look for corporate values that align with their own.

**84%** of adults say it's important to them to work for a company that shares their values.

**73%** of adults say that the company they work for generally shares their values on most issues.

**69%** of adults say that employees at large companies have a great deal/some responsibility to bring about social change on important issues.

## About the Study

**Now in its seventh 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*, *CNBC*, *CBS News*, *Axios*, and *Politico*, among others.**

GSG conducted a public opinion survey among 805 adults, including 300 Democratic Primary voters, between December 11th and 16th, 2019. The survey was conducted online recruiting respondents from a leading opt-in panel vendor. Special care was taken by GSG to ensure 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](https://globalstrategygroup.com).

## For more information, please contact:

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## 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