

CANCEL CULTURE CONFIDENTIAL

Yes, operating a company in a politically divided America has risks, but those risks can be managed—and potentially used to your advantage. A guide.

BY DALE BUSS



The Super Bowl is the biggest canvas for how marketers view the state of mind of the American populace, and auto companies typically are the largest cohort of advertisers making multimillion-dollar bets on tapping into the national mood.

This year, in the wake of Covid and political unrest, Ford ran a regional advertisement just before kickoff about simply “finishing the job” of getting through the pandemic. Stellantis went to the other extreme and recruited Bruce Springsteen for a Jeep spot in which the rock superstar beckoned Americans to find the political “middle.”

Ford’s ad made little impact; the Stellantis commercial got rapped hard from both the right and the left. The real winner of the Big Game auto-advertising sweepstakes? Toyota, which aired a commercial about a U.S. Paralympic athlete who was born with a disability in Russia and adopted by a compassionate American couple.

“Our ad was more about people and relating to the values of the company,” says Mark Hogan, a former Toyota board member and former president of Magna. “It was more about human interaction.” Even there, some viewers insisted on seeing the Toyota spot as an anti-abortion, pro-adoption statement, “but it wasn’t that deep,” Hogan insists.

Welcome to 2021, where every marketing move seems to be fraught with the “current moment” of political division and societal unease. In a widely cited Edelman poll, nearly 60 percent of Americans said they would choose, switch, avoid or boycott a brand based on its stand on societal issues, up from 47 percent the year before—and that was in a 2018 survey by Edelman, long before the tumult of 2020 and early 2021.

Meanwhile, in a recent poll of public company directors fielded by *Corporate Board Member* and Diligent Institute, 57 percent of directors surveyed said they are more concerned about reputational risk today than they had been in prior years, even as 54 percent said their CEO had made a public statement to address social or political events occurring in 2020—more than double the rate of four years ago.

Spend enough time on Twitter and you’ll come to believe so-called “cancel cul-

ture” is the biggest bogeyman in business, where running a company is somehow an endless ideological Rorschach test, where every communication or representation may carry—or be perceived to carry—ideological weight or a political purpose. And doom is one slip away at all times.

The truth is much more mundane: While operating a company in a politically divided America certainly carries some risks, those risks can be managed—just like the risks in every other area of your business. To help, we reached out to a slew of experts for tips, including directors and CEOs who have successfully navigated this tricky world.

The good news: Even if your company has a run-in with #cancelculture, it will almost certainly survive. “The easiest form of activism is online,” says Rick Levick, head of Levick, a strategic communications firm in Washington, D.C., and longtime go-to guy for big brands in crisis. “It’s the easiest place to have courage. Most criticism comes and goes quickly.”

#KNOWYOURTRIBE

Among the directors, CEOs and experts we talked to, the thing almost all of them agreed on was that at some point, you’re likely to anger someone. You should just accept that.

“The idea that you can please everyone—that day is probably gone,” says Levick. “But that’s why you need to know who relates to you. Be a brand that approaches some level of religiosity, those that have periodic crises but don’t have to play Whac-a-Mole. They’ve used ‘peacetime’ wisely and built high-trust banks.”

Apple, Starbucks and Subaru are sterling examples. The car brand, for instance, keeps experiencing climbing sales and market share in the U.S. around its crystal-clear positioning as a brand for progressive consumers, right down to a TV ad a few years ago that depicted a woman taking her granddaughter to the site of the 1969 Woodstock festival in New York where the grandparents had carved their initials into a tree.

“We only have [four] percent of the market,” Tom Doll, president and CEO of Subaru of America, said a few years ago. “There are a lot of people out in the marketplace who believe what we believe and the purpose we’re trying to pursue. You’re



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never going to get 100 percent of the population. I just want my piece of it.”

Nike famously built a 2019 marketing campaign around Colin Kaepernick, the divisive former quarterback who was first to kneel on an NFL field during the national anthem. “It doesn’t matter how many people hate your brand as long as enough people love it,” Nike Co-Founder Phil Knight told students at the Stanford Graduate School of Business afterward, as sales boomed.

Sales reportedly have skyrocketed for My Pillow since Mike Lindell, founder and CEO, widely publicized charges that the 2020 presidential election was sabotaged. Already a darling of rightists and perhaps the biggest advertiser on Fox News, Lindell found sympathetic consumers rallying anew to products of the Chaska, Minnesota-based manufacturer.

“It’s an important part of being a leader in today’s world: Navigating one group over another and choosing what you want to stand for is something that you need to do,” says David Bentley, CEO of New York-based PR giant Porter Novelli.

Still, Seth Goldman, director of Beyond Meat and founder and former CEO of Honest Tea, stresses that “a flashpoint moment isn’t the time to start developing your political beliefs” as a business. “The key is to think about how you behave every day. A crisis is important, but if you’re not laying the groundwork in what you do every day, you won’t be prepared for moments of crisis.”

#BEYOURSELF

If your CEO does want to speak out, all politically relevant actions must stem from “a set of values that you articulate and you can adhere to,” says Peter van Oppen, a director of RFID manufacturer Impinj and former member of a dozen other corporate boards. “You’re better off with authentic adherence to a view that doesn’t placate everyone than you are with a set of values that shifts in the wind. The stand that you take should be because you believe in it and you believe your team will find it authentic and worth supporting.”

For example, says Goldman, Beyond Meat’s lab-born, plant-based burgers are aimed at consumers who want to reduce their meat consumption for dietary or sustainability reasons. “So it’s very real for us to

say, first, that climate change is real; it’s not a debate we can afford to be having,” he says. “And that we, as a company and society, should be doing something about it.”

Greater employee demands for diversity and inclusion are at the root of much of the internal unrest in the American workplace these days. But it’s not as easy as writing out a check to Black Lives Matter. “Make sure you’re aligned with those values, particularly inside the organization,” says Scott Farrell, president of global corporate communications at GolinHarris PR firm. For example, “Don’t go out there talking about how important diversity is if your own house isn’t in order.”

“We’ve stopped many clients from making grand statements about racial injustice because they didn’t have the authenticity to do that,” Bentley says. Rather, he counseled them to an approach of “communicating more reflectively and listen in their own organizations, especially to people to whom the topic made a big difference. They need to take it step by step.”

Manufacturing CEOs have a particular opportunity to progress on the D&I front, says Marc Braun, president of Cambridge Air Solutions, an HVAC equipment maker in Chesterfield, Missouri. “We’re in a unique position typically because of the significant diversity of our employees,” he says. “Financial services firms don’t have as much diversity, for example. The tech industry doesn’t. Also, we’re important because of the size and scope of the economic impact we have.”

#ENGAGEYOURPEOPLE

If you want to navigate on behalf of the company, it helps to ask employees for their views on issues in the zeitgeist. “Listen and understand that it’s not actually about you the CEO or the organization but about others in the organization and how they’re feeling at the moment on a topic that may be completely away from the business,” Bentley says.

Jeff Gorter is vice president of crisis response clinical services for R3 Continuum, a Minneapolis-based human resources consultancy that gathers groups of employees of a client for 90 minutes to talk through issues so they feel “heard and understood and given the respect or dignity they feel they should have.” The sessions begin a

process that the company then continues.

"Until that happens," Gorter says, "they're not budging. And they're already talking about it now, but without your direction and without the positive expectation of understanding—they're just shouting at each other in the breakroom."

Toyota nurtures more than 100 "employee resource groups" at its North American operations, which allow workers to self-associate around any of 13 identity groups that include everyone from African-Americans to pet owners, from LGBTQ+ identifiers to Christians, and veterans to young professionals. The groups' focus is on workplace concerns, but the automaker also funds community-oriented activities the groups conceive, organize and execute.

Their existence also helped sublimate political tensions over the past year. "We all understand that people are coming from different backgrounds, so they avoid a lot of conversations in the workplace," says Sean Suggs, group vice president of social innovation for Plano, Texas-based Toyota North America. "These groups are grounded in the Toyota Way: in continuous improvement and respect for people."

For years, companies have permitted anonymous questions during all-hands meetings as a way to encourage free-flowing dialogue. "You can also poll your employee base silently on political issues," says Justin Danhof, general counsel for the National Center for Public Policy Research, which lobbies corporations from a conservative viewpoint. "That can give you cover against taking progressive positions you don't think are right, especially if you're in flyover country. You have the data to say, 'This isn't where our employees are.'"

#DON'TOVERTHINKTHIS

Another thing to keep in mind: No matter what the polls say, when it comes down to purchasing decisions, many consumers love what they love regardless of what kind of a bumper sticker they'd slap on it. "For 99 percent of consumers, their need isn't, 'I want a company that's going to say something political,'" says Goldman. "It's, 'I'm thirsty.'"

Chick-fil-A, which is hardly shy about its conservative Christian values, packs restaurants across the country—including plenty of deep-blue coastal enclaves like metro

Washington, D.C. How? Beyond the delicious chicken, the chain "lives its values of cleanliness, politeness and kindness," Levick says. "So customers are willing to forgive differences of opinion though not arrogance. Chick-fil-A has navigated that masterfully."

Across the aisle, few conservatives are leaving Prime membership because of Amazon actions they find objectionable. And Netflix's rising viewership encompasses millions of Republicans who disagree with many of the company's programming choices—such as airing a documentary by the Obamas—and the fact that 98 percent of Netflix employees' political contributions went to Democrats in the last election cycle. "Boycotts aren't real, and they're never long-lasting," says Danhof. "Especially from the conservative side."

How many customers are still fighting the brand brawls over immigration in 2017 and #MeToo in 2019? Not many. "Nobody asks us anymore about the story from 2019 about a company we acquired that had taken money from the Immigration and Naturalization Service, which was being criticized for putting [immigrant] children in cages," says Yogesh Gupta, CEO of Progress Software, based in Bedford, Massachusetts.

"After two or three years, the #MeToo movement started to get eclipsed by Black Lives Matter," Levick says. "What will start to eclipse that? You need to be thinking: Who's your tribe—and what do you want to do that's right?"

Case in point: Dick's Sporting Goods. Few companies have struck as controversial or as high-profile a position as the Pittsburgh-based chain, which ended sales of firearms in stores in the wake of the 2018 Parkland high school shootings—and took a big hit to the bottom line. Then-CEO Ed Stack, who is now executive chairman, has no regrets. "We had a thorough discussion about it but never wavered one bit," Stack told *Corporate Board Member* last fall. "Even after it had cost us a lot of business—it was a difficult time from a sales and earnings standpoint around this—on the one-year anniversary, we talked with our management team and our board, and we all decided unequivocally, we [would] do it all over again."

Three years and a pandemic later, the company's revenues hit \$9.58 billion, an all-time high. **CBM**



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