



Pro and anti-Trump boycotts put businesses at the center of the political debate

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Having a businessman as commander in chief has certainly improved the outlook on Wall Street, with the markets hitting all time highs in recent weeks, but retailers have been caught in the cross-fire of an increasingly partisan political environment and are facing boycotts from the left and the right.

The increasingly divided electorate has turned to corporate America to vote with their wallets, boycotting the products and companies whose CEOs or business practices express views that don't align with their politics.

Below is an abbreviated list of companies facing boycotts for taking a political stance on President Trump and his policies.

Wegmans: The latest company to be blacklisted by die-hard anti-Trump shoppers is the Rochester-based grocery store, Wegmans. The chain, which has been voted one of the best companies to work for and ranked as the second most reputable company in America, is facing backlash for carrying Trump family products, namely Eric Trump's wine. While opponents and activist groups are challenging the store to dump the brand, Trump supporters are encouraging shoppers to go to Wegmans and buy Trump.

Under Armour: When Under Armour CEO Kevin Plank praised Donald Trump as a "pro-business president" and "a real asset to the country" during an CNBC interview last week, social media erupted with outrage, threatening boycotts of the brand. Under Armour saw backlash from its celebrity endorsers NBA star Stephen Curry, ballerina Misty Copeland and actor Dwayne "The Rock" Johnson. The athletes interpreted Plank's statement as support for Trump's most controversial policy, the travel ban to temporarily block visitors and immigrants from seven majority Muslim nations.

In an open letter to the city of Baltimore, where his company is headquartered, Plank clarified his statements, saying the company stands for "inclusiveness" and is "publicly opposed to the travel ban."

In addition to Nordstrom, other retailers have dropped Ivanka's clothing, shoe and jewelry lines including Shoes.com, and Neiman Marcus. Other retailers have stopped carrying Donald Trump's clothing and home goods and Melania Trump's jewelry including Macy's, QVC, Sears and Kmart.

Starbucks: The Seattle-based coffee empire was targeted by Trump supporters shortly after the president began putting in place his immigration agenda and temporarily suspending the refugee resettlement program. Starbucks made a strong statement against the immigration policies by announcing its intent to hire 10,000 refugees across the nation. The move sparked anger on social media, and Starbucks' stock took a dive shortly after their decision was reported in the media.

Budweiser: One of the mainstays of Superbowl parties and advertising, Budweiser, hit a political nerve during the 2017 game when it aired a dramatic commercial celebrating the immigration story of Adolphus Busch, founder of Anheuser-Busch. The ad was interpreted by the president's supporters and opponents as a criticism of Trump's tough immigration policy. Immediately after the ad aired, #BoycottBudweiser began trending on social media.

In addition to these companies, activist Shannon Coulter, co-founder of #GrabYourWallet has compiled a list of more than 70 companies to boycott because of their affiliation with Trump. And the Democratic Coalition Against Trump made a Boycott Trump app, letting consumer activists search more than 250 companies tied to the president so they can "make Trump and his allies pay, literally," for their policies.

Despite the #outrage over companies' positions on political and social issues, some have argued that the boycotts won't have any impact on the targeted companies.

Since taking office, Trump's brands, from real estate to consumer goods, have more power than ever, according to marketing researcher Robert Passikoff, the founder of Brand Keys. Passikoff has studied Trump's brand over the past 25 years. He recently found that even though Trump's consumer goods (ties, suits, jewelry) suffered through the rough and tumble of the 2016 election, dropping 20 percent after he entered the race, his high-end items including country clubs and luxury condos increased. Following the election, Trump's brand power took off, increasing 35 percent across every category.

Passikoff argued that the boycotts against Trump products will do minimal damage to the brand and most likely will not hurt retailers either. "His name has more power now than ever," he told Business Insider.

Yet research by Dr. Melissa Dodd, professor of advertising and communications at the University of Central Florida, suggests that the social and political stances taken by a company are now more important than ever to the American consumer. And that sentiment translates directly to their bottom line.

"There's an expectation now that companies will be socially responsible, number one, and number two will engage in social and political issues that could help society," Dodd said. "So it's important I think to have companies that are taking these stances that might be anti-Trump."

Consumer and marketing research, like the Edelman Trust Barometer, shows the majority of consumers expect corporations to address social concerns and create forums to educate and advocate for policies. Even though trust in businesses and the functioning of "the system" as a whole is at an all-time low, research suggests consumers do seek out activist corporations.

A different study by Weber Shandwick and KRC Research found similar results. According to the most recent survey, 41 percent of shoppers and 46 percent of executives say companies should express an opinion or take action on controversial issues.

"More people believe that it was the responsibility of companies to make society a better place than government, which is a huge thing," Dodd said, summarizing the study findings. "Because now we have started to move away from consumers pressuring government to regulate corporations, to consumers pressuring corporations to regulate government."

Of course, the hyper-partisan political atmosphere does increase the risk to companies who decide to take a stand on controversial political or social issues, but at the same time, it can also give them an advantage over their competitor.

Dodd explained that there is now pressure coming from consumers for companies and corporations to believe in something. "There's not really an option to not take a stance. Not taking a stance on an issue makes you obsolete as opposed to your competitors."

In a Harvard Business School study on CEO activism, researchers reached a similar conclusion. Focusing specifically on Apple CEO Tim Cook, the study found that consumers who were exposed to Cook's activist viewpoints (in this case LGBTQ rights), expressed a higher intent to purchase Apple products than those who didn't know about his position.

"These results suggest that CEO activism can serve as a signal, letting consumers know where a company leader stands on a controversial issue and potentially galvanizing support and generating goodwill for the company, especially among those who already support the CEO's stance," the researchers concluded.

In Dodd's research, she was able to narrow in on different demographic groups' behaviors in response to corporate activism, finding that while older Americans are more likely to boycott a company that does not align with their beliefs, the millennial generation tends to engage in "supportive purchasing behaviors," when a company takes a stand they agree with.

These tendencies translate directly into measurable impact on businesses, Dodd concluded. "It definitely affects the bottom line in measurable ways."

But it's not just companies' revenue and sales that are being impacted. Dodd is currently involved in research that suggests consumers' attitudes about issues and their willingness to engage in activist or voting behavior is impacted by the stance a company takes.

"Not only is the company impacted now, but also the issues themselves are molded by company's stances and by consumers reactions to those stances," she explained.

Walter Olson, a senior fellow at the Cato Institute, is more skeptical about the overall impact of the boycotts and threats against different companies and products tied to Trump.

"Over a range of politics, boycotts have not shown themselves to have that much staying power," he said. For the companies currently caught in the political cross-hairs, he noted that "the nice thing about the age of Trump is if you wait a day or two someone else will be in the firing line."

What is troubling, he said, is "the politicization of everything," from celebrities to clothing to beer to transportation. "On that level, people should stop and ask if things are going too far. There's enough to argue about with Coke versus Pepsi without also have to add a political dimension."

Rather than exacerbate the differences, or use the political polarization of the country to enhance brand loyalty and sales, Olson argues that business should do more the bring people together.

"It would be a real shame if we had red stores and blue stores," he said of the partisan divide. "We ought to hope that business cooperate in making us one nation, rather than worsening the polarization."