

Brands That Take a Stand: A High-Risk, High-Reward Marketing Strategy

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More than a century ago, Mark Twain advised: “Never discuss religion or politics in polite company.” Wise words that likely saved a great many social gatherings from devolving into contentiousness. Likewise, the marketer who wants to appeal to the broadest cross-section of consumer profiles would want to avoid staking out a position that alienates large sectors of the market-place. At least that’s what we used to think. Today, however, brand managers, advertising executives, and marketing officers are fearlessly ignoring Twain’s advice and plunging into political, social, and environmental issues, affiliating with positions that divide the market-place into with-us and against-us camps. It is no longer sufficient to simply market a product or service, to engage in polite messaging about your brand’s differentiable attributes, or to negatively position your competitors. It’s the bold statement that their stakeholders hold dear.

Being a **brand that takes a stand** appears to be the new expectation.

Let’s explore this new landscape of marketing communications. In this article, we will:

- Examine consumers’ evolving demands relating to a brand’s expressed values
- Review best-in-class examples of activist brands that are successfully messaging their points of view
- Discuss opportunistic, insincere, and tone-deaf brand campaigns that failed
- How to assess your brand’s values and activist posture before participating in a social discourse
- Explore the implications of this market dynamic for Lottery

Consumers Want Brands to Take a Stand

According to numerous studies about brand activism conducted in the past year, as many as 88% of consumers responded that they would be more loyal to brands that openly support social and environmental

initiatives. Sprout Social, a consultancy on social media management, asked 1000 U.S. consumers for their views of brand activism. Two thirds said they wanted brands to engage in issues, including 73% of respondents aged 18-34. Sixty-two percent of consumers aged 55 and older reported that it is at least “somewhat important” to them to hear from brands on issues in the news. Other studies revealed that more than 90% of Millennial consumers would switch brands to one associated with a position they support.

Interestingly, there was a liberal-conservative component revealed in the Sprout Social survey. At a rate of 78%, self-identified liberal respondents expect brands to participate in social discourse while only 52% of conservatives felt that was desirable.

Perhaps most importantly for a brand’s financial spreadsheet, four of 10 consumers state they have switched brands because of a perceived mismatch in value systems, and they expressed an intent to do so in the future.

The majority of all age and political segments believe that social media platforms represent the optimal channel for expressing a brand’s posture on issues. However, such mega-brands as Nike and Heineken have spent millions on the more traditional medium of television advertising to push messages to the forefront.

Brands that make a strategic choice to stay on the sidelines – to perpetuate their policies of privacy and prudence – are increasingly vulnerable. Silence on issues can be interpreted as complicity or opposition; in either event, the quiescent brand no longer controls the narrative and others (friends or foes) can leverage the vacuum of information for their own agendas.

Best-Practice Brands

A handful of brands have thrust themselves into the epicenter of contentious topics. And those brands that “get it right” can profit both financially and from an image/reputation standpoint.

On September 4 of last year, in celebration of the 30th anniversary of its “Just Do It” campaign, **Nike** featured disenfranchised NFL quarterback Colin Kaepernick, who had aroused the ire of traditionalists with his pre-game protests for social justice by kneeling during the National Anthem. Many people (and some political leaders) were outraged, but Nike’s share price and sales actually attained an all-time high within a month of the ad campaign’s launch. Share price has risen and fallen since, and is today higher than ever.

For decades, **Patagonia** has been a forthright advocate for environmentalism. In February of 2017, President Donald Trump issued an executive order to downsize the areas of two national monuments in Utah. Patagonia responded with a confrontational message: “The President Stole Your Land.” The brand’s stance was widely supported and, importantly, reinforced by Patagonia’s continuing to back up its beliefs with financial donations. This “money where your mouth is” strategy builds high levels of credibility with stakeholders. Patagonia’s stock price went from \$40 in Feb. 2017 to \$60 in February 2018. (It hovers in the 40s today.)

On February 28, 2018, **Dick’s Sporting Goods** ceased the sale of assault weapons in its stores in the wake of the Parkland, Florida, school shootings. The action generated severely negative responses from the gun lobby and other conservative constituencies, but the decision was applauded by many others. Dick’s sacrificed \$150 million in gun sales. But overall sales increased, and the stock price went from \$31 on Feb. 28, 2018 to \$39 on Feb. 28, 2019.

Social and environmental activism is entwined in the DNA at **Ben & Jerry’s** ice cream. The brand has responded to President Trump’s multiple decisions that affect long-term environmental policies and it has taken to heart the criticism about the dairy industry’s effect on climate change, reducing its own operational carbon footprint and releasing vegan/non-dairy dessert flavors. Ben & Jerry’s is a division of giant Unilever so we do not have a measure of the financial performance of Ben & Jerry’s since these changes in their product mix.

Lyft, the ride-sharing service, took a bold position in reaction to a White House travel ban directed in large part toward the Muslim community. It immediately benefited when more users downloaded its mobile app – rather than Uber’s – in support of Lyft’s stance. Lyft just went public, beating arch-rival Uber to the punch with a very successful IPO (above initial expectations at \$22 billion valuation).

Famous Failures

There is, of course, a risk to joining the social/political discourse. Here are some unfortunate mis-steps:

Pepsi’s reputation was woefully harmed by its rapid TV ad in which Kendall Jenner “prevented” a riot by popping open a can of soda. It was an attempt to recreate the feeling and emotion of the iconic moment captured by the photo of the single woman standing firm against police during demonstrations in Baton Rouge, LA. It is an astonishing image and Pepsi should have anticipated the backlash against misappropriating such a powerful and authentic event. The modern consumer quickly recognizes phony posturing and has little patience or respect for pretense.

Starbucks launched its #racetogether campaign as a response to the shootings of two unarmed black men. The intention was to begin a dialogue about race relations between Starbucks baristas and customers, but the consumer backlash was swift and strong. One customer Tweeted: “I’ll have an iced white privilege mocha...” This would appear to be another fail in the “authenticity” category.

McDonald’s was criticized last year when it flipped its iconic golden arches upside down (forming a W) in recognition of International Women’s Day. Unfortunately, this action brought the wrong kind of attention, resulting in numerous unfavorable reports about the corporation’s relatively poor record on gender representation and maternity leave policies. Perhaps the lesson is to think about the outcome to bringing attention to the actual record of performance.

How to Assess Your Brand before Joining the Discussion

Marketing experts caution that there are several dynamics to assess before launching your brand into a social or political discussion:

1. Document your brand’s core values for both internal and external communica-

tion. Be clear about who you are as a brand and what you stand for.

2. Build internal consensus on what, specifically, the social issues are and how your brand might approach them. Make certain the “cause” and your brand’s attributes are in close alignment. Do not adopt a general or diffused strategy. Be clear and specific. Do not permit room for misinterpretation of your message.
3. Prepare for every possible reaction to your message. Some consumers may laud you; others will deride you. How will you manage not only journalistic inquiries, but also social media “likes,” Tweets, and memes?
4. Prepare your senior executives to communicate the message on point. Your CEO and CMO should be able to handle every question, every complaint, and every specious assertion they may confront.
5. Empower your staff to be effective ambassadors. Equip them with talking points, materials, and support.
6. Explore opportunities to add action to your words. Make financial contributions. Join highly visible others in public events.
7. Evaluate your organization for internal consistency. For example, if you are going to publically advocate for women’s rights, make certain your company’s promotion and pay policies do not discriminate (or appear to discriminate) against women. (A real example: Primark, the retail giant, released a line of Pride-themed shirts that had been produced in Turkey, a country noted for its poor record on LGBTQ issues.)
8. Assess your brand on a risk-relevance dimension. If intervening in a high-risk issue does not clearly and compellingly resonate with your brand, you may wish to wait for another opportunity to enter the public discussion. Evaluate “fit” – not in a cynical, opportunistic way, but in a fashion that ensures brand values alignment.

Implications for Lottery

The Lottery industry is perfectly positioned to participate in social debate because of its history of association with Good Causes. Lottery agencies generate millions of dollars for education, for senior citizens, and for state taxpayers in the form of general fund enrichment.

Taking a stand, even making a bold

statement, does not have to invite controversy. The Lottery industry has more than a few examples to show for itself. Two years ago, the industry took a bold step toward **gender equity** with its creation of the **Women’s Initiative in Lottery Leadership, chaired by Rebecca Hargrove**.

This global program features a mentoring component and provides a platform for on-going dialogue about a critically important business and social issue. This is Lottery taking a proactive stand for something not directly related to selling more lottery tickets.

Lottery is also the most outspoken and effective advocate for **Responsible Gaming**. The industry invests considerable resources in awareness training, retail support, and player age verification processes. Lottery leads by example in a games-of-chance industry that has not always embraced RG as enthusiastically as it should.

Even more than most commercial brands, Lottery possesses consumer credibility in the social activism space because of its chartering mission – generate revenues to give to good causes.

There are restrictions on Lottery messaging imposed by state agency charters and prevailing politics that constrain the industry’s ability to fully participate in debates of activist issues. But in its drive to acquire and retain more Millennial players – and to communicate its relevance in an ever-evolving gaming landscape - the Lottery industry should continue to emphasize its contributions to the types of causes that few would object to.

Mark Twain’s admonition never to discuss politics was right for about 100 years. No longer. There has never been a time like now to make your values known and your message heard. ■

