

CORPORATE POLITICAL ACTIVISM:

When and how should companies take a political stand?

MAGGIE CLEMENSEN

Master of Arts, Strategic Communication

University of Minnesota

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ABOUT THE AUTHOR

Maggie Clemensen is a Senior Strategic Analyst at Rabbit, a strategic consulting firm in Minneapolis that specializes in brand strategy and planning. Maggie has always been interested in consumer behavior and attitude, which is what drew her to account planning and strategy. Prior to shifting her career to strategy, Maggie worked first as an interactive designer and art director at an advertising agency. The M.A. in Strategic Communication combined with her design background has provided a strong foundation for studying and interpreting consumer behavior.

EXECUTIVE SUMMARY

This project examines how consumers feel about companies taking political stances and offers recommendations on how companies can strategically practice corporate political activism (CPA). An in-depth look at previous literature in the field of corporate social responsibility grounds the research study and acts as a proxy to understanding how consumers might behave toward companies that take CPA actions. The aim of this study is to help companies develop a process to follow when considering taking a political stance. The primary research question is: What is the relationship between CPA and consumer attitudes toward companies? The secondary question is: What attitudinal functions do actions of corporate political activism fulfill for customers? An online survey was conducted measuring perceptions and attitudes toward companies that practice CPA. A four-step process for taking a political stance is shared at the end of the study as an approach for strategic communicators to use when determining the best decision on taking a political stance.

INTRODUCTION

In February of 2017, the national department store Nordstrom chose to discontinue the fashion line of Ivanka Trump, the daughter of President Donald Trump. Many of the department store's customers and non-customers saw this act as a political statement against the controversial president and his family. Even President Donald Trump commented on Twitter about the incident. After Nordstrom dropped Ivanka Trump's clothing line, thousands of people lashed out at the retailer through a "Boycott Nordstrom" social media campaign. However, prior to this specific boycott, Nordstrom was being boycotted by people on the other side of the issue for carrying the line in the first place (Creswell & Abrams, 2017).

Other companies have also experienced intense backlash for politically charged statements that representatives of the companies have made, particularly in reference to President Trump. The CEO of the active wear company Under Armour called President Trump a "real asset" to the country, and within hours, thousands were reacting under the hashtag "#boycottUnderArmour" (Creswell & Abrams, 2017). The online campaign "Grab Your Wallet" has been set up specifically to boycott companies associated in any way with the Trump company (Grynbaum & Maheshwari, 2017). Around 32,000 people visit the website of the campaign every hour, according to its founder, Shannon Coulter (Abrams, 2017).

Other issues have also caused activists to lash out, such as gay marriage or transgender bathrooms. Retailer Target announced in 2016 that it would allow transgender people to use whichever bathroom with which they identify. This new policy was announced in response to North Carolina's law regulating bathroom use by biological gender. After Target's announcement, the social media hashtag #FlushTarget gained traction, and over a million

people signed a pledge to boycott the company by the American Family Association (Halzack, 2016). To reduce customers' concern over the policy, Target has decided to spend \$20 million to install single-occupant restrooms in any location that does not already have them, allowing a separate space for transgender customers to use if they do not feel comfortable using the bathroom that corresponds with their biological gender (Isidore, 2016).

Fast-food company Chick-fil-A also experienced boycotts due to statements its CEO made against gay marriage in 2012 (O'Connor, 2014). After CEO Dan Cathy made public statements about his belief in "traditional marriage," protesters showed up at Chick-fil-A locations across the U.S. Cathy has since apologized for making the statements and bringing the company into the political fray around the issue of gay marriage (O'Connor, 2014).

These examples show that in our highly politicized, social media-focused world, companies are struggling to make sense of where they stand on issues and how to avoid boycotts and protests. As more and more companies are feeling pressure to make political statements on controversial political issues (termed *corporate political activism* by the author of this research), or are finding themselves in the cross-hairs without meaning to get involved, more research in this area will need to be undertaken to fully help companies navigate these treacherous waters. This study is one step in that direction of research, opening the door for further studies and interest in this topic.

LITERATURE REVIEW

Due to the new phenomenon of the specific topic of this paper, little previous literature exists to explain it fully. However, several other closely related topics have been studied extensively and can be examined in order to gain a better understanding of *corporate political activism*. These topics include elements of corporate social responsibility, such as political CSR theories and corporate social advocacy. The functional theory, which has been studied extensively, can also be employed in order to help companies choose messaging to match consumers' attitudinal functions when taking a political stance.

Corporate Social Responsibility Definitions

In the last decade, CSR has become a larger focus of many corporations, with billions of dollars pouring into CSR efforts (Becchetti, Ciciretti, Hasan, & Kobeissi, 2011). Due to the increased interest in CSR efforts by both consumers and investors, the academic world has focused a lot of effort and attention on this area of study. Much of the literature in this area broadly defines corporate social responsibility (CSR) as a company's activities in relation to perceived societal obligations (Torelli, Monga, & Kaikati, 2011; Sen and Bhattacharya, 2011). Most of the literature does agree, however, that CSR is in fact a broad category, which means the activities and obligations referred to above have various meanings. For example, much of the earlier literature in the field focuses primarily on internal actions, such business ethics, as a form of corporate social responsibility. A study of CSR would not be complete without mentioning Carroll's CSR model (Carroll, 1979). His model breaks CSR into four main categories. These include (1) the economical responsibilities of organizations to be profitable; (2) the legal

responsibilities of organizations to follow all laws; (3) the ethical responsibilities of organizations to do what is ethically right; and (4) the philanthropic responsibilities of companies to engage in activities that benefit society and causes (Carroll, 1979). Later literature, however, primarily focuses more on the last two categories of Carroll's model, the external activities of corporations in relation to ethics and philanthropy, such as aligning with certain charitable causes. For the purposes of this study, this paper will focus more on the later definitions of CSR that take a look at the more external activities of corporations in relation to social and political causes because this definition is more pertinent to the topic of this research study.

The Impacts of Corporate Social Responsibility

The literature mainly agrees that CSR efforts positively affect the financial performance of a company. Sources, however, vary on the level of the positive impact and the clear return on investment for corporations. Research by Doh, Howton, Howton, and Siegel (2010) suggests that investors care about the CSR initiatives of organizations. Their study showed that investors will exit investments if an organization fails to follow through on CSR initiatives, but did not see an increase in entry into investments because of CSR initiatives (Doh et al., 2010). Becchetti, Ciciretti, Hasan, and Kobeissi replicated Doh et al.'s study on a grander scale and found similar results (2011). The Report on Socially Responsible Investing Trends in the United States (2016) also shows that one in nine invested dollars is invested into portfolios that are considered socially responsible (The Forum for Sustainable and Responsible Investment, 2016). A study by

Fombrun and Shanley (1990) also found that companies can increase their brand reputation through CSR efforts and then use that increased reputation to charge more for products.

Many of the studies in CSR have focused on the effects of CSR on consumer behaviors, particularly intent to purchase. One of the first studies examining consumer purchase decisions in relation to companies' CSR efforts took place in 2001 and was conducted by Mohr, Webb, and Harris. This study defines CSR as "a company's commitment to minimizing or eliminating any harmful effects and maximizing its long-run beneficial impact on society" (Mohr, et al., 2001) and uses this definition as the basis for its in-depth interviews with forty-eight consumers. This study revealed that overall, most respondents do not use CSR efforts as a factor in deciding whether to purchase from a company. In the course of the study, however, Mohr et al. determined that a small but articulate group of consumers practice what the authors call "Socially Responsible Consumer Behavior (SRCB)" (Mohr et al., 2001). This term is defined as "a person basing his or her acquisition, usage, and disposition of products on a desire to minimize or eliminate any harmful effects and maximize the long-run beneficial impact on society" (Mohr et al., 2001, pg. 47). The study also points out that the more knowledgeable about societal issues and companies' CSR efforts a consumer is, he or she will be more likely to practice SRCB. Another finding of this study suggests that consumers are more likely to boycott companies that they perceive to be acting socially irresponsible. This study suggests that although consumers are not as willing to search out companies that support causes they believe in, consumers are more than willing to stop buying a product if it goes against causes they support.

This leads to an area covered extensively in the literature on CSR: the degree of fit between the company and the CSR activity. A study conducted by Becker-Olsen, Cudmore, and Hill demonstrated that when consumers felt a corporation's social responsibility measures did not fit with the corporation's business objectives, the CSR effort actually became a liability (Becker-Olsen et al., 2005). Kirk Olson, VP of Trend Sights at Horizon Media, stated, "The connection between the brand and the cause has to be clear and believable. If it's not immediately understandable to the consumer, brands risk looking like their [consumer responsibility] effort is more of a marketing tactic than a genuine commitment springing from the brand's own mission" (Faw, 2014). As more companies are adopting CSR efforts, consumers are becoming increasingly critical of the validity of those CSR efforts in relation to the company's actual values.

Similar to Mohr et al.'s study, much of the literature also suggests that consumers will in fact be more likely to punish companies that they believe are insincere in their social involvement (Becker-Olsen et al., 2005). Sen and Bhattacharya's study showed that when there was a bigger difference between a company's values and its CSR activities, the more negative the CSR activities could be to consumer beliefs of the quality of the company's products (2001). Becker-Olsen et al.'s study also suggested that 52 percent of respondents would boycott a company for acting insincerely when it comes to CSR efforts (Becker-Olsen et al., 2005, pg. 52).

Skepticism has taken hold of consumers in relation to CSR as more companies have begun to use it as a marketing tactic. Bronn writes, "Sophisticated customers and stakeholders are looking at the behavior of the firm; are they donating just to gain goodwill or are they truly concerned about particular issues?" (Bronn, 2001). Many consumers feel that CSR efforts are

self-serving for companies, according to research by Mohr et al. (2006). Mohr et al.'s study suggests that this skepticism has developed because consumers have seen companies attempt to use CSR efforts to buy their way out of negative publicity (2006). They propose that as knowledge of the details of a company's CSR efforts increases, skepticism can decrease. Bronn posits that CSR efforts can have a positive effect, but only under certain conditions: "Only a consistent, believable contribution to a cause (or non-profit organization) can build brand image and brand equity" (Bronn, 2001, p. 6).

Political Theories of Corporate Social Responsibility

A group of theories explore the political implications and responsibilities of companies as they relate to CSR efforts, which helps to further learning about corporate political activism, the focus of this research. Political theories of CSR began back in 1960 with Davis's exploration of the power that companies have in society and the political impacts of these powers (Davis, 1960). Davis suggested that corporations possess a lot of power to change the marketplace and therefore can use that power to enact social change. He asserted that the more business power a corporation has, the more responsibility it has to society. He wrote, "Whoever does not use his social power responsibly will lose it. In the long run those who do not use power in a manner which society considers responsible will tend to lose it because other groups eventually will step in to assume those responsibilities" (Davis, 1960, p. 63).

Later, in the 1980s, the term "corporate citizenship" began to be explored by CSR researchers (Matten & Crane, 2005). Carroll narrowly defined corporate citizenship (1991) in terms of his fourth category of CSR, philanthropic responsibility (Carroll, 1979). To Carroll, being

a good corporate citizen meant purely fulfilling those philanthropic responsibilities. An extended view of corporate citizenship was proposed by Matten et al. in 2003. Their definition of corporate citizenship suggests that companies should enter into citizenship when governments fail in their duty to protect aspects of consumer citizenship or rights. This view has appeared as some companies have gradually become more powerful than governments in certain parts of the world (Matten et al., 2003).

Millennials and CSR

As the generation born between 1981 and 1997, henceforth called Millennials, has matured and developed into a huge force in the marketplace, corporations have been focusing on this segment (Fry, 2015). According to the 2016 U.S. Census Bureau, Millennials have surpassed the baby boomer generation by nearly 3 million at 75.4 million in the U.S. (U.S. Census Bureau, 2016). This generation also represents \$300 billion in annual spending according to the 2016 Millennial Impact Report (Millennial Impact Report, 2016). This generation's power in the marketplace cannot be overlooked by corporations moving forward.

Much of the previous literature exploring CSR and Millennials primarily examines CSR as an opportunity for businesses to better attract and maintain Millennials as employees. This generation has often been described as "civic-minded" (McGlone et al., 2008). A study by Cone, Inc. and AMP Insights, conducted online with 1,800 Millennials, looked at the role CSR plays in Millennials' lives as employees and consumers (2006). This study found that 61 percent of Millennials feel "personally responsible for making a difference in the world" (Cone, 2006). The majority of Millennials, 79 percent, also want to work for a company that cares about its

contributions to society (Cone, 2006). Another interesting finding from the study states that 69 percent of Millennials would refuse to work for a company that is not socially responsible (Cone, 2006). Millennials have also been found willing to reward or punish companies based on their commitment to social causes (McGlone et al., 2008). Other studies corroborate these findings and suggest that Millennials want meaningful work experiences and closely examine companies' values and missions in order to find companies they can feel good about working for (Ng, Schweitzer, & Lyons, 2010).

According to previous literature, as consumers, Millennials also look for companies that are making a difference in the world. According to the Global Corporate Sustainability Report conducted by Nielson, 73 percent of Millennials say they are willing to pay more for a product from a sustainable company. A staggering 81 percent of Millennials say they expect companies to make a public commitment to corporate citizenship measures (Nielson, 2015). These findings illustrate the importance that CSR efforts have in the minds of Millennials and the impacts they can have for companies in cementing a relationship with this generation.

What is Corporate Political Activism?

The author of this research suggests that corporate political activism is a subset of corporate social responsibility. Corporate political activism can be defined as "when a company acts in response to controversial political topics." This definition is adapted from Dodd and Supa's definition of corporate social advocacy (CSA). They define CSA as "organizational stances on social-political issues" (Dodd & Supa, 2014). However, this definition does not fully encapsulate the essence of the issue at hand in the mind of this researcher. This present study

has narrowed the term to focus primarily on the political actions of organizations and highlights the controversial nature of the issues. The term “activism” more accurately portrays the situation than “advocacy” as well. Merriam-Webster's dictionary defines “activism” as “a doctrine or practice that emphasizes direct vigorous action especially in support of or opposition to one side of a controversial issue” (“Activism”, 2017). The term corporate political activism also expands on the term used in marketing and advertising trade publications, *brand activism* (Armano, 2017; Freeman, 2017; McDermott, 2017). By simply saying “brand activism,” the full picture is not quite developed, which is why the author of this study expanded it to “corporate political activism.” To help further explain the subtle difference between these two concepts, examples of each will be discussed. An example of corporate social advocacy includes when a corporation takes a non-confrontational stance on an issue that does not cause controversy and is generally accepted by the public, such as advocating for environmental issues such as using sustainable packaging, like Burt's Bees. Corporate social advocacy has a more positive connotation; the company is *supporting* a cause, which aligns with the definition of the word “advocacy”. However, corporate political activism takes a more negative approach, typically speaking out *against* or in response to political issues that tend to be more controversial, such as making a negative statement in response to legislature passed on a controversial issue like gay marriage. The word “activism” has taken on a more negative connotation, which more accurately describes the concept studied in this project.

CSR differs from corporate political activism (CPA) in that CSR efforts are planned efforts that contribute both to the company's business objectives as well as social responsibilities of a brand (Dodd & Supa, 2015). CPA actions, however, tend to occur in relation to controversial

political topics, sometimes unrelated to the company's core business obligations (Dodd & Supa, 2015). For example, an CSR activity would be fast-food restaurant Chic-Fil-A's creation of its Chic-Fil-A Foundation, which creates scholarships for underprivileged youth. An example of a CPA activity would be when Chic-Fil-A's CEO expressed anti-gay marriage statements in the midst of public discussions around the legalization of gay marriage (O'Connor, 2014).

Functional Theory of Attitudes

The functional theory of attitudes was developed in 1960 by Daniel Katz. His theory suggests that attitudes serve specific functions for people in life. His theory divides these attitudes into four functions: 1) utilitarian; 2) knowledge; 3) ego-defensive; and 4) value-expressive (Katz, 1960). These attitudes are stimulated by specific cues that vary between the four functions. Modifying attitudes can occur through removing or changing these cues.

Attitudes have been widely studied in the field of psychology, and the field has even been considered "the study of attitudes" (Sherif & Cantril, 1945). Typically, the study of attitudes has taken a three-part view, looking at beliefs, feelings, and behaviors (Eagley & Chaiken, 1993). Two schools of thought initially developed in relation to attitudes: structuralists and functionalists (Fazio & Olson, 2003). The structuralists believed that psychology should mainly describe attitudes, while functionalists thought psychology should attempt to understand the underlying processes the human mind undertakes to form those attitudes in the first place (Fazio & Olson, 2003). Katz developed as one of the first major thought-leaders in the functionalist camp.

Katz defines attitudes as "the predisposition of the individual to evaluate some symbol or aspect of his world in a favorable or unfavorable manner" (Katz, 1960, pg. 168). He also

states that attitudes include both affective and the cognitive elements. The affective element is the core like or dislike someone feels toward something. The cognitive elements that describe the object of the attitude, its characteristics and its relationship to other objects (Katz, 1960). These two areas are often targeted separately to enact behavior change. Rosenberg's studies showed that by changing one element will lead to a change in the other element (seen in Katz, 1960). For example, to change someone's behavior a company might attempt to get that person to like them and dislike its opponent, targeting the affective element. For the cognitive element, a company would attempt to change peoples' knowledge about a topic in a positive way, thus changing their attitude toward the company.

Building on this body of knowledge, Katz developed his four functions that attitudes serve for people. He writes, "Unless we know the psychological need which is met by the holding of an attitude we are in a poor position to predict when and how it will change" (Katz, 1960, pg. 170). His utilitarian (sometimes called adjustive) function of attitudes can be explained as when people hold certain attitudes to avoid punishment and maximize rewards. For example, a consumer who holds a favorable attitude toward a company that supports a cause that would benefit that consumer is holding a utilitarian attitude.

For his second attitude function, Katz suggests that attitudes can protect us from acknowledging basic truths about ourselves or the harsh realities of life, which fulfills the ego-defensive function. He states that humans spend a great deal of time and energy on "living with themselves" (Katz, 1960, pg. 172). Insecurities and internal conflicts make us develop defense mechanisms in the form of feelings or attitudes of superiority over other groups. This function can also develop in the form of denial over the dangers the world holds for people. By

denying these feelings and developing attitudes of superiority, people can defend their egos and deny their feelings of insecurity.

Katz' third function, the value-expressive function, works almost in opposition to the ego-defensive function in that it helps individuals express their values and display the type of people they believe they are. Instead of defending one's ego, the value-expressive function tends to stoke ego by making people feel good about themselves and the values they hold. Katz points out that self-image and personal clarity are very important to humans, starting from a young age (Katz, 1960). Value-expressive attitudes allow us to express who we are and who we want to be both to ourselves and others.

The final function, the knowledge function suggests that people need certain attitudes in order to make sense of our chaotic and sometimes unorganized world. Certain attitudes then become the frames of reference by which people make sense of situations. Katz points out that thirst for knowledge is not for the sake of knowledge in itself, but mainly for the purpose of understanding the situations that directly impact their lives. Stereotypes, for example, are attitudes based on certain information we have learned and help us make sense of people or events with which we do not have direct experience.

Katz's functional theory of attitudes has since been extensively studied and used in communication and marketing research. Rossiter and Percy used the functional theory to explore how brand attitudes can be formed based on attributes unrelated to the product itself, and instead based on symbolic benefits to the consumers that match with Katz's functions (1987). Fournier's study looked at the reasons behind long-time relationships customers have with brands, using Katz's value-expressive function as a reason for maintaining certain

relationships (1981). Lutz furthered Katz's theory by adding an expectancy value index which measures the amount to which a particular function is influencing that attitude by analyzing the cognitive and affective values of the overall attitude (1981). Lutz's findings also suggest that as far as purchasing decisions go, the utilitarian and value-expressive functions will be most influential in determining what consumers will purchase. The ego-defensive and knowledge functions will be less influential. Ego-defensive attitudes apply more to social issues surrounding the consumer than purchase decisions, and the knowledge function will only be influential in relation to new products and services (Lutz, 1981).

A study by Belch and Belch tested whether Lutz's model could actually be used in measuring functional attitudes by looking at boycotters and non-boycotters of consumer products (1987). Their study found Lutz's model a "viable way of dealing with the operationalization problem that has limited the application of functional theory to studies of attitudes and attitude change" (Belch & Belch, 1987, pg. 235). Their study also found that for non-boycotters, the utilitarian function, fulfilled by the product benefits, impacted attitudes the most. For boycotters, the corporate image function, a function added by Belch and Belch, was found to be the strongest motivator for the attitudes the consumers held. The authors describe the corporate image function as the attributes or characteristics of companies that inform selection of a brand (Belch & Belch, 1987).

This body of previous literature helps inform this research study by acting somewhat as a proxy for this newly conceptualized phenomenon. By looking at the previous literature in the field of CSR, this study hopes to use some of the findings of previous researchers to better understand and predict how consumers behave in relation to corporate political activism.

RESEARCH QUESTIONS AND HYPOTHESES

The current research seeks to determine how corporate political activism impacts consumer attitudes toward companies. Few studies have been conducted in this specific area of study, which has emerged as a new phenomenon in the last couple years. This study applies concepts from the literature of corporate social responsibility and the functional theory of attitudes to measure consumer attitudes toward companies that exhibit corporate political activism. First, the current study attempts to understand consumer feelings about if and when companies should take political stances. The following research question is therefore posed:

RQ1: What is the relationship between corporate political activism (CPA) and consumer attitudes toward companies?

Prior research in CSR suggests that consumers hold a favorable opinion toward CSR measures as long as they fit within the company's business objectives (Faw, 2014). Using this prior research as a proxy for how consumers will behave toward actions of corporate political activism, the following hypotheses are advanced:

H1a: I predict that consumers hold favorable attitudes toward companies that take stances on political issues in the realm of their business objectives.

H1b: I also predict that Millennials, in particular, feel more favorably toward companies that demonstrate CPA.

In order to further understand how consumers form attitudes toward companies that take a political stance, this research study will determine which of the attitudinal functions are activated by corporate political activism. These functions will be measured in both an instance when the political stance aligns with consumers' political values and when it does not align with their political values. A secondary research question is posed to measure this:

RQ2: What attitudinal functions do actions of corporate political activism fulfill for customers?

Previous literature suggests that in response to a negative stimuli, the ego-defensive and utilitarian attitude functions are most activated. In response to a positive stimuli, however, the value-expressive and knowledge functions become activated (Lutz, 1981; Belch & Belch, 1987).

Based on this previous research, the following hypotheses are advanced:

H2a: I predict that when a company's CPA actions are in opposition to consumers' beliefs, the ego-defensive and utilitarian attitudinal functions will be the most active.

H2b: When a company's CPA actions are in agreement with consumers' beliefs, the value-expressive and knowledge functions will be the most active.

METHOD

I examined my research questions and tested my hypotheses with survey data gathered through the online crowdsourcing tool Mechanical Turk, following other researchers who have examined attitudes toward companies with a survey method. Academic researchers also often use Amazon's Mechanical Turk to develop a pool of subjects for research data collection. The crowdsourcing site is comprised of 100,000 users from 100 countries who can be paid to perform online tasks, such as taking a survey (Buhrmester, Kwang, & Gosling, 2011). Mechanical Turk workers are paid for each task, and a fee is paid to Mechanical Turk itself. A common issue that has developed within academic research in the U.S. has been the overuse of university student subject pools for data collection (Sears, 1986). This leads to somewhat biased results due to the homogeneity of the average U.S. university student population and the exclusion of other populations. Other research suggests that collecting data online can reduce biases found in using university student subject pools, although some bias will still remain (Gosling, Vazire, Srivastava, & John, 2004). A study by Buhrmester et al. compared Mechanical Turk demographics to a large general Internet sample to determine how they compare demographically. Their study found that Mechanical Turk workers were more diverse demographically than the standard Internet sample and were significantly more diverse than standard American college samples (M. Buhrmester, et al., 2011). This study also measured the quality of the data that was collected. Buhrmester et al. found that the quality of the data provided by Mechanical Turk met or exceeded the standards associated with published research (Buhrmester, et al., 2011). By utilizing Mechanical Turk, this study was able to gain a diverse and rich data set. However, the results can still not be generalized to the population as

a whole because the sample of respondents was not random due to participants' collective affiliation with Mechanical Turk. To specify my subject pool, I set the condition that participants must be from the U.S. I also set my subject limit to 801 respondents to fit within the financial constraints I faced for my study.

After establishing the validity of using Mechanical Turk as a subject sourcing tool, I developed my survey using software from Qualtrics. The survey consisted of 14 questions, ending with a unique code applicants could use to verify they completed the task in Mechanical Turk for payment. The survey consisted of measures (defined below) of how respondents feel about companies that take political stances and included measures of the functions of attitudes defined by the functional theory of attitudes. The survey started with a brief introduction of the research study and consent information in accordance with University of Minnesota Institutional Review Board standards. I published the Mechanical Turk call-for-responses on May 12, 2017. I paid respondents \$0.65 for their time taking the survey. This amount was higher than the \$0.50 amount used in Buhrmester et al.'s quality test, so my study passed that threshold for quality. The call-for-responses through Mechanical Turk closed within 4 hours once 801 surveys were completed, as measured through the use of the unique codes.

Measures

To measure respondents' attitudes toward companies that take a political stance on an issue, this study takes a three-pronged approach in its survey questions. First, the survey examines the areas in which companies use CPA through a question about respondents'

experiences with examples of CPA. This question asks where participants have most frequently seen examples of CPA.

Second, this study measures general attitudes toward companies through intent to purchase, an approach that is based on previous research studies. An example of one of these questions includes whether participants would discourage others from purchasing from companies whose political stances disagree with their own. Another question explored how often participants seek to purchase from companies whose beliefs match their own. These questions analyze participants' purchase behaviors in relation to CPA efforts, which helps determine their overall attitudes in relationship to CPA actions.

The third measure system this study employs examines the primary attitude functions that are activated when a company's political stance both agrees and disagrees with respondents' political stances. This measure system is based on prior research that uses statements that capture the essence of each of Katz's attitudinal functions (Wang, 2012). For example, in order to measure the activation of participants' value-expressive attitude function, this study utilized a statement that measures if the company's political stance helps participants' express their values. This statement reads, "Because of this company's political stance, not buying its product makes me feel better about myself." The other statements take the core principles of Katz's attitude functions and measure participants' degree of agreement with each.

Participants

This study used a sample size of 813 participants recruited through the use of Mechanical Turk, as previously discussed. The sample was comprised of 44.4 percent female participants and 54.18 percent male participants. Less than 2 percent total of participants identified as one of the following: gender variant/non-conforming, transgender female, transgender male, or not listed. The sample of Millennials in this study (n=496) included participants aged 20 to 36 at the time of this study, which aligns with the Pew Research Center's age definition of the Millennial generation (Fry, 2016). The non-Millennial group (n=317) included all other ages, 18 and older. Participants primarily characterized themselves as moderate to liberal on political views. The non-Millennial group were more likely to characterize themselves as at least slightly conservative to very conservative (34.3 percent) than the Millennial group (19.6 percent).

This method has been grounded in previous research studies and helps to further the research in the area of corporate political activism. The results from this study will be further discussed in the next portion of the study.

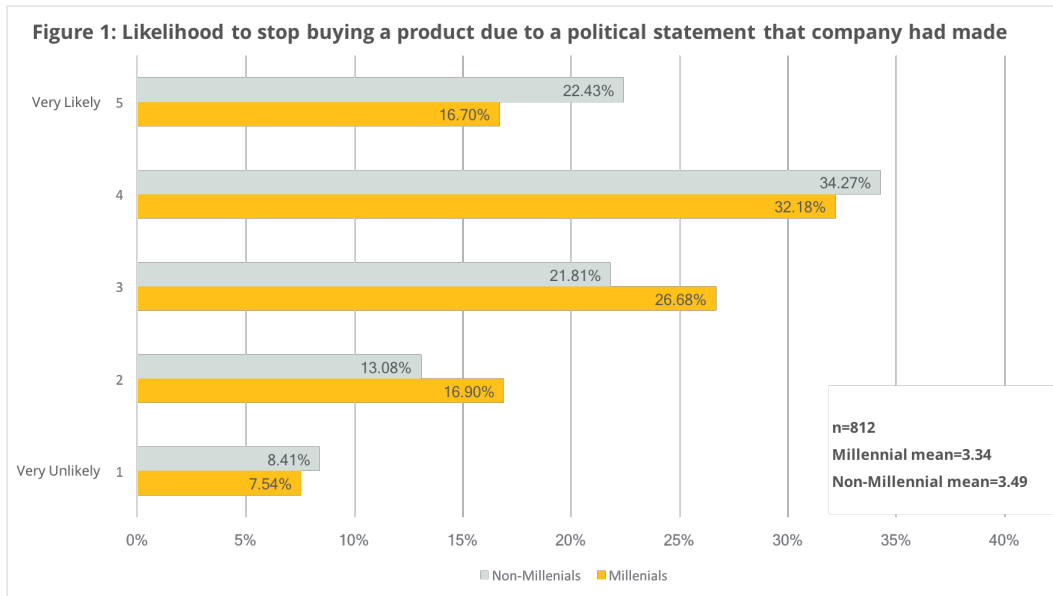
RESULTS

Attitudes and Behaviors toward Companies that take Political Stances

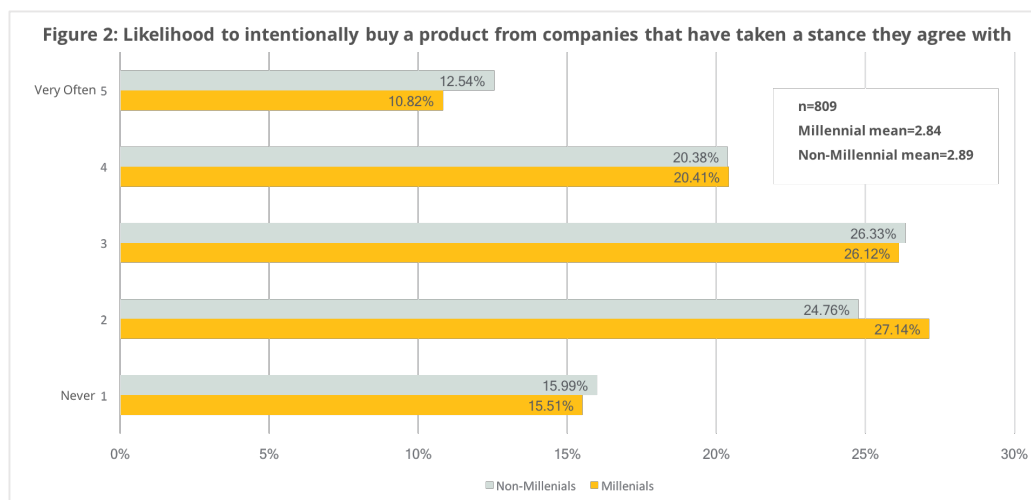
This study first examined how consumers feel in general about companies that take political stances with a series of questions about their intent to purchase, their habits in relation to companies that take political stances, and their feelings about those political stances. Because of the importance and buying power of the Millennial generation, the results of this study have been divided to look at how Millennials compare to other generations in their attitudes toward companies that practice corporate political activism.

Overall, the results show that both Millennials and non-Millennials would not purchase products from companies that make political statements they disagree with and feel that companies should not take a political stance. Even though the different generations of consumers agree with the political stances of companies, they will not be more likely to purchase from those companies.

Overall, consumers would be more likely to stop purchasing a product due to a political statement that company had made (n=802). For both the Millennial and non-Millennial groups, a 4 out of 5 on likelihood not to purchase was chosen most often with 34.27 percent for non-Millennials and 32.18 percent for Millennials. Non-Millennials were more likely overall than Millennials to stop purchasing from companies due to political statements with 22.43 percent choosing very likely to stop purchasing compared to 16.70 percent of Millennials (see Figure 1).

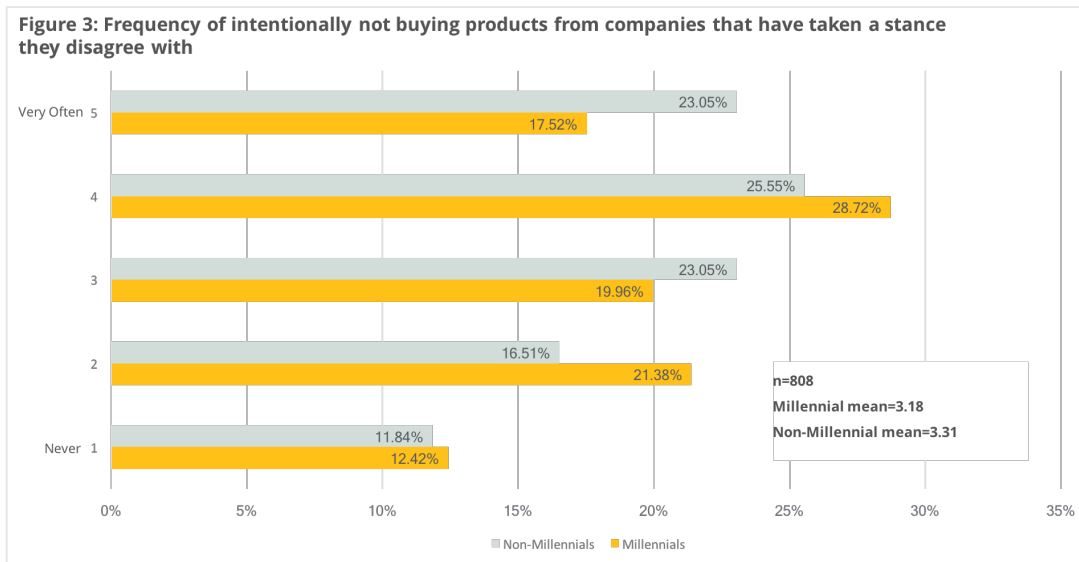


Neither group tends to intentionally purchase products from companies that have made political statements with which they agree (n=809). For this question, the mean values of both groups are very similar with 2.84 for Millennials and 2.89 for non-Millennials. Millennials in particular do not seek out products from companies whose stances align with their own at 27.19 percent compared to 24.76 percent of non-Millennials (see Figure 2).

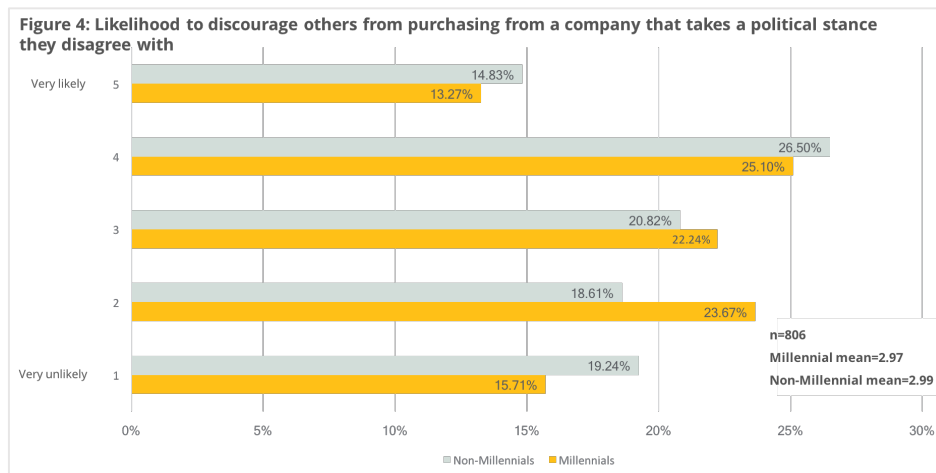


Both Millennials and non-Millennials often intentionally do not buy products from companies that have taken a stance they disagree with (n=808). Non-Millennials in particular

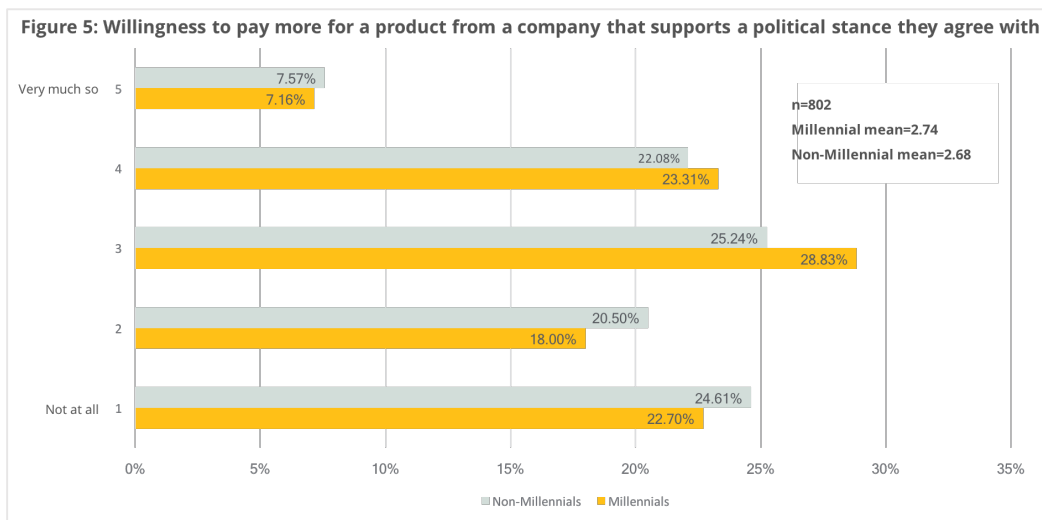
very often do not purchase from companies they disagree with (see Figure 3). The mean values for both groups, although similar, also demonstrate the finding that non-Millennials are more likely to not purchase from companies with which they disagree.



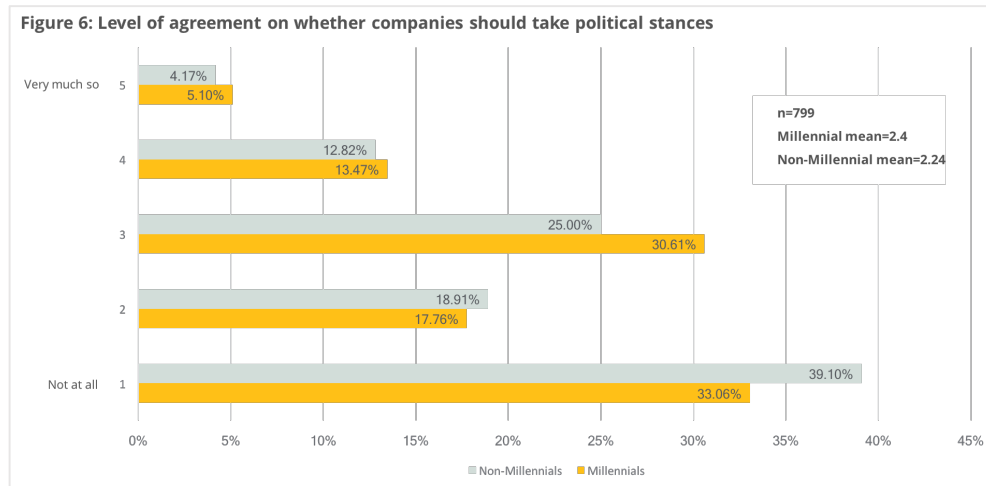
Both groups also are more likely to discourage others from purchasing from a company that takes a political stance they disagree with (n=806). Non-Millennials showed a higher likelihood at 26.50 percent but Millennials answered just below at 25.10 percent. The second largest group for Millennials, however, responded that they would be unlikely to discourage others at 23.67 percent (see Figure 4).



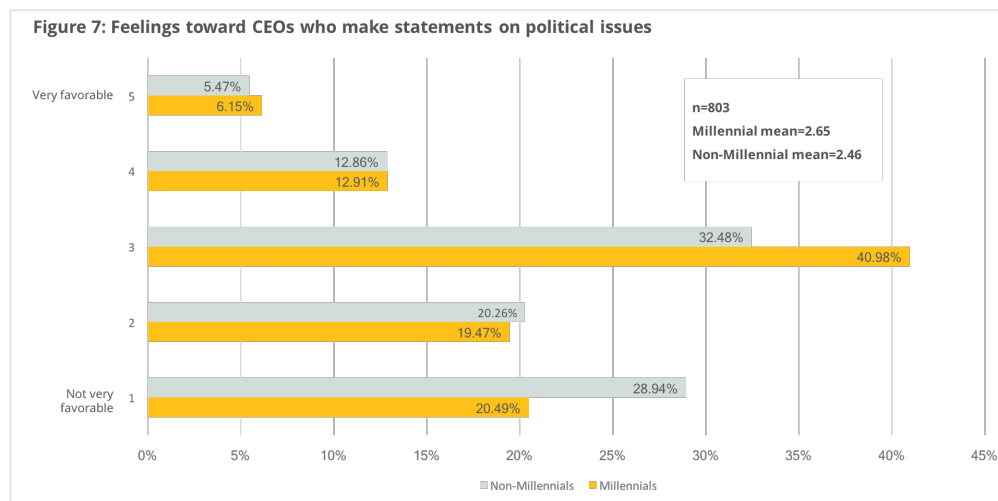
Both the Millennials and non-Millennials responded neutrally to whether or not they would be willing to pay more from a company that supports a political stance with which they agree (n=802). More Millennials felt neutral on this topic at 28.83 percent compared to 25.24 percent of non-Millennials. The second largest group for non-Millennials feel that they would not at all pay more. For Millennials, the second largest group feels that they would pay more at 23.31 percent (see Figure 5).



Non-Millennials in particular felt strongly that companies should not take stances on political issues at 39.10 percent (n=799). Millennials followed with 33.06 percent saying they feel that brands should not at all take stances on political issues. The second largest group for both Millennials and non-Millennials was a neutral feeling on the topic at 30.61 percent for Millennials and 25 percent for non-Millennials. According to the mean values, the Millennial group agrees slightly more that companies should take political stances than non-Millennials.



Millennials and non-Millennials felt neutral toward CEOs who make statements on political issues, with 40.98 percent of Millennials and 32.48 percent of non-Millennials answering this way (n=803). The second-largest group of non-Millennials do not have a favorable opinion of CEOs who make political statements at 28.94 percent.



The survey results show that not much difference exists between the Millennial and non-Millennials respondents' opinions on the questions asked in this survey (Figure 8).

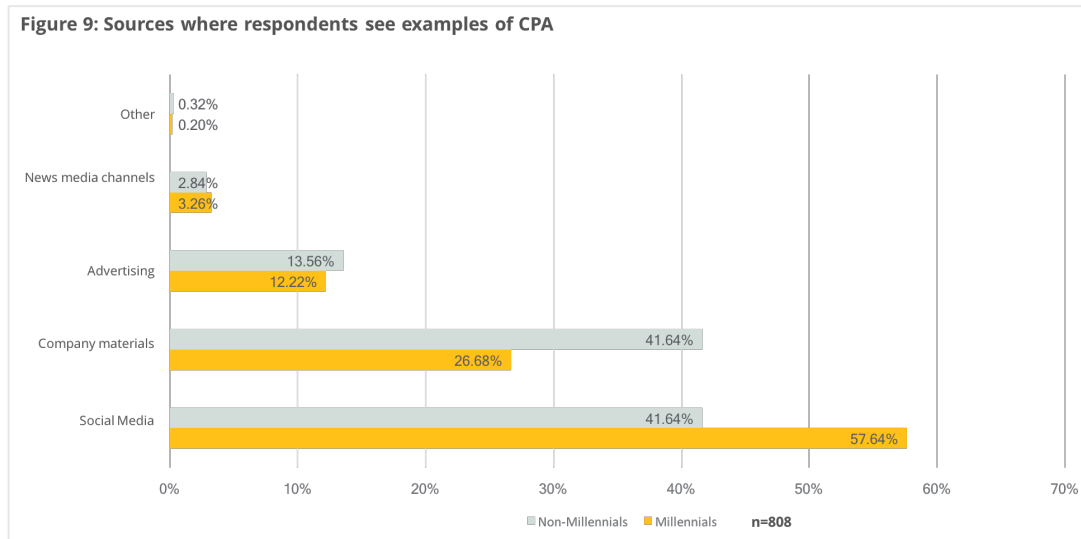
However, a comparison of the mean values shows that certain topics caused slightly more differences in opinions than others. In particular, the mean for the Millennials' response to

their feelings toward CEOs who make statements on political issues was 0.19 more positive than the non-Millennial mean. For the question asking respondents for their level of agreement on whether companies should take political stances, the Millennial mean was 0.16 higher than the mean for non-Millennials. The next highest difference occurred on the question asking respondents their level of likelihood to stop buying a product due to a political statement that company had made, with the non-Millennial mean being 0.15 higher than the Millennial mean. Further research should be undertaken to fully understand the statistical significance of these findings.

Figure 8: Comparison of Mean Values between Millennial and Non-Millennial responses

Topic	Millennial Mean	Non-Millennial Mean	Difference
Likelihood to stop buying a product due to a political statement that company had made.	3.34	3.49	0.15
Likelihood to intentionally buy a product from companies that have taken a stance they agree with.	2.84	2.89	0.05
Frequency of intentionally not buying products from companies that have taken a stance they disagree with.	3.18	3.31	0.13
Likelihood to discourage others from purchasing from a company that takes a political stance they disagree with.	2.97	2.99	0.02
Willingness to pay more for a product from a company that supports a political stance they agree with.	2.74	2.68	0.06
Level of agreement on whether companies should take political stances.	2.4	2.24	0.16
Feelings toward CEOs who make statements on political issues.	2.65	2.46	0.19

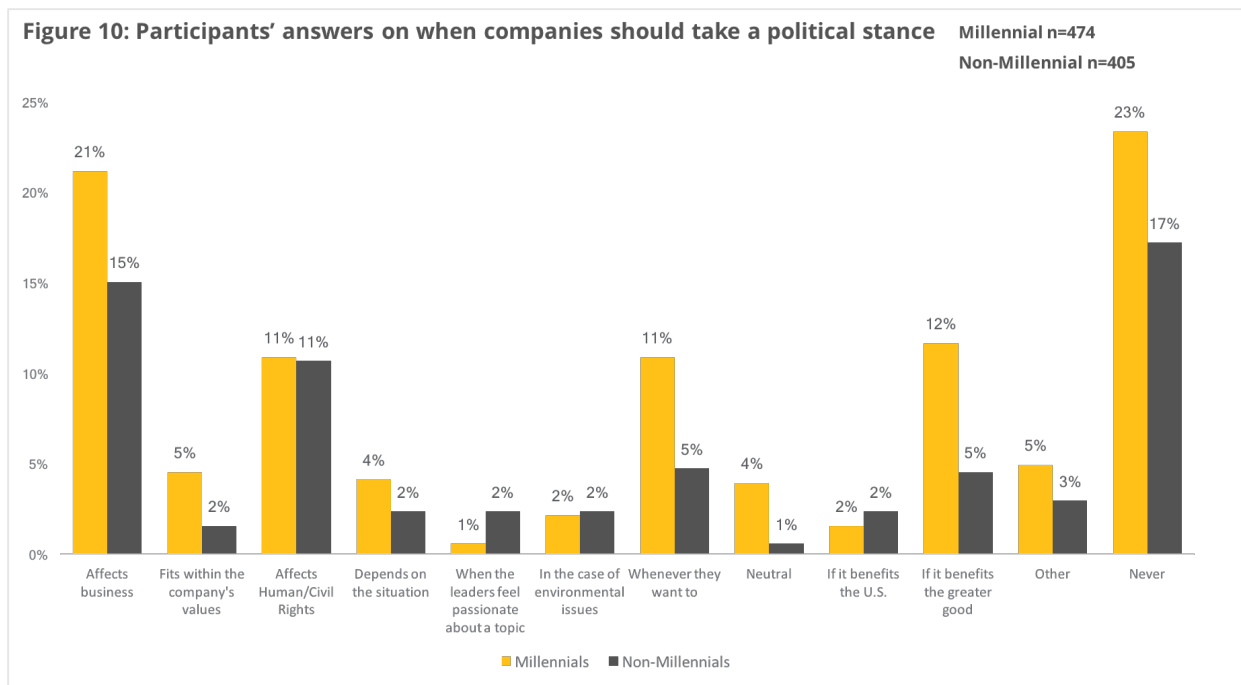
Millennials mostly see examples of companies taking political stances on social media at 57.64 percent (n=808). Non-Millennials were divided equally between company materials, such as the website or brochures, and social media at 41.64 percent for each of those two categories. The second-largest group of Millennials at 26.68 percent also chose company materials.



In the survey, the participants were asked to answer an open-ended question on when they do think companies should take a political stance (Figure 9). These answers were then coded into 12 categories: Affects business, Fits within the company's values, Affects Human/Civil Rights, Depends on the situation, When the leaders feel passionate about a topic, In the case of environmental issues, Whenever they want to, Neutral, If it benefits the U.S., If it benefits the greater good, Other, Never. An example of how items were coded includes categorizing the statement “If there is an issue that directly impacts the company's goods or services in some way” under “Affects business.”

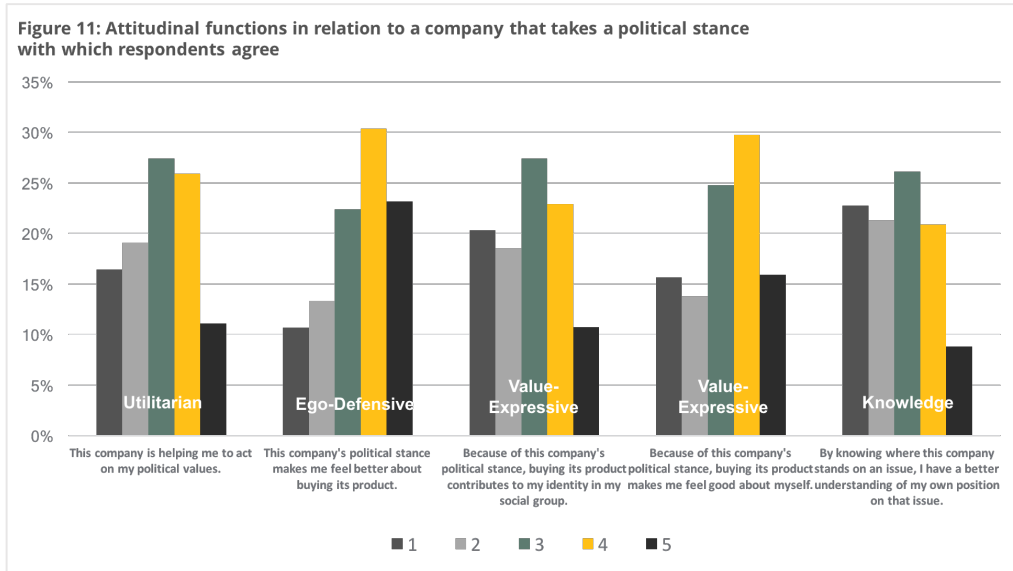
The majority of non-Millennial respondents feel that companies should never take a political stance at 17 percent. The next largest group of non-Millennial respondents suggested that companies should only take a stand on an issue that affects their business at 15 percent. The third group suggested that companies should only take political stances on issues that affect human or civil rights. For Millennials, the top categories varied somewhat. Millennials felt more strongly than non-Millennials that companies should never take political stances at 23 percent. They also feel more strongly than non-Millennials that when companies do take

political stances, those stances should be on issues that affect their business in some way. For Millennials, the third largest category includes if the political stance would benefit the greater good at 12 percent compared to 5 percent. Compared to non-Millennials, slightly more than double the percent of Millennials feel that companies should take a political stance whenever they want to.

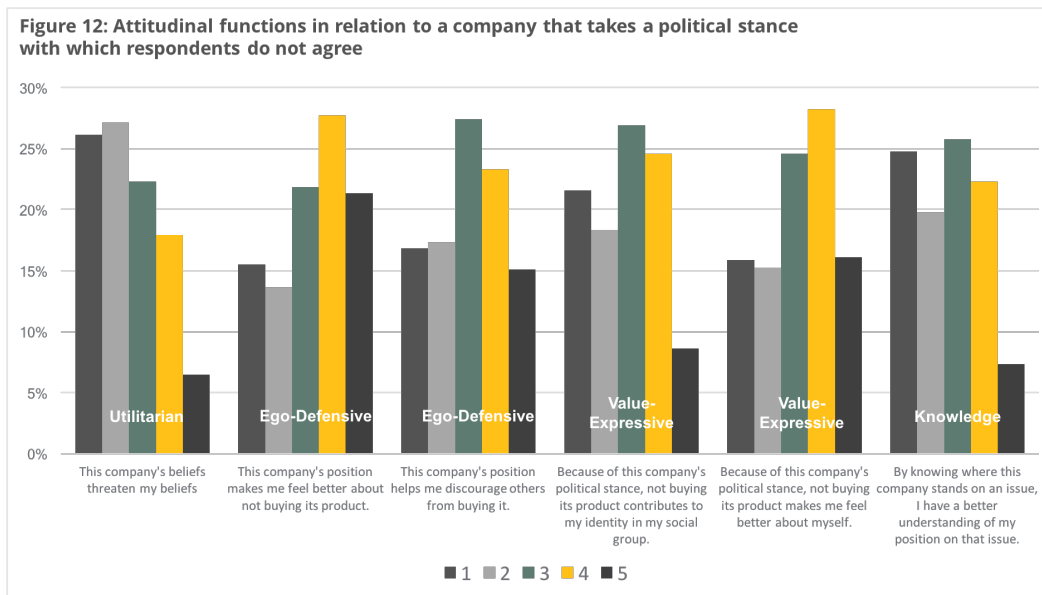


Attitudinal Functions and Corporate Political Activism

To understand the attitudinal functions participants feel in relation to companies' political stances, this study measures their levels of agreement with statements created to align with Katz's functions. When a company's political stance aligns with that of participants, the study showed that the ego-defensive and one of the value-expressive statements triggered the highest levels of agreement (Figure 10). Participants particularly disagreed with the knowledge statement.



Similarly, when a company’s political stance does not align with that of participants, participants agreed most with one of the ego-defensive and one of the value-expressive statements (Figure 11). Participants particularly disagreed with the utilitarian and knowledge statements.



DISCUSSION

Overall, these results tend to dispute the hypotheses introduced by this study. While generally disputing the hypotheses, elements of the study do agree with parts of the hypotheses. For certain reasons, this study has specific limitations, but generally provides information that can be used in field of strategic communications.

Results

The first hypothesis posed by this study suggested that participants would feel positively toward companies that take political stances, particularly Millennials. However, regardless of age group, the results show that participants do not believe companies should take a political stance. In particular, the results show that they are not willing to seek out companies whose political stances align with their own and would not be willing to pay more for products and services from companies whose political stances with which they agree. In fact, participants are more likely to boycott a company that takes a political stance they disagree with, rather than support a company with which they agree.

The second part of the first hypothesis, which suggests that Millennials in particular will feel positively toward companies that take political stances, was somewhat supported by the research. Millennials did skew slightly higher in terms of positivity toward companies that take political stands, but when asked, this generation also overall suggested that brands should not take a stand.

When asked when brands should take a political stance, the primary answers suggested that the issue must be related to the company's business itself. This suggests that participants

would be more likely to feel positively about a brand whose political stance is authentically true to its core business and values. Previous research in the realm of CSR also suggests that consumers feel more positively toward companies whose CSR efforts closely align with their business objectives (Becker-Olsen, et al., 2005). Previous CSR research also states that consumers are more likely to boycott CSR efforts that seem like a poor fit to the organization and its values (Faw, 2014). The second largest response suggested that companies should take a stand when civil or human rights are threatened. This relates back to Matten et al.'s extended view on corporate citizenship, which suggests that companies should participate in corporate social responsibility issues when governments fail to fulfill their duties (Matten et al., 2003).

Although overall the results for both generational groups suggest that companies should not take political stances on issues, participants would be more likely to feel positively if the political stance aligns with the business and its core objectives or helps in matters of civil or human rights. Despite the results suggesting consumers' negative feelings toward companies that take political stances, other factors could seriously impact how consumers behave in the real world, which have not been measured by this study. Future research needs to be conducted on how factors such as brand reputation, the company's history of political activism, and consumer levels and practices of activism affect how successful companies can be in taking political stances. In some cases, particular issues will force companies to take a stand, but it will be important for companies to understand the situations in which consumers will be more accepting of those stances and when they will be completely against them.

As far as the attitudinal functions companies' political statements cause in respondents, the research undertaken by this study does not corroborate the second hypothesis posed. It was hypothesized that when a company's CPA actions are in opposition to consumers' beliefs, the ego-defensive and utilitarian attitudinal functions will be the most active. The second portion of the second hypothesis suggested that when a company's CPA actions are in agreement with consumers' beliefs, the value-expressive and knowledge functions will be the most active. However, the results show that when companies' political statements are both in opposition to and in agreement with these participants' beliefs, the ego-defensive and value-expressive functions are activated the most. Although these results disagree with the initial hypothesis, they logically make sense. Political beliefs are extremely emotional and personal to people. Any agreement or disagreement with them will more strongly affect the attitudinal functions that most align with peoples' emotional states. The ego-defensive attitude is rooted in the idea that certain personal insecurities individuals have cause them to form feelings toward things to help them make sense of the world around them and defend their own feelings more easily (Katz, 1960). The value expressive attitudinal function is also rooted in the personal feelings of people. This attitude helps people feel good about themselves and their values. These attitudes help people to express who they are and show others who they want to be (Katz, 1960).

The findings from this research study on the types of attitudes that participants most feel toward companies that take a political stance offer some insight into how companies can best communicate their CPA messages in the future in order to change the minds of consumers who disagree with them. By understanding the functions certain attitudes play for consumers,

companies can structure their messages to appeal to the ego-defensive and value-expressive attitudes of consumers.

Limitations

As with any research study, this particular study has its limitations. The primary limitation of this study is that it uses a convenience sample, rather than a random sample. Although the Mechanical Turk subject pool closely mimics the diversity of the general population as Buhrmester et al. found (Buhrmester et al., 2011), due to participants' associations with the platform, the results of this study cannot be accurately used to generalize about the greater population as a whole. Another limitation lies in the method used for the study. While, the survey method worked well for gathering the opinions of many, quantitative methods by function can only dive so deep into particular topics. Another extension of this research would include focus groups or in-depth interviews with consumers to give an in-depth understanding of their thoughts and feelings surrounding companies and their political stances. As such, this research study provides a baseline for beginning more research into this previously unexplored area of study.

Further, as Lutz pointed out, measuring attitude functions is not an exact science (Lutz, 1981). While several other studies have used the method of developing statements that project the attitudinal functions and testing agreement with those statements (Wang, Belch and Belch), the method still has its limitations due to the fact that the statements themselves are not necessarily an exact replica for the functions as they are developed by the researcher.

Despite these limitations, this research study acts as an important beginning step into exploring how consumers feel about companies that take political stances. Due to the increasing and somewhat new nature of what this study calls corporate political activism, further study is necessary to help companies navigate this new frontier. Many companies currently have floundered in a sea of boycotts, protests, and general negativity due to statements they have made. As discussed previously in this study, examples of these issues include Target and its policy on transgender usage of restrooms and Chic-fil-A's CEO's comments about gay marriage (Satran, 2013).

If, as this study suggests, consumers do not feel like companies should take political stances, then why do we continue to see more and more companies speak out on particular issues? As this question was not addressed in this study, this area deserves further research considerations. Future research could include expert interviews with brand managers or communications professionals on why brands feel pressured to take a stand on certain issues. This study would uncover companies' motivations for speaking out politically, which might not always align with what their customers expect or want, but might be crucial to the success of the company nonetheless. Another area of opportunity for future research lies in the role media plays in the success or downfall of companies that take political stances. Currently, media outlets focus primarily on issues where companies receive negative reactions from consumers, such as protests or boycotts, but rarely report on instances where companies take political stances and are rewarded for it. Could the media be influencing, through agenda setting, how consumers feel about companies that take political stances? Media outlets have become more polarized, and consumers have begun to select their sources based on their

political stances. According to the Edelman Trust Barometer, trust in the media is at an all-time low (Edelman, 2017). David Armano of the trade publication Adweek writes, “Increasingly, this ‘self-selection’ by consumers of media they agree with is symptomatic of trust issues with the media” (Armano, 2017). Further research is necessary to explore this question.

Despite these limitations, this research study acts as a first step into exploring corporate political activism and how consumers feel about companies that take political stances. In the next section of this study, strategic implications and recommendations will be explored in order to help companies navigate the current politicized world.

STRATEGIC IMPLICATIONS AND RECOMMENDATIONS

The results of this study can be used by corporations to determine a better way in which to take a CPA stance. The following strategic implications and recommendations were developed by analyzing how consumers feel and think about companies that take political stances. Although participants' reactions were primarily negative toward companies that take political stances, that information can be used to show how companies *should not* behave when taking CPA actions. Most of the examples presented in this project show instances where corporations have incorrectly behaved in terms of CPA, which could negatively impact consumers' perceptions of CPA. Therefore, the following strategic recommendations show the correct behaviors corporations should follow in order to more successfully use CPA.

A current state of mistrust that has prevailed in the world in the last couple years, as demonstrated by the Edelman Trust Barometer, which currently puts worldwide trust in all types of organizations at an all-time low (2017). Due to this decrease in trust, populist action has increased. Mistrust in the system has caused consumers to feel fear, and populist action helps put them back in control. The business realm, however, although still experiencing low levels of trust, has been shown to possess higher levels of trust with consumers than government or media (Edelman, 2017). The Trust Barometer study also asked participants how businesses can build trust, and its findings include the baseline of offering high quality products and services, but also listening to customers and treating employees well, which will be explored further in the recommendations from this study (2017).

Due to this prevailing lack of trust in relying on institutions and systems, consumers are examining how they personally can make an impact in their everyday lives because they feel

like no one else is trying to make a difference (Mintel, 2017). Mintel's report on the trend of moral brands suggests that consumers are turning to companies to act on their behalf:

"Consumers may voice green or ethical sentiments, but they are often too lazy, too cash-strapped or too short of time to turn belief into action. As a result, they are looking to manufacturers, retailers and brands to do the good work for them" (Mintel, 2017). This has led to something trade publications are calling "pseudo-activism" by Millennial consumers (Legraien, 2017). As the first generation to grow up with technology, the Millennial generation has been using digital platforms to launch protests, rather than the physical, on-the-streets protests of previous generations. This pseudo-activism has led to large movements of social media populist action; however, the connection consumers feel with these causes they are supporting through social media seems fleeting and short-term according to critics. Critics claim that consumers click "Like" and then move on, without actually engaging in an issue or actively participating in helping with issues (Howard, 2014). At this point in time, the success of these social media campaigns is still debatable; however, companies need to keep a finger on the pulse of these issues or risk facing an online firestorm.

Companies so far have proven largely unsuccessful at making political statements, as demonstrated in previous examples of boycotts that have ensued. What exactly has made these brands unsuccessful? First of all, in almost all of these cases, the companies' CEOs have been the ones to deliver the message. According to the Trust Barometer, CEOs are now considered more untrustworthy than ever (Edelman, 2017). Only 37 percent of those surveyed find CEOs to be credible spokespeople for a company (Edelman, 2017). The results of this current study also showed that participants are at best indifferent to CEOs speaking out about

political issues (Figure 7). The public relations firm Weber Shandwick also conducted a study on CEO activism and found that Americans are skeptical of CEOs' intentions when they speak out politically, with 36 percent saying they believe CEOs speak out only to get attention from media (Weber Shandwick & KRC Research, 2016). Chic-fil-A provides a cautionary tale in this situation. The CEO, Dan Cathy, spoke out against gay marriage in 2012, and the company faced protests and online backlash (Satran, 2013).

Another area companies have acted incorrectly when taking a political stance is by not understanding how both their consumers and their employees feel about an issue. This relates back to the CEO as spokesperson issue. In the case of Chic-fil-A, the CEO spoke out on an issue based on his personal opinion, rather than first gauging how consumers and employees felt. Another example occurred when GrubHub's CEO sent an email to the company stating that any employee who agrees with President Trump's "nationalist, anti-immigrant and hateful politics" should resign immediately (Soloman, 2016). His email read, "If you do not agree with this statement then please reply to this email with your resignation because you have no place here. We do not tolerate hateful attitudes on our team" (Solomon, 2016). That day, GrubHub shares fell 4 percent in the stock market, but a direct correlation cannot necessarily be reached between the two incidents (Soloman, 2016).

Incidents like these show that companies have not yet figured out how to take their employees' and consumers' views and opinions into account before making statements on political issues. Because of this, boycotts ensue, and the media reports on these negative reactions. Due to this cycle of negative actions and then reactions, consumers have only seen the negative effects of companies' political stances, which could contribute to participants in

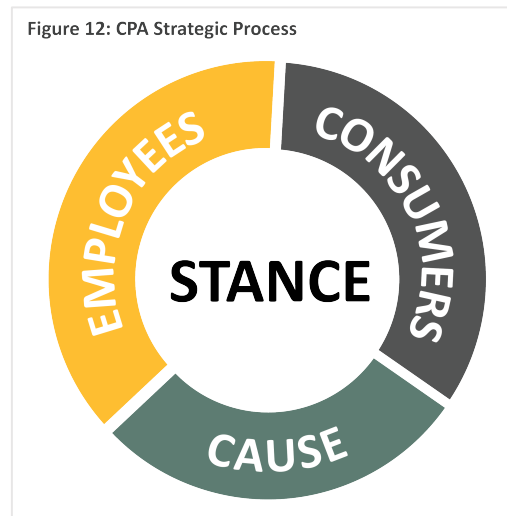
this study suggesting companies should just stay out of politics all together. However, in certain situations, companies are forced into political situations through no actions of their own. For example, outdoor clothing retailer L. L. Bean was forced into the political spotlight by a tweet from President Trump (Victor, 2017). Trump’s tweet read, “Thank you to Linda Bean of L.L. Bean for your great support and courage. People will support you even more now. Buy L. L. Bean” (Victor, 2017). After the tweet, the Grab Your Wallet campaign placed L. L. Bean on its boycott list, and the company faced backlash on social media channels (Victor 2017).

So, what can companies do to avoid being boycotted, or at least mitigate negative effects, in such a polarized political climate? This study outlines four key steps companies must follow in order to avoid a political nightmare (Figure 12).

Step 1: Know thy Employees

The results of this study, although conducted with general consumers, can be applied in this situation because employees are also consumers. Because of the fact that a company’s employees are consumers also, understanding how they feel politically is crucial to the success of any company in these politicized times.

In order to avoid disaster when making a political statement, companies must understand the prevailing feelings of their employees. Before a company makes a political statement on an issue, that company should first study its employees’ political beliefs as extensively as they do the attitudes and beliefs of customers. The next important step is to



fully explain to employees why the company is making a political statement about a particular issue and how it matches with the company's values and objectives. Based on the previous literature on CSR, the fit with the company's values greatly impacts the success of the political or social stance the company takes. "Provide context; explain both the economic and societal benefits of innovations and other decisions; engage; and then take action" (Edelman, 2017).

The importance of engaging with employees before making political statements is further supported by the finding that they are the most credible spokespeople for a company.

According to the 2013 Edelman Trust Barometer, "Employees rank higher in public trust than a firm's PR department, CEO, or Founder. Forty-one percent of us believe that employees are the most credible source of information regarding their business" (Edelman, 2013). Similarly, the Nielsen Trust in Advertising Report found that people are more likely to trust "someone like me" more than any official spokesperson from a company (Nielsen, 2017).

An example where a company did not engage employees before taking a stand occurred in 2017, when IBM's chief executive publically congratulated Trump on behalf of the company for winning the presidential election (Alaimo, 2017). Following this public statement, an employee started a petition calling for the CEO to "affirm IBMers' core values of diversity, inclusiveness, and ethical business conduct" (Alaimo, 2017). At the point of time this study was written, two thousand IBM employee signatures had been collected for the petition (Alaimo, 2017).

The research conducted in this study also suggests the importance of knowing how employees feel about companies that take political stances. Because employees are consumer, also, the key findings of this study also apply. For example, Figure 10 displays the top topics in

which respondents feel companies should take political stances. Because employees are also consumers, this list of topics could be applied similarly by a company looking for an area of discussion that will resonate with their employees.

By engaging with employees, ensuring the political statement aligns with their prevailing attitudes, and utilizing them as spokespeople on issues, companies can hope to diminish backlash when taking political stances.

Step 2: Know thy Consumers

The current low levels of trust by consumers in the world, as reported by Edelman, has affected the way consumers behave toward companies. This lack of trust in institutions has left consumers open to “populist movements fueled by fear” (Edelman, 2017). Consumers are more willing to join in on online boycotts due to this lack of trust. According to the Edelman Trust Barometer 53 percent believe the system is failing them (Edelman). This presents both challenges and opportunity for companies. Because the institution of business is more trusted than other institutions currently, companies can capitalize on this higher level of trust to further build relationships with consumers. Along with this higher level of trust, 88 percent of consumers agree that corporations have the power to influence social change (JWT Intelligence, 2016).

In order to successfully build these relationships and enact that social change, however, companies need to carefully weigh pros and cons and learn as much as they can about their consumers as they can before taking a stance. This study has shown that consumers are more likely to not purchase products from a company with which they disagree (Figure 3), so

companies need to understand which of their customers are strategically valuable and how they feel on certain political issues. Companies also need to understand that no matter what stance they take, they are always going to face some level of backlash from certain consumers. By fully understanding the prevailing attitudes and beliefs of their most valuable current and potential customers, companies can take political stances that will differentiate themselves from other companies and appeal to the values of their targeted customers. Figure 10 shows political causes that participants of this study would find acceptable for companies to take a stand on, which is important to learn before a company speaks out.

Another area of future research lies in determining the actual financial impact an online boycott has on a company. For example, after consumers boycotted Chic-fil-A in 2012 for its CEO's anti-gay marriage remarks, the company experienced record sales that year (Satran, 2013). More research into who is actually boycotting these companies and whether they are even potential customers of the companies they are boycotting is necessary to really understand the financial impacts of online boycotts. In fact, only 54 percent of Millennials identify themselves as "activists," which is surprising for a generation that is often associated with wanting to enact positive change (Deloitte, 2016). With the rise of social media, pseudo-activism, mentioned previously in this paper, has arisen. Companies need to understand the difference between when a political stance will result in real financial implications by negatively engaging their core and potential customers and when the political stance will result in pseudo-activism by consumers outside their customer base. Strategy is about making choices, and companies need to choose which consumers with which they need to connect. This means

they need to know which consumers they can afford to sacrifice in order to better connect with the more strategically viable consumers.

Step 3: Know thy Cause

In order to effectively take a political stand, companies need to fully understand the prevailing political issues of the time. Companies need to diligently and carefully examine all sides of an issue before taking a political stance. Without this in-depth knowledge, companies cannot carefully choose causes with which to align.

The research portion of this study demonstrates that participants feel the issues companies should take stances on should primarily be related in some way to the business and its objectives or in the service of helping benefit the greater good. Similar to the previous research on CSR discussed in the literature review (Becker-Olsen, et al., 2005; Faw, 2014), this study also suggests that the political stance's fit with the company's business objectives is most important to consumers. Figure 10, displayed earlier in this study, shows the political topics which consumers feel are appropriate for companies to take a stand on.

Companies need to carefully and selectively choose the areas in which they want to attempt to make a political stance. By analyzing their consumers and employees, as suggested in the previous two steps, companies can uncover the political issues that matter most to both, then find synergies between their company values and business objectives and the issues consumers and employees care most about. By aligning all three areas of knowledge, a company can build trust and good will with both employees and consumers.

When taking a political stance, companies also need to expressly state how its business relates to the issue they are discussing. Leslie Gaines-Ross, Weber Shandwick's chief reputation

strategist states, “Our research shows that consumers do not immediately understand why a CEO would be speaking up on an issue that isn’t directly relevant to what their core business is all about. At first glance, people think that CEOs are just trying to get media attention or sell products. The tie to the business has to be upfront, clear and values-driven for the average person to discern why a company would weigh in on such a hot-button issue” (Alaimo, 2017). By discussing how an issue relates to a company’s business, the company avoids first confusing consumers, which immediately places a barrier in consumers’ minds.

In many examples previously discussed in this study, companies did not choose causes that relate to their business nor attempt to make a clear connection between their business and the issue. The case of pasta-maker Barilla’s CEO’s anti-gay public statements illustrates this point (Scherer, 2013). Guido Barilla, the CEO, said in an interview, “I would never do [a commercial] with a homosexual family, not for lack of respect but because we don't agree with them. Ours is a classic family where the woman plays a fundamental role” (Scherer, 2013). Consumers were confused on why a pasta company would even join the political fray surrounding gay marriage, and the company made no attempt in any way to connect their company to the issue. This resulted in an online boycott against the company and a flood of angry comments to the company’s Facebook page (Scherer, 2013).

By studying first what issues matter to employees, then the issues the highest potential consumers care about, and finding and becoming knowledgeable about causes that align with a company’s business and values, a company can then begin to craft and develop the stance that makes the most strategic sense for their company.

Step 4: Know thy Stance

Oftentimes, brands have been caught in political crossfire due to a lack of knowledge on how their actions might be interpreted in the realm of politics. They take action without first realizing how those actions can be misconstrued. This happens frequently when CEOs speak out on issues, without first considering how their opinions are so intricately tied to the company they represent.

After doing due diligence in fully exploring how their employees feel, how their customers feel, and everything they can about the cause they are supporting, only then should companies transparently and tactfully make their political stance known, if that is the right decision. Companies need to clearly explain their stance to both their employees and customers in a way that does not appear too ambiguous or inauthentic.

One step in this process, is knowing the company's values and how they relate to the stance. As discussed in the previous step, the cause a company chooses to align with must resonate with the core business and the company's values in order to be perceived as authentic. In the case of taking a political stance, companies must over articulate how that stance aligns with their values and mission. This step helps consumers make sense of why the company is taking a stance and helps employees easily engage with the cause as well.

Companies should also consider the tone of voice, channels, and messaging used to convey their political stance. According to the Nielsen Trust in Advertising report, 70 percent of respondents reported that they trust a company's branded website, second to the trust they place in recommendations from people they know (Nielsen, 2016). Communications should be clear and in a human voice, which is where employee advocacy plays a huge role. Companies

can also use the results of this study in relation to Katz's functional attitudes by crafting political stance messages that appeal to either the ego-defensive or value-expressive attitudes. An example of this would be crafting messages to show that the company's political stance is a reflection of consumers' own beliefs or the beliefs of social group to which consumers wish to belong in order to appeal to the value-expressive function. In order to appeal to the ego-defensive function, companies could craft messages that promote positivity toward the consumers' decision to hold that particular political stance, therefore making the consumers feel good about the political stance they hold.

Before taking a political stance, companies need to have a crisis plan prepared for when activists start posting to social media. The public relations firm Weber Shandwick has created an online crisis simulation and training tool called "Firebell" to help companies prepare for when social media firestorms start (Grynbaum & Maheshwari, 2017). Companies should develop crisis plans for situations in which they are not actively taking a political stance as well, such as if President Trump mentions them in a tweet or their advertisement shows up on a politically controversial website, such as Breitbart. Companies need to start over preparing in this highly politicized and volatile climate in order to stay ahead of any issues that arise.

A Sometimes-Unavoidable Risk

Companies need to recognize that even existing in this current political climate can be a risk. In many cases, there's no avoiding offending someone, so it comes down to choosing the greater good for the company, its employees, and its key customers. Sometimes, companies will need to make a choice on whom they can handle offending and what situations require

stepping out of the political fray. Also, results are still unclear on whether these boycotts really damage a company in terms of reputation. As far as sales go, in the Chic-fil-A case, sales were not negatively affected and the company even had a record year in 2012, when the CEO made the anti-gay marriage statements (Satran, 2013). In many cases, extreme activists seek out companies to launch boycotts against, but this activity has been occurring for decades. Further research needs to be conducted on whether these extreme activists are actually even originally customers of the companies they are targeting. With the addition of social media, companies have faced a new type of activism that they have not yet learned to handle. Unfortunately for certain companies, past negative situations have become the examples which consumers hold up as the norm, therefore suggesting companies should not take political stances. However, in this political time, companies oftentimes do not have a choice. This means that now more than ever, companies must intimately know their employees, their customers, and the political issues of the times in order to protect themselves against online backlash.

CONCLUSION

In this highly politicized and polarized climate, companies are struggling with whether or not to speak out on political issues. Several companies have made attempts to make political statements, but oftentimes experience online boycotts and firestorms. With an overall global lack of trust in institutions and the rise of social media, companies are facing a level of activism they have not experienced in the past.

This paper defines companies taking a stand on political issues as corporate political activism (CPA). Due to the timeliness of this topic, little previous research has been conducted yet to understand this relatively new phenomenon. To act as a proxy to help understand this topic, this paper examines previous literature in the field of corporate social responsibility (CSR). This previous literature suggests that when done properly and strategically, CSR efforts can increase consumers' positive attitudes toward a company. However, if done incorrectly, CSR efforts can also lead to negative consequences for a company and even consumers boycotting a company. This study also examined previous literature surrounding Katz's (1960) functional theory of attitudes, which include the utilitarian, ego-defensive, value-expressive, and knowledge functions. This theory, when applied to CPA, can help companies better craft their political statements in order to more strategically appeal to the attitudes that consumers feel toward political issues.

Studying the previous literature led to the purpose of this research study, which is to determine how consumers, particularly Millennials, feel toward actions of CPA plus when and how companies can successfully take a political stance. The second purpose of this study is to determine the functional attitudes that corporate political activism fulfills for consumers. In

order to study how consumers feel about companies and CPA, this study surveyed 813 consumers from across the U.S. using the crowdsourcing tool Mechanical Turk, owned by Amazon. The survey first asked questions to determine participants' perceptions and attitudes toward companies that take political stances. The second part of the survey utilized crafted statements corresponding to Katz's attitudinal functions to determine which functions participants' feel most toward political stances.

The research study found that overall both Millennials and non-Millennials feel that companies should not take political stances, although Millennials feel slightly more positively than non-Millennials. Neither group actively seeks out companies whose political values align with their own and are not willing to pay more for products from such companies. Both groups said they would be willing to boycott a company that takes a political stance with which they disagree. Both groups suggested that companies should never take a political stance, but if they do, the stance should be related to their business or civil or human rights. The second part of the results show that the ego-defensive and value-expressive functions are most active for participants' in relation to companies that take political stances with which they both agree and disagree.

After analyzing macro trends in society and looking at past experiences, sometimes companies have no choice but to take a political stance under certain situations. Based on the results of the previously mentioned survey, analyzing the literature, and looking at previous incidents, this study suggests a four-step approach to helping companies more strategically and purposefully take a political stance. The first step includes understanding the prevailing issues a company's employees care about. The second step is to uncover what issues consumers with

the most potential care about. From there, companies need to deeply explore and understand the political issues of the time. At the intersection of these three areas of knowledge, employees, consumers, and causes, lies the political stance a company should take. As illustrated through several controversial examples, companies in the past have not taken any of these areas into consideration before expressing their political stance. These previous bad examples have led to feelings of negativity in consumers toward corporate political activism, an area which needs to be further explored in future research. Another strategic recommendation from this study is to avoid using the CEO of a company as the spokesperson on political issues, but instead using everyday employees to build more trust with both consumers and employers. Companies should also appeal to the ego-defensive and value-expressive attitudes of consumers in their political stances in order to better resonate, as discussed previously in this project.

Finally, this study, as a first step in the path to understanding CPA, does have some limitations. The first limitation is the fact that a convenience rather than a random sample of survey participants was used, so these results cannot be generalized to the greater public. Another limitation lies in the use of a survey method because this method cannot fully explore and go in depth on certain topics that would help further this research. This method also does not fully analyze the behavior of participants, so they could say one thing but in reality do something completely different behaviorally. Measuring the functional attitudes also poses a limitation due to the possible subjectivity of the statements used to measure the functions.

These limitations, however, offer opportunities for future study and research. Some areas that should be further explored are the reasons companies feel pressured to take a

political stance. This could be studied through in-depth interviews with communications professionals who work at companies that have taken political stances. Another opportunity for future study lies in studying how trust plays a role in how consumers feel about companies taking political stands. Studying the role media plays in how consumers feel about CPA would also offer an opportunity to determine whether external factors influence CPA.

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APPENDIX

Consent Form:

You are invited to be in a research study about companies and political opinions. Please read this form and contact the researcher with any questions you may have before beginning this study.

This study is being conducted by:

Maggie Clemensen, Strategic Communication Master's Candidate, School of Journalism and Mass Communication, University of Minnesota, cleme253@umn.edu

You can also contact the academic advisor, Dr. Stacey Kanihan at skanihan@umn.edu

If you have any questions or concerns regarding this study and would like to talk to someone other than the researcher(s), you are encouraged to contact the Research Subjects' Advocate Line, D528 Mayo, 420 Delaware St. Southeast, Minneapolis, Minnesota 55455; (612) 625-1650.

Procedure:

If you agree to participate in this study, you will be asked to complete a survey questionnaire about companies and political opinions. You will also be asked to provide some demographic information. The survey will take about 10-20 minutes to complete.

Risks and benefits of being in this study:

There is no particular risk associated with this study.

Confidentiality:

The information you provide in this survey will be kept private. Only the researcher will have access to the records. Data included in the final report will not include any information that would make it possible to identify a study subject.

Voluntary nature of the study:

Participation in this study is voluntary. Your decision not to participate will not impact your standing with Mechanical Turk. If you decide to participate, you are free to not answer any question or to withdraw from the study at any time.

Thank you in advance for your participation.

Survey Questions:

Companies and Political Stances

S1. In our current political environment, companies have started to openly express their political positions. Some examples include companies voicing opinions on the topics of gay marriage, immigration reform, or support of a political candidate.

Q1. How likely would you be to stop buying the product of a certain company because of a political statement that company had made?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)
Very Unlikely:Very Likely (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q2. How often do you intentionally purchase products from companies that have taken a stance on a political issue that you agree with?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)
Never:Often (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q3. How often do you intentionally not purchase products from companies that have taken a stance on a political issue that you disagree with?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)
Never:Often (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q4. Where do you most often see companies taking a political stand?

- Social media (1)
- News media channels (online news, TV news, radio news, newspapers) (2)
- Advertising (newspaper, magazine, TV, or online) (3)
- Company materials (website or printed materials) (4)
- Other (5) _____

Q5. Do you think of companies as politically “conservative” or “liberal”?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)
Not at all:Very much so (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q6. If a company takes a political stance that you disagree with, how likely are you to discourage others from purchasing from that company?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)
Very Unlikely:Very Likely (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q7. If a company takes a stand on an issue is supportive of your political views, would you be willing to pay more for the company’s products or services?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)
Not at all:Very much so (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q8. In your opinion, should companies take a political position?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)
Not at all:Very much so (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q9. What is your opinion of CEOs who take a stand on a political issue?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)
Very unfavorable:Very favorable (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q10. Under what circumstances do you think companies should take a political stand?

Q11. Imagine if a company’s political stance conflicts with your own. How much do you agree or disagree with the following statements:

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)
This company’s beliefs threaten my beliefs (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This company’s position makes me feel better about not buying its product. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This company’s position helps me discourage others from buying it. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Because of this company’s political stance, not buying its product contributes to my identity in my social group. (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Because of this company’s political stance, not buying its product makes me feel better about myself. (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
By knowing where this company stands on an issue, I have a better understanding of my position on that issue. (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q12. Imagine if a company’s political stance aligns with your own. How much do you agree or disagree with the following statements:

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)
This company is helping me to act on my political values. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This company’s political stance makes me feel better about buying its product. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Because of this company’s political stance, buying its product contributes to my identity in my social group. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Because of this company’s political stance, buying its product makes me feel good about myself. (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
By knowing where this company stands on an issue, I have a better understanding of my own position on that issue. (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q13. How would you characterize your political views?

- Very liberal (1)
- Liberal (2)
- Slightly liberal (3)
- Moderate (4)
- Slightly conservative (5)
- Conservative (6)
- Very Conservative (7)

Q14. What is your current age?

- 18-19 (1)
- 20-36 (2)
- 37-52 (3)
- 53-71 (4)

Q15. What gender do you most identify with?

- Male (1)
- Female (2)
- Transgender male (3)
- Transgender female (4)
- Gender variant/non-conforming (5)
- Not listed (6) _____