Americans Conflicted About Corporate Involvement in Political and Social Issues, New Study Reveals

7 in 10 adults believe it is important for businesses to take action to address important issues in society, yet majority says don’t take a stance on political issues

NEW YORK, NY—Global Strategy Group (GSG) today released a study that reveals the public holds a nuanced view of what corporations should and shouldn’t do regarding their public participation in political and social issues. Amidst a growing trend of corporations and their CEOs taking positions on issues such as Obamacare, same-sex marriage and the national debt, GSG’s study finds Americans have clear reservations about corporations straying too far into politics – resulting in significant implications for corporate reputation.

“Over the past year, we have seen numerous examples of corporations like Starbucks, Chick-fil-A and Whole Foods publicly weighing in on political and social issues. Some brands receive public support and end up unscathed, while others are left scrambling to protect their reputations,” said Alan Sexton, Executive Vice President, GSG. “That’s why we conducted this study. We wanted to learn more about what happens when corporations and their CEOs speak out on political issues, how that makes the American public feel and why businesses should care about the public’s perception of their political actions.”

Additional analysis and recommendations are available in a white paper, Business & Politics: Do They Mix? The paper may be downloaded at: globalstrategygroup.com.

Views on Corporate Political Engagement

GSG’s study evaluated opinions about the role that businesses should play in the political discourse.

- Over 7 in 10 adults (72%) agree it is important for businesses to take action to address important issues facing society.

- Over 7 in 10 adults (78%) believe it is appropriate for companies to take a stance on a political issue facing their industry.
However, Americans have clear reservations about corporations straying too far into politics.

- A majority of those polled (56%) think it is inappropriate for companies to take a stance on political issues if it does not pertain to their business.
- Less than one-third (31%) believe it is appropriate for companies to take positions on sensitive social issues such as abortion or same-sex marriage.

**Theory vs. Reality**

GSG’s study also gauged perceptions about specific public stances taken by corporate brands on a variety of political and social issues, including immigration and health care reform, same-sex marriage and endorsements of specific political candidates. The study found that there is a disconnect between what the public thinks is appropriate in theory and what they find appropriate in real-world practice.

For example, only 31% agreed, in theory, that it is appropriate for companies to take positions on social issues. However, when provided with a real position taken by retail giant Nordstrom in support of same-sex marriage and partner rights, 68% found this statement appropriate. Likewise, only 29% believe it is appropriate for CEOs to speak for and endorse a political candidate on behalf of their company. Yet 53% thought Staples CEO’s support of Republican Presidential Candidate Mitt Romney was appropriate.

“What this indicates is that, in the real world, the public evaluates the appropriateness of a company’s political stance from a variety of angles, including its relevance to the company’s business, the substance of the issue and how it’s positioned by the company,” said Nick Gourevitch, Senior Vice President and Director of Research, GSG. “Often what is an unpopular action, in theory, becomes more acceptable if well-positioned and put in the context of the company’s business.”

**Public Perception of Corporations’ Political Brands**

GSG’s study also evaluated the public’s perception of corporations’ political brands by asking respondents to identify the politics of specific companies as though they were individuals. It found that:

- Corporate political identity is correlated to a corporation’s brand favorability.
  - Companies that are seen as being strongly partisan earn lower favorability ratings.
  - Companies perceived as “nonpartisan” and in the middle of the political spectrum enjoy some of the highest levels of favorability.
- Individuals give higher favorability to companies that they perceive to align with their own political party.

Corporations in certain sectors tend to be assigned particular political leanings. For example, hospitality brands surveyed – Marriott, Wynn and Hilton – were identified as Republican, as
were luxury goods companies Nordstrom and Tiffany & Co. Meanwhile, youth-focused media and entertainment companies MTV and Nickelodeon were perceived as Democrats, as was “green” grocer Whole Foods Market.

**Implications for Corporate Reputation**

The study uncovered another significant reputational consideration. Amongst those who disagreed with a company’s political stance, corporations experienced a huge 42 point drop in favorability. Meanwhile, there was no comparable rise in corporate brand favorability among those who agreed with the position.

On the whole, voter awareness of actual political stances taken by companies is very low. Of all the positions tested, awareness levels were generally below 29%, and many were much lower. There was one exception to this trend: 66% were aware of Chick-fil-A CEO Dan Cathy’s controversial position on same-sex marriage.

“These are big indications for companies considering wading into political waters to test those waters first,” said Gourevitch. “If people disagree with a position, it’s bad for brand favorability—and could be very bad for business. Likewise, if a position is controversial, companies need to be ready for it to become a very public position. Corporate leaders and their communications departments need to be aware of public opinion.”

“As the research shows, the practice of corporations weighing in on political issues is a highly nuanced environment. It’s essential for companies to know where their key audiences stand on matters of importance to their business,” added Sexton. “Businesses don’t need to automatically shy away from the practice because of the potential risks, but they need to weigh the factors carefully. In order to reap the potential benefits, careful planning and preparation need to be part of the communications strategy.”

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**About the Study:**
Global Strategy Group (GSG) conducted a public opinion survey among 806 adults 18 years and older between November 26 and December 3, 2012. The survey was conducted online recruiting respondents from a leading opt-in online panel vendor. Special care was taken by GSG to ensure that the demographic composition of our sample matched United States Census values on a series of demographic variables including age, gender, region, ethnicity, income and educational attainment. More information on and further analysis of this study has been published in a GSG white paper: *Business & Politics: Do They Mix?* The paper may be downloaded at [globalstrategygroup.com](http://globalstrategygroup.com).

**About GSG:**
Global Strategy Group is one of the nation’s go-to public affairs firms distinguished by its depth of talent, influential clients and winning track record. Battle-tested in the trenches of corporate reputation management and political campaigns, we bring unrivaled commitment to every assignment. Our clients—which include Fortune 100 companies, national political leaders, associations and foundations--rely on GSG for candid guidance and fast, effective execution. We provide a combination of critical thinking and on-the-ground results that many other firms talk about, but few deliver. Visit [globalstrategygroup.com](http://globalstrategygroup.com) for more information.