

Dick Maggione: Walking line between social responsibility, social division

By [Dick Maggione Special](#) to The Canton Repository

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We care more today about supporting companies whose values are aligned with our values.

The reason might be due to the power of social media. Maybe it's what matters most to millennials. Maybe it's where we are moving as a society overall. Whatever the reason, we do know it matters. The numbers bear this out.

Philip Kotler introduced the fifth "A" in his just-published book, "Marketing 4.0." The five A's are Awareness, Appeal, Ask, Act and the new one, Advocate. They stand for the steps along the customer's path to purchase.

When it comes to advocacy, companies have come to understand that doing good is good for business. We are expected to operate at a higher level of corporate social responsibility. Companies that behave more responsibly are more profitable, have happier employees and are healthier.

Social responsibility helps fuel the building of advocates for your company — your **brand**. Corporate social responsibility includes such activities as donating money to charities and encouraging employees to volunteer in community and service organizations.

A Cone Communications study showed 87 percent of consumers said they would purchase a product from a company with which they shared beliefs on highly controversial issues. More than 75 percent, on the other hand, would refuse to purchase a product if they found out the company supported an issue contrary to their beliefs.

Unilever's CEO Paul Polman announced a plan to halve his company's environmental footprint by 2020 while doubling sales and shifting to sustainable ingredients. Unilever is Procter & Gamble's No. 1 competitor in the consumer products category. Polman believes people will pay a premium for virtue. The numbers are on his side.

TOMS Shoes might be the poster company for corporate citizenship. For every pair of shoes TOMS sells, it gives a pair to people in need.

Ben & Jerry's long has been known for CSR activities too long to list. Not surprisingly, Unilever acquired Ben & Jerry's.

The list of socially responsible companies such as The Body Shop, American Express, Starbucks, Ikea and Zappos is growing. An increasing number of CEOs are jumping on the social justice bandwagon and speaking out on politically sensitive issues.

Conservatives created a backlash against Target for allowing transgender customers to use whichever bathroom corresponded with their gender identity. Target then said it would build private bathrooms. Disney also experienced the conservative backlash due to its support of gay rights with "gay day" at its theme parks.

Starbucks CEO Howard Schultz announced his company planned to hire 10,000 refugees over the next five years — a response to President Trump's position on extreme vetting of refugees. Schultz wears his political views on his sleeves. He openly supported Hillary Clinton for president.

Starbucks has built a brand that promotes progressive politics. It believes this will differentiate Starbucks from cheaper competitors. It is willing to lose some customers while hoping to win others who will spend more for its coffee. It's working.

Bumps in the road

But things don't always go right. As racial tensions grew around the issue of police killings, Starbucks asked its baristas to write "race together" on its cups and encouraged dialogue with customers. It backfired. Millennials (and others) felt it was more of a marketing ploy.

Chick-fil-A went the other direction by supporting anti-gay groups and encouraging folks who are aligned with their biblical values to eat on its "Appreciation Day." Hobby Lobby didn't want to fund birth control for its employees due to religious beliefs.

The social positions of these companies have caused boycotts. Often, the boycotts inspired boycotts against the boycotts. Ivanka Trump's clothing line was both the target of a boycott and also boosted by Trump supporters.

A website called Grab Your Wallet lists nearly 100 companies to boycott. All companies that do business with the Trumps or have pro-Trump leadership are listed. They even list the Washington Post and Amazon, two anti-Trump organizations, because Amazon sells Trump's products and Jeff Bezos owns Amazon and the Washington Post.

Uber, the ride-sharing company, meanwhile, raised prices near JFK Airport during a protest, giving the distinct impression it was capitalizing on the New York Taxi Workers Alliance strike that was in protest of the Trump's travel ban.

Both the left and the right were upset. Many deleted Uber and downloaded Lyft. Lyft's major funders are Trump supporters.

So, the question: Is speaking on hot-button social issues worth the risk?

San Francisco 49ers quarterback Colin Kaepernick sparked debate about racial injustice by taking a knee during the national anthem. This has triggered a serious sequence of mostly unintended events.

One is that the NFL TV viewership numbers are declining. Some are boycotting because some team owners are calling for the players to stand while the national anthem. Others are boycotting because players are not standing for the national anthem. Yet another group is boycotting the games because Kaepernick isn't playing in the league.

The players are angry. The owners are angry. The fans are angry. The sponsors are angry. Nobody is winning.

Doing good is good for business. Infusing politics might not be good for business. If a company alienates too many of its customers, it might not be around to do good things.

As the maxim states: Good judgment comes from experience, and experience comes from poor judgment.

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