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BRAND STAND

What's the Trend?

Reacting to a polarized media atmosphere, more brands feel compelled to take a stand and highlight their core values rather than try to be all things to all people.

Hamdi Ulukaya was once an anticapitalist shepherd in a cheese-making family in Turkey. Today, he is the founder and driving force behind the Chobani yogurt brand, which, has led a renaissance for Greek yogurt over the past decade and dominates the $3.6 billion yogurt industry.[1]

His rise has all the signature elements of a Hollywood rags-to-riches tale. There are competitors with deep pockets, bouts with bankruptcy, finger-wagging naysayers, and a bold risk to start it all by borrowing more than half a million dollars in 2005 to buy an abandoned yogurt factory no one wanted. Yet for all the drama of his backstory, Ulukaya received the most attention for a choice that would propel him into the center of political controversy and make him an unlikely hero for a group of people who needed the most help.

In 2010, while struggling to manage Chobani's explosive growth, Ulukaya turned to a well-known social services organization called the Mohawk Valley Resource Center for Refugees (MVRCR) located in Utica, New York. He needed workers—and fast. The MVRCR helped place a small group of refugees at Chobani's nearby South Edmeston plant. Over time, they added dozens more, and when Chobani opened a plant in Twin Falls, Idaho, the collaboration continued.

Today, about 30% of the company's workforce are immigrants and about 400 are refugees. Beyond providing jobs, Ulukaya has taken several other market-defying steps to treat his employees as if they were part of his family. In addition to unusually high salaries and six weeks of paid parental leave (rare for the food service industry), Ulukaya even set up a program to give up to 10% of the company's equity to employees.

His generosity has also extended outside America through a $5 million training initiative to support up-and-coming Turkish entrepreneurs and a collaboration with a local grant incubator program for food startups in Australia. Together, his efforts earned him a spot on *Time*'s "100 Most Influential People" list and he was recently invited to speak at the World Economic Forum in Davos, Switzerland. At that annual gathering of policy makers, thinkers, and academics, Ulukaya stood out. As one event attendee later recalled, "[Ulukaya] was quite a sensation there. Here was someone who went beyond the well-meaning chatter of Davos and was walking the walk."[2]

Unfortunately, not everyone was lining up to congratulate him. During the 2016 US election, his efforts with the refugee community came under fire by critics who claimed that he brought refugees, crime, and even tuberculosis to their community. Those groups called for a boycott of Chobani products and launched racist attacks and even death threats at Ulukaya on social media.

The controversy illustrated the double-edged sword that leaders and brands routinely face when speaking about political or social issues. Taking a stand can be costly because it alienates people. For years, brands would hire PR and legal teams tasked with the sole purpose of helping them avoid taking any kind of stand on *anything*.

Today, the brands that inspire loyalty lead with their voices instead of sitting meekly on the sidelines. As a result, less ambitious organizations are feeling pressure to take a *Brand Stand* of their own and publicly declare what they believe, despite the fact that it may alienate some more opinionated customers.

Surviving a Brandless Future

As demand for brands with a conscience increases, those who are unaccustomed to communicating in this purpose-driven manner are experiencing a relevance crisis.

One 2017 study from industry firm Cadent Consulting Group illustrated that "just over half of millennials, 51%, have no real preference between private-label and national brands." There is growing evidence that the generation to come after Millennials (often called "Generation Z") will express even *less* brand affinity.[3]

> *"Consumers deeply desire a sense that there is a greater good … there's almost a visceral reaction to phoniness."*
>
> KIT YARROW, Author of *Decoding The New Consumer Mind*

The implications of this loyalty shift are easy to see when you consider the dramatic growth of private-label brands over the past several years. In many product categories, there isn't significant enough differentiation for consumers to care about buying one particular brand over another. No company ever wants to sell something that seems identical to that of its competitors, but sometimes it seems nearly impossible to differentiate a product or service. Laundry detergent is one such category. It has long relied on expensive advertising budgets to remind consumers of its existence. It's something everyone needs, but no one gets excited about.

For nearly a decade, Tide (a P&G brand) has tried a different approach by investing heavily in its "Loads of Hope" social campaign. This program provides mobile laundry services via gigantic roaming trucks that carry more than 30 washers and dryers to those who need it most. In late 2017, when multiple parts of the United States were devastated by hurricanes, Tide took the program to Texas and Florida, where they provided mobile laundry services to help affected victims regain some normalcy.

As Tide already knew, in a world where it is harder to get consumers to care about your product, what you *make* is no longer more important than what you *stand for*.

#Resist and the Trump Administration

Earlier this year when the Trump administration announced a ban on travelers from predominantly Muslim countries, a group of travel brands including Hyatt, Orbitz, and Airbnb launched new marketing campaigns promoting inclusiveness and hospitality in defiance of the ban. Airbnb made a similar stand the year before when UK voters narrowly passed the Brexit referendum.

In the months that Trump was still on the campaign trail, legendary Spanish chef José Andrés had been contracted to open a new restaurant at the bottom of a new Washington DC hotel property being developed by The Trump Organization. Then, Trump made disparaging remarks about Hispanics and Mexicans on the campaign trail. Andrés immediately took a stand and backed out of the deal. New York chef Geoffrey Zakarian, who had an agreement to open a restaurant in a different Trump property, was similarly incensed by Trump's comments and pulled out of *his* deal as well. Both chefs made public statements to the media to announce their decisions.

> *"When brands successfully behave as change agents, not only do they raise awareness of an issue but they also rally individuals to the cause. They spark a debate, make people think, and enable them to participate and change their attitudes and behaviors."*
>
> CÉCILE NATHAN-TILLOY, Edelman Intelligence

In response, The Trump Organization sued both Andrés and Zakarian, and both countersued for reputation damage and future revenue losses resulting from his comments. The litigation dragged on for two years (during which time Trump was inaugurated) and was finally settled out of court for an undisclosed amount. While the chefs sued over damage to their reputation, as *Washingtonian* magazine reported during the legal battle, "It stands to reason that by becoming anti-Trump heroes, both Andrés and Zakarian have bought themselves brand loyalty."[4]

Thanks to increasingly tone-deaf rants on Twitter and a continual talent for taking unpopular, extreme positions, the list of brands taking stands against Trump's remarks—on everything from minorities to health care—has grown steadily.[5]

Fearless Girl and Utah's Lost Conference

One of the most talked about examples of a *Brand Stand* over the past year came from financial advising company State Street Global Advisors (SSGA) in March of 2017 when they commissioned a statue called *Fearless Girl,* which depicted a defiant young girl, hands on her hips, facing Wall Street's iconic *Charging Bull* statue in New York City.

Photo Credit: Anthony Quintano (Flickr)

In commissioning the statue, State Street Global Advisors was making a public statement in support of gender equality in an industry traditionally dominated by men. The campaign was estimated to have generated over $7 million in free publicity and won 18 awards at the annual Cannes Advertising Festival.

Unfortunately, it also became a cautionary tale in what happens if the best communications aren't supported by real action. Just seven months later, State Street Corp agreed to pay a combined $5 million to more than 300 women and 15 black employees who were paid less than their white, male counterparts (according to a federal audit). It was an embarrassing reminder that what you *do* matters more once you take a *Brand Stand*.

Sometimes a *Brand Stand* is less about creating a culture change and more about influencing a specific change in legislation or policy.

When Utah Governor Gary Herbert refused to oppose legislation aiming to roll back environmental protections for public land,the Outdoor Industry Association (OIA) threatened to move its annual meeting (and $45 million budget) out of the state for the first time.[6] The governor did not budge, so the show took its own *Brand Stand* and found a new host city in Colorado.

While the political climate in the United States is inspiring a particularly active year of corporate *Brand Stands*, other countries are seeing the same trend affect their own brands' willingness to speak up in defense of their values.

Lego's Stand

For the past several years, LEGO has run promotions with popular national newspaper *Daily Mail* in the UK. A little over a year ago, a customer contacted them through social media to complain that the paper uses headlines that "create distrust of foreigners and blame immigrants for everything."[7]

Several days later, LEGO announced that it would not be advertising in the newspaper in a tweet.

Photo: Lego tweets announcing no more promotions with *Daily Mail UK*.

This type of consumer pressure is increasingly creating opportunities for companies to take a *Brand Stand* in reaction to consumer demand. The backlash against GMOs, high-fructose corn syrup, and artificial ingredients have led many of the world's largest brands—from McDonald's to Mars—to take reactive measures to source their products more transparently.[8]

Tata Tea and Indian "Preactivism"

Earlier this year, Indian beverage brand Tata Tea brought back one of its most beloved advertising campaigns from nearly a decade ago to create a new cultural wave around the idea of "preactivism," creating social change before a big crisis forces it. The campaign was meant to force consumers to acknowledge their complacency, while reinforcing the progressive positioning of Tata Tea in the marketplace.

The campaign, called "Alarm Bajne se Pehle Jaago Re" ("Wake Up Before the Alarm Rings"), consisted of emotional TV spots featuring young Indians. It touched on issues like women's empowerment, encouraged more young people to stay in sports, and appealed to the government for increased funding for a number of causes. When asked about the strategy behind the reboot, Tata's Regional President Sushant Dash shared: "The need now was to move from being reactive to instilling a sense of 'preactivism' in people, not reflecting on culture but creating one. This is hopefully the start to another new wave of social uprising."[9]

5 ELEMENTS OF AN EFFECTIVE BRAND STAND

1. **Relevance –** The connection between your brand and the stance should be clear.
2. **Timeliness –** Take a stand when the issue at hand is being widely discussed.
3. **Proactivity –** The best stands are made proactively rather than in response to a PR crisis.
4. **Meaning –** Your stand should be driven by genuine concern and involve some sacrifice.
5. **Commitment –** Stands should involve long-term, tangible commitments to a cause or value.

Why It Matters

Brands can no longer afford to sit on the sidelines of current events, focusing on their products and services. Instead, the ready availability of social media and other communication channels, and the polarization of media, is forcing brands to make principled stands and share their beliefs with the world. For companies that have never had to communicate in this way, it will lead to a soul-seeking exercise to figure out exactly what it is they want to say and stand behind.

For the brands that have some social purpose already, this is a chance to declare it unequivocally and then contend with the resulting reactions from consumers who applaud them for it as well as those who do not. This consumer reaction will lead brands to more openly share their beliefs with their workforce, and focus on how to live those principles in a consistent way now that they have been publicly declared.

How to Use This Trend

- **Take a credible position.** Taking a *Brand Stand* works best when it is on a topic that you have some credibility in speaking to. Andrés' stand against Trump's disrespect toward Hispanics was partially because he employs many Hispanic people in his restaurants and is from Spain himself. The more strategic you can be with what topics you make your own, the easier it will be to truly stand behind them with real action instead of just empty words.
- **Make sure your team is on board.** This is not a trend to dictate from the top down. Instead, it is important to have the buy-in from a core team because they are the ones who will bring this stand to life and illustrate whether your brand is walking the walk. The more you involve your full team (at every level) early on, the more successful you will be with helping your *Brand Stand* to have real impact.