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**Influence of Corporate Values and Beliefs on
Consumer Behavior**

A Thesis Presented to the Faculty of the Weissman
School of Arts and Sciences

Baruch College, The City University of New York

In partial Fulfillment of the Requirements of the Degree

of

MASTER OF ARTS

In

CORPORATE COMMUNICATION

By

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Abstract

This thesis asks if corporations are better off expressing their values publicly or best if value are best left unannounced. Researchers such as Caldwell (2017) and Caraway's (2016) work will be cited regarding individual corporate responses to consumer's reactions to the company's values. However, there is yet to be a comparative case study between multiple corporations including Chick-Fil-A, Nike, Ben & Jerry's, Walmart, TOMS, Equinox Group, and PepsiCo. This thesis utilizes comparative case studies analyzed using thematic analysis to compare companies that have expressed their values publicly and how those expressions influenced consumers. The findings could help corporations decide if taking a stand is a worthwhile endeavor, or if it is preferable say nothing and maintain their customer base.

Introduction

The thesis utilizes comparative case studies of businesses that have had their beliefs and values publicized and how that impacted their consumers for the better or worst. I begin my thesis starting with explaining the definition of corporate social responsibility (CSR) and the impacts of it and their reputation among consumers is elaborated. CSR shows consumers the type of beliefs the company has. The topic of "Cancel Culture" discusses and explains how effective it may or may not be when a corporation is handling the setback from consumers. "Cancel Culture" is when someone decides "they cease to exist to that person. There is no communication with them or about them." (Mintz, 2021, np) This can also apply to organizations as well, and can be the result of a CSR or publicized belief of a company. There are comparative case studies about what companies believed in and what it resulted in when the public found out about it. For example, I analyze, Chick-fil-A's donations to anti-LGBTQIA+ organizations. Then I turn to Nike siding with Colin Kaepernick for kneeling during the national anthem. Next, I

address Ben & Jerry's wishing to dismantle White Supremacy and standing with the BLM movement since 2016. The case study following up is Walmart underpaying their workers, how their employees reacted to it, and Walmart's response. The next case study addresses TOMS vowing to donate a pair of shoes to a child in a poor nation for every pair of shoes sold, that gained more customers but also influenced other companies to do the same. Equinox Group hosting a fundraiser for a president's campaign that resulted in backlash because of the president's personality and views. The last corporation addresses PepsiCo and how they released a commercial meant to draw peace but instead received backlash for being deemed as tone deaf.

All of these companies have chosen to follow their values despite the risk of losing or gaining clients. Because the company's principles were made public, consumers were able to choose whether to support, oppose, or do nothing based on each company's convictions. This is a comparative case study of corporate behavior based on research to identify the benefits and drawbacks of publicizing the company's beliefs. This research may assist businesses in determining if taking a side is worth announcing in public or whether it is better to remain neutral and not say anything in order to avoid losing customers. These case studies are designed to answer to the research question "How do corporate values effect consumer loyalty?" The thesis concludes with a thematic analysis of the comparative case studies which then follows up with a discussion and recommendations section about the results and how the study influenced them.

Corporate Social Responsibility

Corporate social responsibility (CSR) is a concept in where businesses feature social and environmental issues into their operations and relationships with their investors and other

stakeholders. “Husted and Allen (2007) found that CSR initiatives help in building a positive relationship with stakeholder groups and improving the reputation of the business” (Islam, 2021, p. 125). Companies that participate in CSR not only contribute to solve these problems, but they also benefit in a variety of ways. One of the numerous approaches is to gain a favorable public image by having a company's devoted customers witness their favorite brand take action to address social and environmental challenges. “CSR is a key strategy to increase the corporate reputation in the long run because large corporations use corporate reputation as a competitive advantage, using a good CSR approach to increase financial performance, customer satisfaction, and customer loyalty.” (Islam, 2021, p. 127). A company that chooses to be environmentally responsible and donates money to plant more trees, for example, might boost its own reputation by having more environmentally friendly people to buy from them instead of their first choice. People are more inclined to support a firm that is known for being environmentally responsible than they are to support a brand that does not go above and beyond in terms of CSR. Because not all of a company's consumers agree with its ideas, CSR does not always work in its favor. A corporation donating to assist the LGBTQIA+ community is an example of this. A consumer who opposes the LGBTQIA+ community might hesitate when making a purchase because their beliefs do not fit with the company's values. There are also CSR plans that have backfired and companies did more damage than good to their own reputation. In the book *CSR and Socially Responsible Investing Strategies in Transitioning and Emerging Economies* it was stated that “CSR and corporate reputation positively impact industrial brand equity and brand performance” (Lai, 2010, p. 1). Employees may have a sense of gratitude for the company they work for participating in CSR as well as increasing customer loyalty for also being proud of purchasing from that same brand. “Literature also suggests this stakeholder perception of corporate identity

can be molded and influenced by corporate social responsibility efforts...argues that identity building efforts that include strong CSR initiatives have greater influence on public perception of their identity” (Young, 2020, p. 15) This raises the question of how loyal a customer may be to a company that openly expresses their position on issues such as climate change, human rights, charity work, and so on until they decide to lose their commitment or earn their loyalty because of the business's position?

Cancel Culture

When a CSR plan backfires, it may result in boycotting or even participating in being “canceled”. “Cancel Culture,’ a complex sociocultural phenomenon that continues to garner incredible social momentum since its earliest documented inception circa early 2018.” (Burmah, 2021, p. 1). In other words, when one wishes to "cancel" someone or something, it may be a performative means of boycotting. People would utilize social media platforms to "cancel" an influencer or brand based on what they had done that the audience does not agree with, causing a chain reaction in which the issue became trending and more people become aware of it. On top of possibly boycotting a company, “canceling” them online spreads awareness to other people who did not know about the news to discourage from supporting the company/influencer. Some individuals hop on the bandwagon because it's popular at the time, while others are genuinely displeased by the situation that they're prepared to stop supporting the influencer/company regardless of whether they express their opinions on social media or oppose it privately. “Cancel Culture” is defined as the withdrawal of support for individuals who have acted in a way deemed to be unacceptable or problematic related to social media, viewership, or the purchase of products or services.” (Mueller, 2021, np). Also, with "Cancel Culture," misinformation about

the company may be circulated across social media platforms, which is then exaggerated in order to make the company appear worse than it is, resulting in a toxic scenario in which the organization must publicly announce how they are handling the situation to make things clear. Because "Cancel Culture" occurs online, it also contributes to the reality that news spreads like wildfire, and businesses must manage how to keep it from becoming worse or allowing it to die down. "Cancel Culture" isn't always the most effective because you'll see the same companies or influencers "canceled" multiple times, leading people to believe that if they were canceled the first time, they wouldn't need to be "canceled" again. This demonstrates that having the company's names posted all over social media to be cancelled is ineffective if they still have people supporting them at the end of the day. The companies may be receiving negative exposure, but this may also provide them with a larger platform than they currently have, resulting in free publicity. It may be more successful in blocking the influencer/company from succeeding any further if people keep their word and genuinely "cancel" somebody they detest, rather than merely doing it because it's a current trend. The corporation's actions make their consumers wonder if they want to continue to support and purchase from them or find another alternative.

Research Question

How do corporate values effect consumer loyalty?

Methodology

This thesis utilizes comparative case studies which are analyzed through thematic analysis to demonstrate the types of reactions corporations received from their own customers

after their beliefs were made public. Data was collected from scholarly articles, mass media, and corporate publications that dissect the company's identity, what they believe in, and what resulted in that after their beliefs became known to the public. Case studies are presented for the following companies Chick-Fil-A, Nike, Ben & Jerry's, Walmart, TOMS, Equinox Group, and PepsiCo.

Case Studies

Chick-Fil-A

Chick-fil-A is one of the largest fast food restaurant chains in the United States, as well as the largest that specializes on chicken sandwiches. It was founded by Truett Cathy in 1946 and it is headquartered in College Park, Georgia. Dan Cathy was named CEO of Chick-Fil-A in 2013 and then chairman the next year following his father's death. Dan was interviewed by a Christian radio station on July 16th, 2012, while he was president and chief operating officer (COO) before becoming CEO, and was questioned about his views on marriage. Dan stated, "We are very much supportive of family-the biblical definition of the family unit. We are a family-owned business, a family-led business, and we are married to our first wives. We give God thanks for that." (Bhasin, 2012). Little did Cathy know that his comments would set off a firestorm of controversy for Chick-fil-A. Within a matter of days, the company was facing a social media crisis. More than a month later, the controversy was still going. Cathy and the management team for Chick-fil-A had to figure out a strategy to move forward." (Peters, 2013, np). With the use of social media, news spreads like wildfire, and within minutes or even hours, thousands of individuals are aware of such events, which is why Chick-Fil-A should have acted sooner rather than later. On July 19, three days after the interview, Chick-Fil-A decided to use social media

and post on their Facebook page in the hopes of spreading the word as quickly as “The Chick-fil-A culture and service tradition in our restaurants is to treat every person with honor, dignity and respect--regardless of belief, creed, sexual orientation or gender. We will continue this tradition in the over 1,600 restaurants run by independent owner/operators. Going forward, our intent is to leave the policy debate over same-sex marriage to the government and political arena”(Peters, 2013, np). Social media was not as widely utilized and popular in 2012 as it is now. If this had happened today, the corporation would have had to respond quickly rather than waiting three days. People were unaware that the statement was simply intended to demonstrate that Chick-Fil-A does not and would not discriminate against members of the LGBTQIA+ community. With a delayed response to tackle backlash every moment passed it’s safe to think that possibly Chick-Fil-A has lost consumers who disagreed with that interview response. The statement made no mention of how they support anti-LGBTQIA+ organizations by donating to them. “Chick-Fil-A has donated more than \$5 million since 2003 to anti-gay groups, including those that have been designated 'hate groups' by the Southern Poverty Law Center” (McQuade, 2012, np), thus the statement they issued in response to the outcry contradicts what they have been doing in terms of donations before and after the interview. Onward and upward When it came to launching new sites, Chick-Fil-A experienced several difficulties. “a little over a week after it (Chick-Fil-A) opened, management of the Oracle shopping center in Reading, U.K., where this new location was housed, told the chain that its 6-month lease would not be extended. The shopping center had faced significant pressure from Reading Pride, which is the local LGBTQ rights advocacy group (Lucas, 2019, p. 11). The reason for this was due to pressure from Reading Pride, a local LGBTQIA+ rights organization. This was not the first time Chick-Fil-A faced opposition while opening a new site; in September 2019, when the restaurant opened its first branch in Toronto,

Canada, demonstrators gathered to claim that the chain's anti-gay principles would collide with the culture of the country's largest city. Later that same year in November of 2019, Chick-Fil-A did announce that they will cut ties with sponsorship with The Salvation Army and the Fellowship of Christian Athletes (FCA) because of their views on same-sex marriage as well. “This decision was set against a backdrop of heavy protests due to the company’s religious principles as well as the homophobic comments made by President Dan Cathy in 2012, resulting in failed expansion attempts in San Antonio, Buffalo, and Reading, U.K” (Hanson, 2020, p. 32). Because of this, Chick-Fil-A has sparked once again more controversy from both conservative and liberal organizations. Conservatives believe Chick-Fil-A has compromised the values on which the company was founded for decades, while liberals believe this is only a temporary fix to avoid more reaction. This, however, made it difficult for Chick-Fil-A to establish a brand identity; when your brand identity is continually changing as a result of how your customers perceive you, it's difficult for the audience to know what the food chain's identity is. Despite the negative press, Chick-Fil-A appears to be a thriving business, as the firm continues to generate significant revenue and expand. Despite Chick-Fil-A announcing that it would no longer donate to organizations that are anti-LGBTQIA+, such as the Salvation Army and FCA, Dan Cathy continues to donate to these organizations as an individual as of 2021, raising the question of whether consumers should continue to support the franchise or look for an alternative fast-food chain.

Nike

Nike is an American multinational business that manufactures and markets footwear, clothes, equipment, accessories, and services across the world. The company is headquartered in

Beaverton, Oregon and it is the world's largest seller of athletic shoes and gear, as well as a significant sports equipment producer. Colin Kaepernick is a former quarterback for the San Francisco 49ers football team. In 2016, Kaepernick protested police brutality and racial inequity in America by kneeling during the national anthem at the opening of NFL games. Kaepernick kneeling during the national anthem caused an eruption of backlash and getting blackballed by the league's team owners. This led to Kaepernick no longer being signed in the NFL and no longer being a part of the Francisco 49ers. Two years later, in September, Nike announced Colin Kaepernick as the new face of their campaign, with the statement "Believe in something, even if it means sacrificing everything." This showed Nike's voice in opinion on where they stand in this issue and that was with Kaepernick fighting for equality. This decision has caused a split between Nike consumers. "Kaepernick and Nike faced many threats after the commercial was released. After the commercial came out, the hashtag #nikeboycott became a trend and people vowed to never buy Nike products. The hashtag #nikeboycott was a form of Cancel Culture that people used who were opposing Nike's decision. Nike faced the threat of losing customers who would take their business to their competitors." (Abad-Santos, 2018, p. 218). People were recording themselves tossing away and even lighting Nike products ablaze to highlight how strongly they are against Nike backing Kaepernick kneeling during the national anthem on social media platforms as part of the #nikeboycott. Nike was well aware that siding with one side meant risking losing customers, and this was a prime example of the company voicing out their opinion more to support a cause they believed in than making a profit and staying neutral in their stance. "The campaign clearly caused a spike in interest in Nike and Colin Kaepernick, as shown through the analysis of Google Trends data. There were extreme spikes in the volume of search terms related to the campaign the day of the launch" (Cosentino, 2019, p. 61). All the awareness

and exposure Nike received has positively affected the company even though majority were because of the boycotting and consumers agreeing.” The various analyses in this research reveal that sentiment around #BoycottNike was not as negative as originally thought, and that the campaign was successful in not only increasing sales, but also in raising Nike’s stock prices and boosting brand awareness” (Cosentino, 2019, p. 61). Even though the commercial sparked so much debate, it turned out well for Nike, and many businesses and consumers were surprised at the outcome. Kaepernick did also benefit from all the controversy but till this day he still has not been recruited in another NFL team. With all what happened it makes a person question whether Nike knew it would work out beforehand in their favor despite all the negative reaction they received.

Ben & Jerry’s

Ben & Jerry's is an ice cream, frozen yogurt, and sorbet company established in the United States. It was founded in Burlington, Vermont in 1978 and sold to British corporation Unilever in 2000. Unilever is the parent company of approximately 400 brands, including Dove, Lipton, Axe, and others. Ben & Jerry's was created by two heterosexual white males who were always vocal about human rights, climate change, police brutality, and other issues long before they became a trend. When firms chose to express their support just when it is convenient, Ben & Jerry's have always made it clear who they support ahead of time. For example, the corporation endorsed same-sex marriage before it was legalized in all 50 states of the United States, and they even refused to sell two of the same ice cream flavors in Australia to reflect the continent's ban on same-sex marriage until it is legalized. The quote that Ben & Jerry’s issued that caused backlash within the people who did not believe that police brutality was “In 2016,

Ben & Jerry's posted a blog post entitled, *Why Black Lives Matter*, a bold piece that addressed systemic and institutionalized racism, asserting that, "to be silent about the violence and threats to the lives and well-being of Black people is to be complicit in that violence and those threats" (Ben & Jerry's, 2016, np)." This statement was released soon after Eric Garner was murdered in New York City because of a police officer putting him in a chokehold when attempting to arrest him. After Eric Garner's murder, Ben & Jerry's voiced their stance in supporting the Black Lives Matter movement. "However, Ben & Jerry's annual sales revenue is over \$132 million dollars, proving that companies can join the Black Lives Matter conversation and still be successful, despite opposition." (Caldwell, 2017, p. 7). Ben & Jerry's, like Nike, presented an example of a company taking a risk knowing what they believe in is right and successfully navigating through the backlash they received. Specifically, the negative outcome consisted of "supporters of Blue Lives Matter called for a boycott of Ben & Jerry's and its parent company, Unilever. Despite the backlash, Ben & Jerry's continued to support Black Lives Matter. Its Facebook page provided a dialogic digital space for users to share perspectives on race in the United States and opinions on Black Lives Matter." (Ciszek, 2018, p. 120). Even though people did oppose the company and call for to boycott them, they still continued to show their support because that is what they thought was the right thing to do. The company has been fully supportive of the protest even up until today including the unfortunate passing of George Floyd who was murdered as well by police brutality. Ben & Jerry's has mentioned how they want to "dismantle white supremacy" and the company "issued this statement: "[Floyd's death is a result of] inhumane police brutality that is perpetuated by a culture of white supremacy. What happened to George Floyd was not the result of a bad apple; it was the predictable consequence of a racist and prejudiced system and culture that has treated Black bodies as the enemy from the beginning." (Winters, 2020, p. 13).

Not only did the corporation make that statement, but Ben & Jerry's also outlined four actions on their website, that individuals should consider if they want to end white supremacy. The first action Ben & Jerry's stated was to contact President Trump, who was in office in 2020, as well as elected officials and political parties, to promise the United States to a proper healing and compromising process. Instead of asking for the use of lethal force against demonstrators, the President should renounce white supremacists and nationalist groups that openly support him, and refrain from using his social media accounts such as Twitter to encourage and support their goals. The second step on the Ben & Jerry's website would be calling Congress to enact H.R. 40, a bill that would establish a commission to investigate the impacts of slavery and prejudice from 1619 to the present and provide recommendations for suitable remedies. That cost must be recognized, and the privileges enjoyed by some at the price of others must be accounted for and redressed. As Ben & Jerry's mentioned "We cannot move forward together as a nation until we begin to grapple with the sins of our past." (Ben & Jerry's, 2020, np) The third stage of the process that Ben & Jerry's highlighted would be supporting Floyd's family's call to create a national task force that would draft bipartisan legislation aimed at ending racial violence and increasing police accountability. The final stage is calling the Department of Justice's Civil Rights Division to strengthen as a supporter of Black and Brown people's rights. By doing that the Department of Justice must also reinstate measures that were scaled back during the Trump administration, such as consent rulings to prevent police abuses. Ben & Jerry's stated actions that almost anyone can be a part of considering no a money is involved, but encouraged their consumers that a simple phone call can make the biggest differences starting with them.

Walmart

Walmart is an American global retail company headquartered in Bentonville, Arkansas, that operates a chain of hypermarkets, affordable department stores, and grocery shops throughout the United States. Sam Walton founded the business in 1962, and Sam's Club is also owned by the company. Walmart is also located in numerous other countries and even have a different name depending on the country. Walmart has been known to make billions while still exploiting their workers and even putting them in poor conditions at work. "It would take a full-time hourly Walmart worker, who the company claims earns \$12.67 an hour, more than 785 years to earn the annual salary of the company's CEO. In fact, this likely exaggerates the actual hourly wage and ignores the many workers who don't get to work anything like a 40-hour week." (Caplan, 2014, pg. 1). Even while today's minimum wage is greater than \$12.67 per hour, it does not even come close to cutting the number of years required to reach the CEO's yearly income in half. With a company like that people debate and think twice about buying from a firm that effectively exploits its employees. Because of these beliefs Walmart has viewed the union as a threat. "Walmart's extreme hostility towards unions made the role of social media even more crucial. Walmart not only expelled union organizers from stores but also operated a workplace regime of surveillance and fear." (Wood, 2018, p. 2). That meant that Wal-Mart started monitoring their workers very closely which meant it was difficult to have private conversations or even converse with a union organizer at all. If found speaking with a union organizer you may even get threatened to be punished. "If Walmart was to change its corporate strategy from cost leadership to help generate less negative criticism and high turnover rates, it would dramatically alter the foundation the company has created for itself and ultimately go out of business." (McMann, 2019, p. 4). Wal-Mart is the name that comes to mind when Americans want to save

money and shopping smart. Whether it's food, electronics, or even furniture, Wal-Mart almost always has the best price. If they raise the price, it will have a detrimental influence on the company's brand identity, as people will no longer think of Wal-Mart while looking for a low-cost item. Wal-Mart's slogan is "save money, live better" because of their unmatched prices, which enable customers to "live better," however while both customers and employees save money, employees do not live better. This is an internal problem within the company, unlike the other companies previously mentioned. Because Wal-Mart's employees are dealing with this problem, it's difficult to get outside help from those who don't work there. When someone is not directly impacted by a problem, they are more likely to be unconcerned than someone who is. This is why in September 2012 "about three dozen workers walked off the job at a warehouse in Mira Loma, California, to protest poor working conditions." (Caraway, 2016, p. 911). The workers figured that if they want their voice to be heard then they should take action and walk off the job at the warehouse. "The warehouse workers commenced a 15-day walkout followed by a six-day, 50-mile march from Inland Empire to downtown Los Angeles. The protest was organized by Warehouse Workers United and other supporters" (White, 2012, np). This set off a chain reaction that resulted in several sit-ins, strikes, and other labor actions across the United States, including in Los Angeles, Dallas, Chicago, and many more cities. As the strike increased in popularity, the movement garnered more external allies, including immigrant rights organizations, local residents, elected officials, and religious and civil rights leaders. This was not a good look for Walmart's identity especially since it has been ongoing until 2014. Since 2015 Walmart has implemented 3 company-wide minimum wage policies "and its minimum wage went from \$9 to \$11 by 2018. At nearly twice the size of Amazon's workforce, Walmart's wage policies are likely to have had ripple effects on other low-wage employers."

(Derenoncourt, 2021, p. 6). Given the uproar caused by the strikes, it appears that Walmart was compelled to address the problem before losing income or, worse, declaring bankruptcy. Because of Wal-Mart's \$9 minimum wage rise, Target decided to follow the corporation a month after and raised it to \$9, with an annual increase of \$1 until the minimum wage reached \$13 in April 2019.

TOMS

TOMS is a for-profit corporation established in Los Angeles. Blake Mycoskie created the brand in 2006, which designs and distributes shoes, eyewear, coffee, clothes, and handbags. Although they develop and sell a variety of items, their most well-known product is shoes. Mycoskie was inspired after visiting the Buenos Aires slums and realized how bad poverty was outside the capital. In 2006 TOMS vowed to send a pair of shoes to a kid in a poor nation for each pair sold. "Since its founding, TOMS has donated more than two million pairs of shoes, with approximately one million of those pairs donated in the past two years alone" (Park, 2014, p. 28). This was a major risk for a corporation to take because not all of the earnings from sales goes back to the firm if they're prepared to use some of it to create shoes for the less fortunate. It was also wonderful that instead of donating cash, the corporation donated a necessary pair of shoes, which many take for granted. "The success of TOMS has encouraged other entrepreneurs, both social and otherwise, to adopt similar business models. Eyewear retailer Warby Parker, for example, has been tremendously successful, donating more than 100,000 pairs of eyeglasses to people in need." (Park, 2014, p. 28). This shows that Mycoskie's ideals didn't go unnoticed and inspired not only his consumers but also other companies like Warby Parker, Rootz, and Two Degrees Food. All three of those companies started participating in the "buy-one give-one"

model with the products they sell. “Having multiple companies in a market segment, such as shoes or eyeglasses, will make it more difficult for consumers to differentiate among competing buy-one give-one companies. And as larger companies adopt these models to take advantage of the business opportunity, consumers may become suspicious about the authenticity of the overall concept.” (Park, 2014, p. 30). Although it is vital to give back and donate, unless you are donating money, food, or toiletries. This is because if a number of different corporations start providing shoes or glasses, poor people would eventually need something else, something more essential. This should not deter businesses from giving back; instead, they should be inventive in what they contribute so that no two businesses donate the same thing. This also helps the corporation stand out to its customers; when numerous companies start donating the same goods, buyers won't care if they buy from one or the other as long as they all donate if you buy something. In a way it forms a sense of brand identity and it is safe to say that TOMS has secured that since 2006. “According to Brent Freeman, founder and CEO of Rootz, an online marketplace for buy-one give-one products, most companies find success selling consumer products, more specifically accessories and jewelry, because these types of products provide a way for people to publicly express their unique style and personality while also provoking conversations that allow them to share the buy-one give-one story with other people.” (Park, 2014, p. 30). Unfortunately, consumer products such as food do not function as well as jewelry and accessories since such products allow people to openly show their style while also sparking dialogues that allow them to share the approach with others. Because food is consumed rather than worn, it reduces the amount of marketing that a firm could receive if its products were worn. When logos are included on clothing, it is practically free marketing for the clothing manufacturer based off where their consumers are wearing them. That is why companies like

Two Degrees Food who participate in the buy-one give one story as well, but with food instead of clothing are at a disadvantage. TOMS did not have that issue since their products were being worn, and instead benefitted greatly from this strategy.

Equinox Group

Equinox Group is an American luxury fitness corporation that owns Equinox, PURE Yoga, Blink Fitness, SoulCycle, and more among other lifestyle brands. Equinox is controlled by a few investors that include Harvey Spevak, Executive Chairman and Managing Partner, as well as The Related Companies' Principals. “In August 2019, fitness empires Equinox and SoulCycle faced consumer backlash after owner Stephen Ross hosted an expensive, exclusive fundraiser for Donald Trump at Ross’s home in upstate New York, imposing a set of associations that undermined SoulCycle’s expressed brand values of diversity and inclusion” (Abad-Santos, 2019, np). Equinox boasts about how inclusive and diverse they are so their customers felt deceived once they found out the company supported someone who is anti-inclusivity and diversity, Former President Donald Trump. It had an impact on its customers as well as the company’s own identity, establishing it as the corporation that says one thing but does another. Many Equinox customers contacted their gyms to cancel their subscriptions in order to stop supporting a corporation that has beliefs that are completely opposed to their own. “Lastly, in 2019, consumers threatened Home Depot with backlash after its cofounder Bernie Marcus pledged to support President Trump for re-election in 2020, and Hudson Yards, CFDA, Equinox, and SoulCycle faced similar backlash over involvement with Stephen Ross who announced hosting a fundraiser for President Trump’s 2020 campaign” (Zhang, 2019, p. 2). All of this evidence suggests that stakeholders, at least consumers, pay attention to how companies support political

candidates and sometimes react negatively to corporate political contributions.” (Zhang, 2019, p. 2). This did not only just happen to Equinox, but a lot of companies were getting boycotted because they were publicly political and showed their support for Donald Trump. Equinox stated that “We want to let you know that Equinox and SoulCycle have nothing to do with the event and do not support it,” but their consumers were not okay with it and the company was losing customers including some celebrities that took it to their social media accounts to express their cancelation for the gym membership. Although Stephen Ross claims that he is not using Equinox and Soulcycle to support President Trump, it doesn’t deny the fact that he had known Trump for forty years and that Equinox claimed that Stephen Ross was a “passive investor”. Because of that fact, it did impact their reputation as a corporation.

PepsiCo

PepsiCo, Inc., based in Harrison, New York, is an American global food, snack, and beverage conglomerate. It is in charge of product manufacture, distribution, and marketing. PepsiCo has subsequently grown from its namesake beverage, Pepsi Cola, to a vast range of food and beverage businesses. PepsiCo launched a television ad starring Kendall Jenner on Tuesday, April 4th, 2017. Jenner appeared in the commercial abandoning her photoshoot to join a Black Lives Matter-inspired protest, marching until they came to a line of police officers. Jenner then offers a can of Pepsi to one of the police officers, and both the protestors and the police officers are pleased since they were able to reach an agreement over a can of Pepsi. PepsiCo’s target audience for this commercial were millennials especially using an influencer such as Kendall Jenner in the ad. The commercial of course caused controversy and dealt with backlash. “PepsiCo, as a snack and beverage company, is not an appropriate representative for complex

political matters such as Black Lives Matter protests. Kendall Jenner, as a wealthy, white woman who is uninvolved with the Black Lives Matter movement, does not have the social position to portray an authority figure in a protest that mimics a Black Lives Matter protest.” (Dozé, 2018, p. 117). The commercial came across as tone deaf, as if handing out a can of Pepsi will solve real-world concerns like the Black Lives Matter movement and put an end to all the protesting to make police brutality stop. “The fact that Jenner simply strolls up to an armed officer and directs an object toward him without fearing for her life is indicative of her privilege and indicative of PepsiCo’s lack of knowledge about the context of protests of this sort” (Dozé, 2018, p. 117). PepsiCo was under the impression that the advertisement would work in their favor, but in actuality, it just led to a failed rollout. PepsiCo was so focused on reaching their target audience that they overlooked the various perspectives and reactions that their ad was capable of producing. PepsiCo spoke out about their ad and “released a statement which read, “[The commercial] depicts various groups of people embracing a spontaneous moment, and showcasing Pepsi’s brand rallying cry to ‘Live for Now,’ in an exploration of what that truly means to live life unbounded, unfiltered and uninhibited” (Elizabeth, 2017, np). Unfortunately for PepsiCo, this response just added fuel to the fire, implying that the business lacked the credibility and knowledge required to make a commercial reference to Black Lives Matter protests. PepsiCo thought they can turn their message around and justify their commercial but their statement led to more criticism which was just a public relations (PR) nightmare for the corporation. Their statement did not save their reputation which then resulted in having to take down the commercial. Because Jenner is from the Kardashian family, which is notorious for being extremely affluent and privileged, it was terrible sponsorship planning to have her appear to be a part of a protest when she most likely has never attended one, making the ad even more

inauthentic. Not even two days passed by before PepsiCo took down their commercial.

“Rejecting its previous defense altogether, PepsiCo’s apology read, “Pepsi was trying to project a global message of unity, peace and understanding. Clearly, we missed the mark, and we apologize” (Advocate Staff Report).” (Dozé, 2018). PepsiCo retracted the statement they issued in response to the outrage, as well as removing the commercial, and apologized for their behavior. They admitted they were mistaken and clarified what they believed their message was supposed to entail. After that whole debacle, statistics of how PepsiCo was impacted were made public. “A significant irony pertaining to the Kendall Jenner ad is that surveys conducted after it was discontinued suggested that public response was not nearly as negative as social media would have led one to believe. A Morning Consult Brand Intelligence survey of more than 220 US consumers showed that 44% had a more favorable view of Pepsi after seeing the ad, while 25% had a more negative view and 31% reported their view was unchanged (Daily Mail 2017)” (Taylor, 2017, p. 516). These results were surprising considering that 44% of the respondents had more favorable view of the company than opposed to it. The amount of negative feedback plastered across social media platforms did still affect the company’s reputation beyond the 220 people included in the survey. This, of course, hurt the company's reputation because not everyone was willing to accept an apology for an advertisement that had likely gone through several approvals before appearing on television. This is one of the incidents where the company had to deal with the damage done and move forward with their business.

Thematic Analysis

In this paper I have identified three themes common among the case studies, they are *CSR leading to Cancel Culture, social movements, and indifference towards impact. CSR leading*

to Cancel Culture examines how Nike and Equinox suggested two different CSR initiatives while both still having to deal with Cancel Culture. *Social movement's* theme includes Nike, Ben & Jerry's, and Walmart where each one either supported a social movement or had one targeted against them. The final theme is *indifference towards impact*, with organizations operating solely for the purpose of running a business rather than going out of their way to make an impact unlike other companies. I will address Wal-Mart, Chick-Fil-A, Nike, Ben & Jerry's, and TOMS in this section.

CSR leading to Cancel Culture

A CSR campaign such as donating to political campaigns or having a sponsorship with someone who is vocal in what they believe in can and has resulted in being “canceled” which is an effect of “Cancel Culture”. This caused from group of people did not necessarily agree with the beliefs and thought it is best to “cancel” the company they represent. Both companies went out of their way to support in what they believed in whether it is considered the “right” or “wrong” thing to do. Nike knew the type of impact they would receive while Equinox did not expect the sudden backlash they received. Nike was vocal on their stance and the side they were on by standing with Colin Kaepernick which resulted in support that heavily overshadowed the trending Cancel Culture they received. When it came to dealing with "Cancel Culture," Equinox had a different predicament. Their situation was not planned; once the public learned about the fundraiser and who was invited, the boycott began. This engagement sparked outrage among consumers who felt deceived by their brand loyalty. Customers were abandoning their gym subscriptions despite the fact that the corporation declared that it does not sponsor politics. Equinox, unlike Nike, which knew exactly what they were doing, had to think quickly in order to

avoid losing any more customers than they already had. Issuing a statement to clarify that they had nothing to do with supporting Former President Trump was enough to slow down the membership cancellations but wasn't enough to have people forget about Stephen Ross' close relationship with President Trump. Those were examples of CSR that corporations participated in that ended in getting them "canceled"

Social Movements

Nike, Ben & Jerry's, PepsiCo, and Walmart applied to a second theme which is social movements. Nike, Ben & Jerry's, and PepsiCo took a stand for the topic whereas, Walmart had a stand against them. Whether people agreed with their decisions or not corporate giants Nike and Ben & Jerry's vocalized where they stand on certain issues which did provide them appraisal. PepsiCo saw social movements happening in the country and thought it would be a great idea to utilize it in their commercial, however the way they proposed it backfired. PepsiCo decided that they could benefit from the Black Lives Matter movement by adding a privileged celebrity who has no connection to the movement and giving her a can of Pepsi to resolve any tensions between officers and demonstrators. PepsiCo's beliefs resulted in an unsuccessful rollout that ended up in having to take down the commercial. Walmart had protests against them because large groups of people knew that a change had to be made and that is increasing the employee wages. Supporting protests, seeking to use protests to advertise your brand, or having protests targeted against the corporation are all situations these companies participated in. Because of their ideals, all of these companies have had social movements influence them in their own way. Each social movement had an external and internal impacts on the company. If it hadn't been for

the protests against Walmart's wage rise, other companies would not have been forced to raise their wages to avoid losing current employees to competitors prepared to pay more for labor.

Indifference towards impact

The third theme discusses how Chick-fil-A and Wal-Mart did not go out of their way to have an impact, instead continuing to run their companies until they received a reaction that prompted them to act. Whereas companies TOMS, Nike, and Ben & Jerry's chose to willingly make an impact without needing a reaction to initiate them and still prioritize in being a successful business. Despite the fact that Chick-Fil-A is presently growing and producing more money than before, the company's strategy backfired, resulting in boycotts, doubts about its identity, and a public relation's nightmare. Chick-Fil-A is one of the few companies that did not go out of their way to make a difference thus being such a successful company. Following up with that same thought process was Wal-Mart, Wal-Mart didn't make a change until they realized that protests against them were heavily affecting the corporate giant. Wal-Mart's opposition began within the company before spreading to the outside world. They faced strikes and sit-ins by employees, which forced Wal-Mart to make changes to how they treat its employees, including boosting the minimum wage. On the other end of the spectrum are companies that not only want a successful business for themselves but to make an impact towards the world. Nike worked with Colin Kaepernick because they believed in what he was stood up for, unlike many who were outraged by him prior to the Nike sponsorship. They took a chance that paid off since the quantity of brand recognition they obtained outweighed the boycotts of those who were averse to buying at Nike. Ben & Jerry's was one of the companies that was able to demonstrate that you can be a part of the Black Lives Matter movement and still

be profitable while being boycotted. The corporation continued to express its beliefs and relied on their instincts. TOMS has had no issues and, in fact, has acquired more customers as a result of their "buy one, get one" strategy. Because of their successful strategy, it led to influencing other corporations to follow the same method. There was nothing in their values that prompted boycotts, and they acquired more customers as a result of their shared views.

Discussion

When it comes to vocalizing politics, morals, ideas, and opinions, to the public the company is then portrayed as taking sides. When a corporation expresses its belief on an issue, there will be consumers who agree, disagree, or stay neutral about the viewpoint. Because businesses don't know all the different possible scenarios, despite their preparations of publicizing their opinions will be for them. That may lead to a positive or negative impact on the company's reputation, and most importantly, on the company's sales. That is why some organizations want to remain neutral when it comes to vocalizing their values, while others want their beliefs to be known to their consumers and aligned with their company brand. CSR is supposed to benefit the company both externally and internally, whether it's helping their own employees feel a sense of gratitude for being a part of a company that gives back to the community or improving the organization's brand. If corporations were not benefitting from CSR, they wouldn't suggest proposing one in the first place. If corporations passionately believe in something and make it known to the public, it reinforces their business's identity, and consumers will become familiar with the brand based on that belief, whether it is considered positive or negative. When a company does not express its principles and values, it does not solidify its identity in the eyes of the customer, who may choose to shop elsewhere based off

convenience. Some consumers are prepared to reject corporations that are convenient but do not line with their values, whilst others might support a new business even if it is inconvenient simply because it is going the additional mile to create a change that also corresponds with the customer's values. Aside from identity, there is also loyalty. Customers would be willing to be more loyal if they share their values for the company but if the customers oppose the value that could result in losing brand loyalty and maybe even opposing to the result of boycotting the company as well. Just like Wal-Mart's case study, the company received backlash but also had strikes and sit-ins against them. Employees did not just stop purchasing from them, they stopped working to make sure that the company would act on making the difference that the protesters wanted. Other companies, such as Chick-Fil-A and PepsiCo received backlash for their position's. This had a negative effect on their sales; however, both companies believed it was okay to express those positions as they are still functioning successfully. Nike may have also faced backlash and continued to function successfully but unlike Chick-Fil-A and PepsiCo, Nike knew that this is what they believed it and that it must be publicly known. Ben & Jerry's, which has backed the Black Lives Matter movement since 2016, as well as same-sex marriage before it was legal, are additional examples of companies speaking up for what they believe in regardless of how it may impact their company. Chick-Fil-A is in the same situation when it comes to prioritizing its principles, such as emphasizing the company's Christian beliefs by closing on Sundays and treating consumers with the best customer service possible. The company was receiving backlash for their conservative views on marriage, so donating to anti-LGBTQIA+ organizations added more backlash on their end. Chick-Fil-A eventually struggled to maintain a consistent brand identity whether they're against or in support of the LGBTQIA+ community. PepsiCo realized they were in the wrong and had to remove their commercial. Wal-Mart also

realized they were incorrect, which is why they had to raise the minimum wage, which prompted other companies, such as Target, to follow suit. TOMS has made a point of giving a shoe for every one purchased, a strategy that has proven to be a major success for the firm and has influenced other businesses to follow suit. Equinox reacted quickly to reports that it had been "canceled" for supporting Trump's 2020 campaign by hosting a fundraiser for him, but issued a statement clarifying that it is not affiliated with the campaign, which was an example of dealing with the incident and being transparent with their customers about the fundraiser's purpose. All these companies had faced different scenarios and reacted to them differently but it seems that they all ended up managing after getting through all the boycotting and "canceling". The thesis demonstrates that "Cancel Culture" isn't always effective, and that while it may result in boycotts and harm a company's reputation, organizations like Chick-Fil-A, Nike, Equinox Group, and PepsiCo can overcome that obstacle and continue to operate successfully.

Recommendations

Based on these comparative case studies, it is my argument that businesses may communicate their ideas and values while still being profitable. It appears that many individuals would prefer sticking with their current brand than considering an alternative. I personally know LGBTQIA+ individuals who do not hesitate to avoid Chick-Fil-A when alternative fast-food options are available. Wal-Mart does not treat its employees well, but since it is so inexpensive, many customers will have a difficult time finding a better affordable option for their food, electronics, and other necessities. In terms of business, PepsiCo is still successful, despite the fact that their commercial was withdrawn and the criticism they received ultimately faded away. From this study, it appears that if a company is successful, they may communicate their beliefs

regardless of whether or not their customers agree with them. If the company faces a pushback, then the corporation will face a public relations nightmare and may experience Cancel Culture which will hinder their brand identity. However, they may still manage to be successful as a company in the long-term run. Overall, expressing the company's views and values can help reinforce the brand's identity and generate client loyalty if they align. As a result, I would recommend businesses to be more transparent about what they stand for because, at the end of the day, if customers are truly loyal to the company, they will not hesitate to buy from them, even if they can find an alternative.

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