



FIGHT OR FLIGHT

HOW AMERICANS REACT TO CORPORATE CRISES & CONTROVERSIES

Equifax's Major Security Breach

Dog Dies in Overhead Bin On United Flight

Wells Fargo Uncovers More Fake Accounts

Delta, MetLife End NRA Partnerships

Pepsi Releases Kendall Jenner Ad

NFL Anthem Protests Spark Backlash

Dove Announces Body Bottles

NBC Fires Matt Lauer

The Widespread Impact Of #MeToo Movement

Uber's Sexual Harassment Allegations

Apple's Battery Controversy

Kalanick Steps Down From Uber



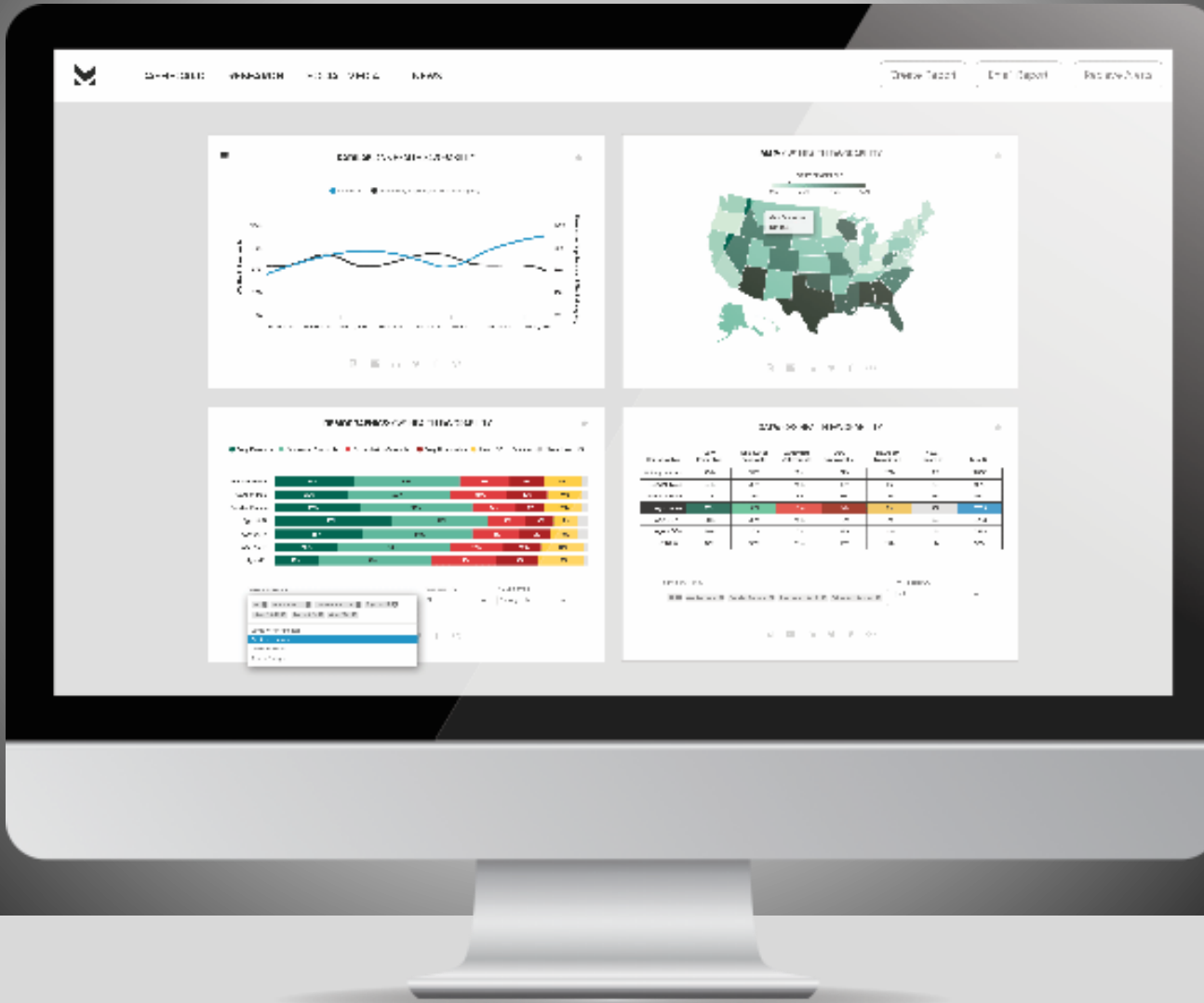
PR CRISES HAVE BECOME **NON-STOP**



WHAT'S A BRAND TO DO?

4

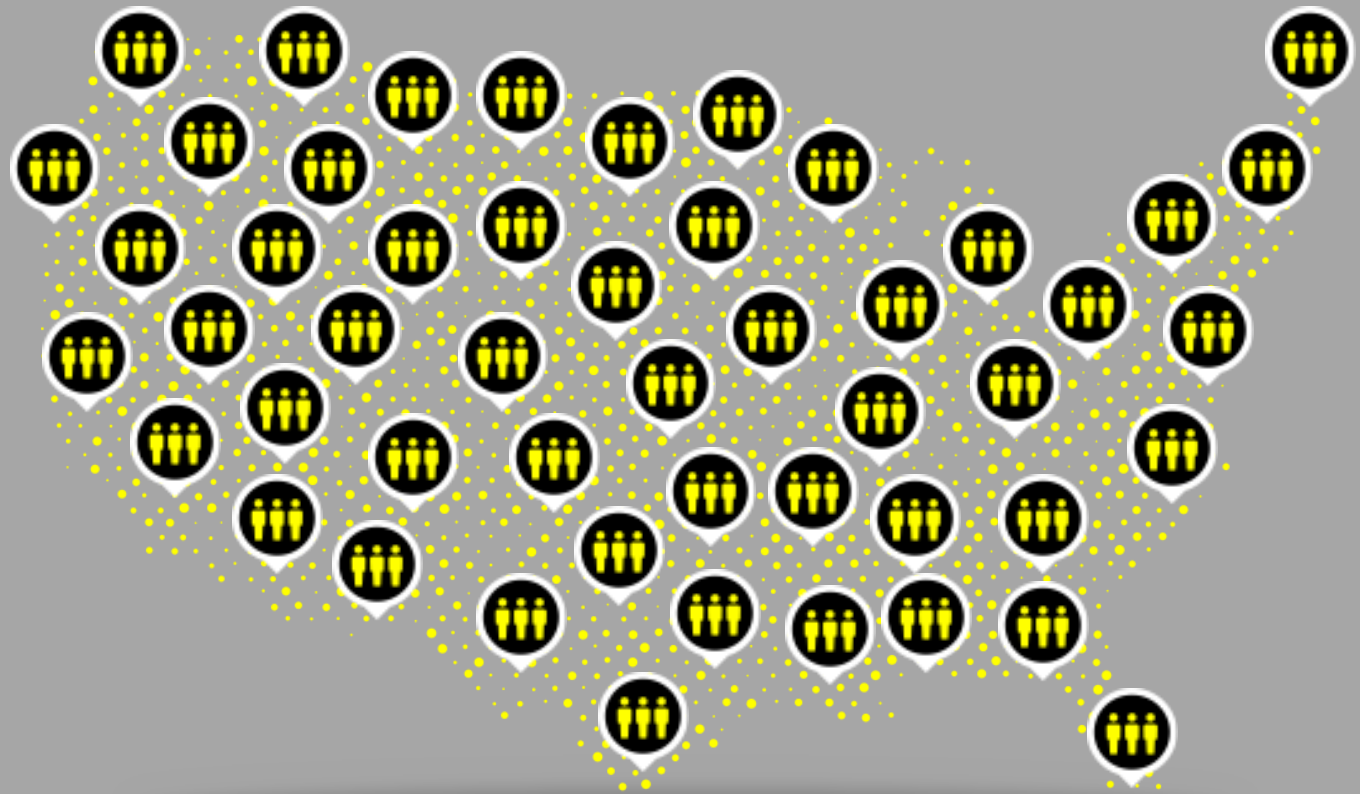




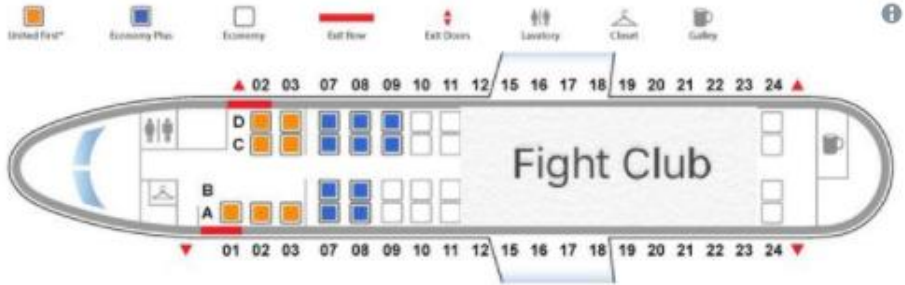
**ONLINE
SURVEY
RESEARCH
HAS MADE
MAJOR
ADVANCES**



**WE ARE ABLE
TO SURVEY
5000-10000
AMERICANS
EVERY DAY ON
THE BIGGEST
TOPICS,
BRANDS AND
STORIES.**







McNeil ✓
@Reflog_18

United Airlines is pleased to announce new seating on all domestic flights- in addition to United First and Economy Plus we introduce....

11:13 AM - Apr 10, 2017

♥ 158K 💬 92.5K people are talking about this



Maggie Gremminger
@MaggieGrem

Following

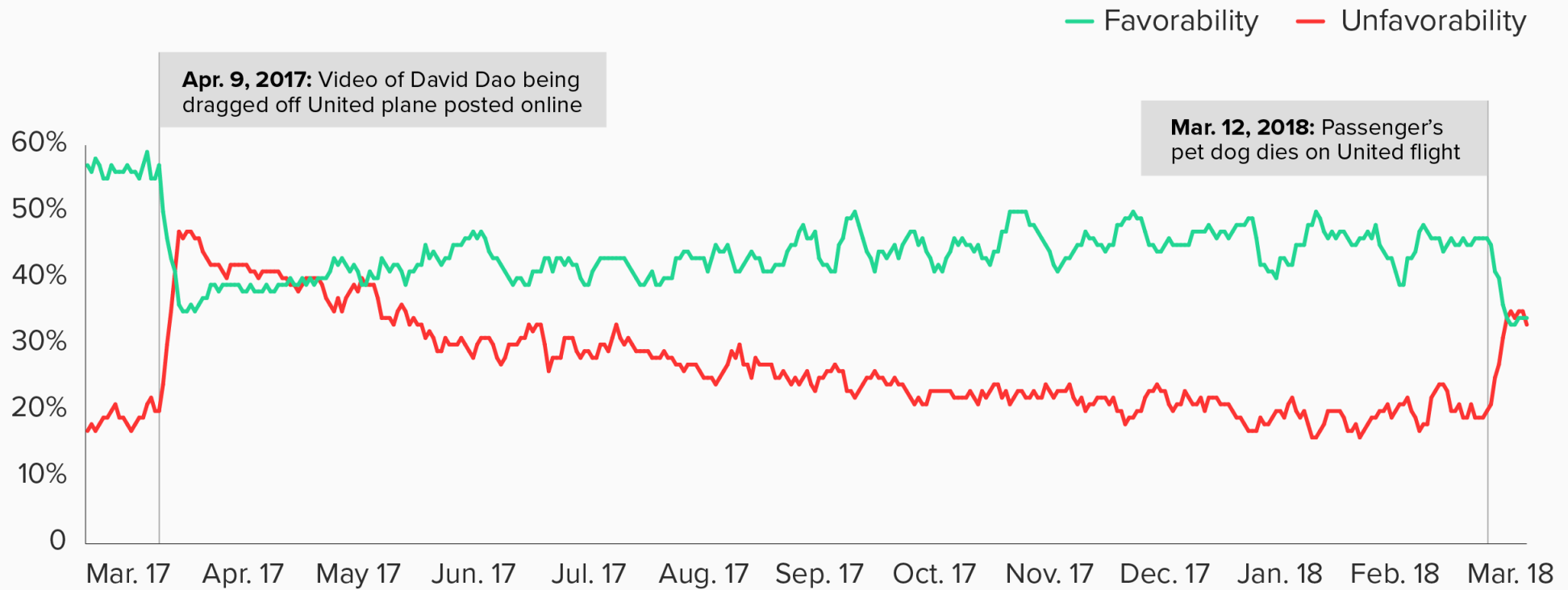
I want to help this woman and her daughter. They lost their dog because of an @united flight attendant. My heart is broken.



9:15 PM - 12 Mar 2018



UNITED AIRLINES FAVORABILITY OVER TIME



1
0





Donald J. Trump 

@realDonaldTrump



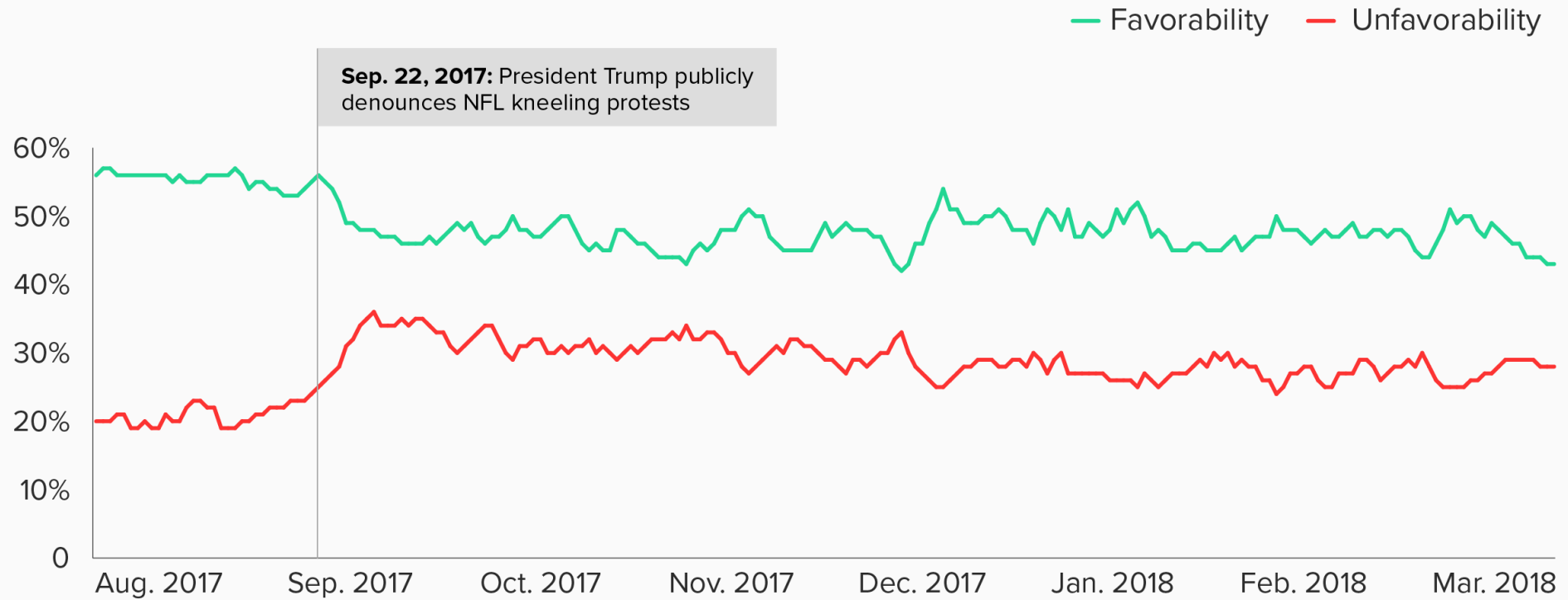
Two dozen NFL players continue to kneel during the National Anthem, showing total disrespect to our Flag & Country. No leadership in NFL!

7:53 AM - Oct 23, 2017

 116K  77.8K people are talking about this

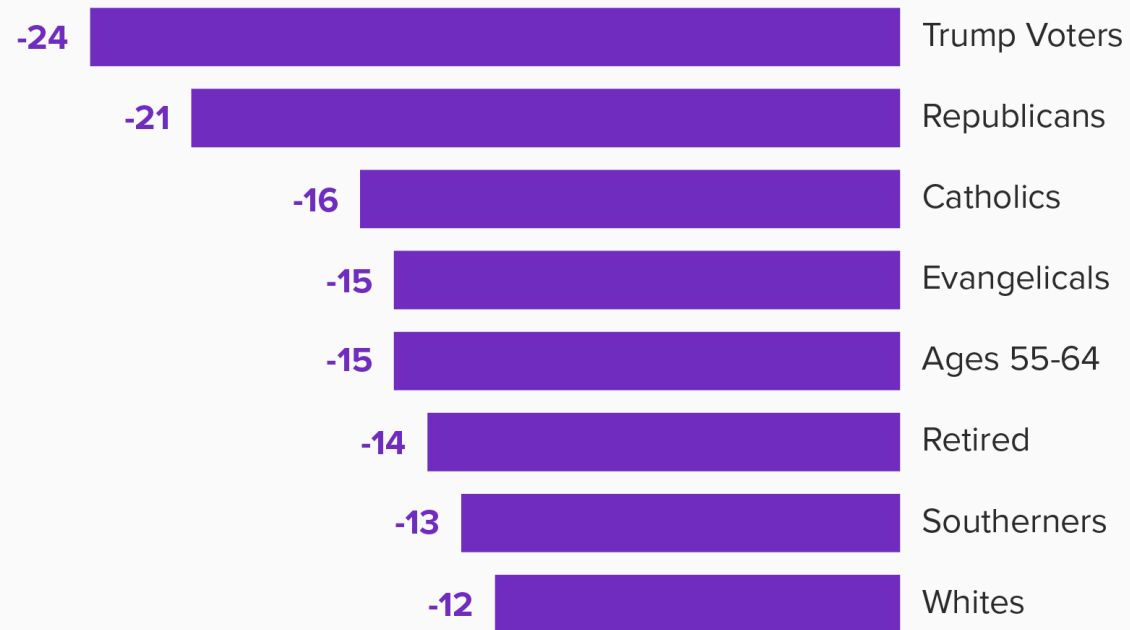


CHANGE IN FAVORABILITY TOWARDS THE NFL



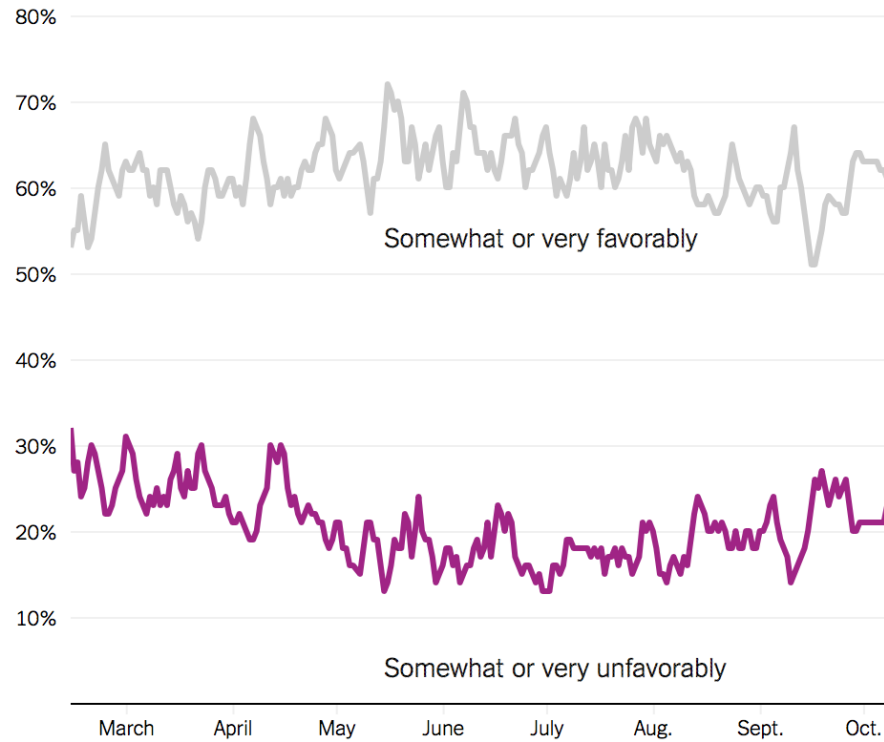
GROUPS WITH THE BIGGEST DROP IN FAVORABILITY

(Aug. 2017 – Mar. 2018)

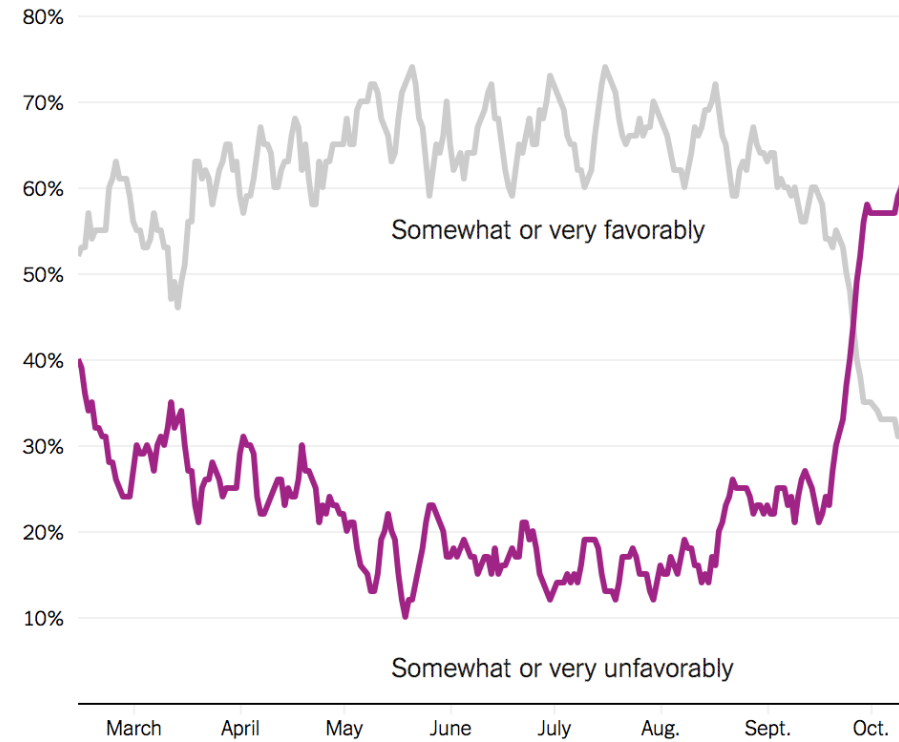


CLINTON VS. TRUMP VOTERS

How **Clinton** voters said they viewed the N.F.L.



How **Trump** voters said they viewed the N.F.L.



THE GUN DEBATE





Ed Krassenstein 
@EdKrassen

Follow

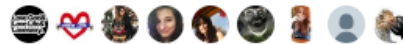
These companies have business relationships w/ the @NRA

@Fedex @TrueCar @Hertz @Avis @Budget
@LifeLock @Enterprise @Alamo
@NationalCares @life_line @NortonOnline
@alliedvl @SimpliSafe @starkeycares
@Manageurid @eHealth @Teladoc
@northAmericanVL

Spread the word to demand change!

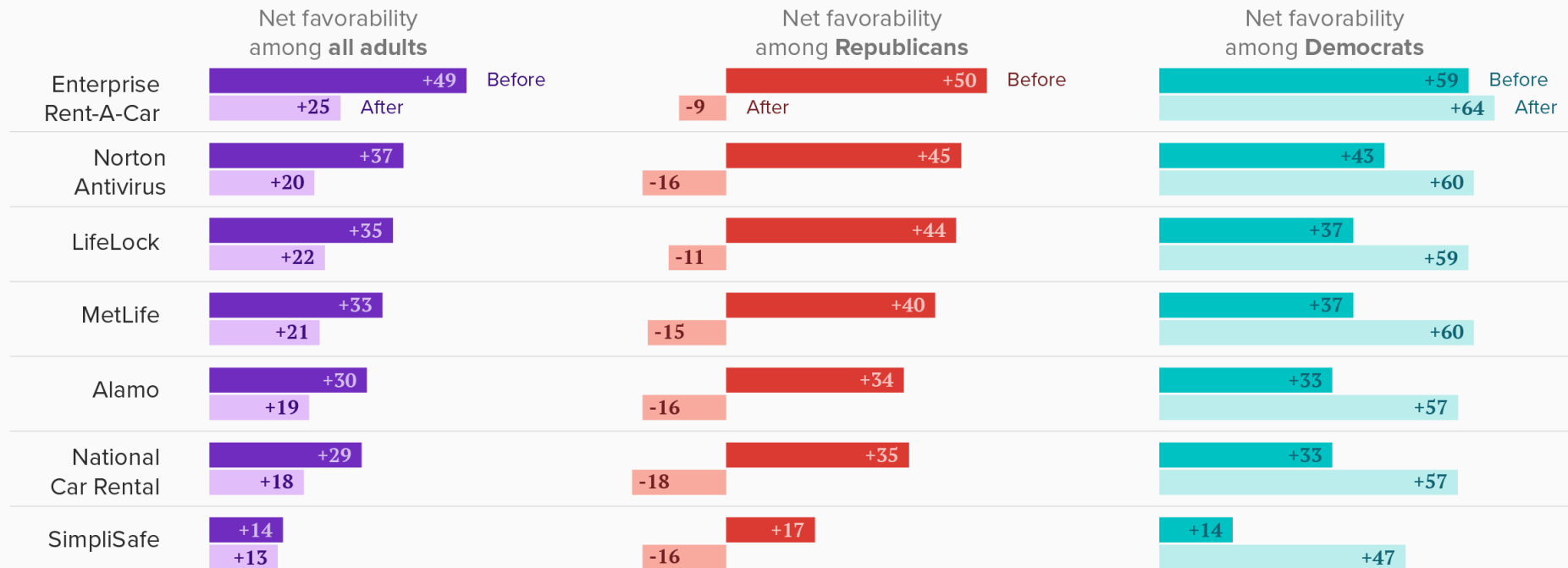
1:40 PM - 22 Feb 2018

2,793 Retweets 2,549 Likes



AMERICANS SPLIT ON COMPANIES' NRA ASSOCIATION

How Americans viewed the following companies before and after learning the company ended their relationship with the NRA?



Poll conducted from Feb. 23-25, 2018 among 2,201 adults, with a margin of error of +/- 2 percent.



CHANGE IN FAVORABILITY TOWARDS DICK'S AND WALMART

Net Favorability Pre-Gun Sale Policy Change
(2/20-2/28)

Net Favorability Post-Gun Sale Policy Change
(3/7)

1
8

Dick's Sporting Goods

53

Dick's Sporting Goods

44

Walmart

58

Walmart

57





FIGHT OR FLIGHT

HOW AMERICANS REACT TO CORPORATE CRISES & CONTROVERSIES

METHODOLOGY AND SCENARIOS

METHODOLOGY

- Survey conducted by Morning Consult on March 13-15, 2018
- 2,201 adults participated

21 CRISIS AND CONTROVERSY SCENARIOS

- **Crisis:** “A major company is facing a crisis in which it is alleged they committed an act of serious moral or legal wrongdoing”
- **Controversy:** “A major company takes a stance on a social or political issue that disappoints you or is involved in some other upsetting controversy”
- Scenarios not labeled as crises or controversies



A FEW WORDS ABOUT RISK PERCEPTION

Uncertainty

Man-made

Imposed

Lack of control

No positive trade-offs

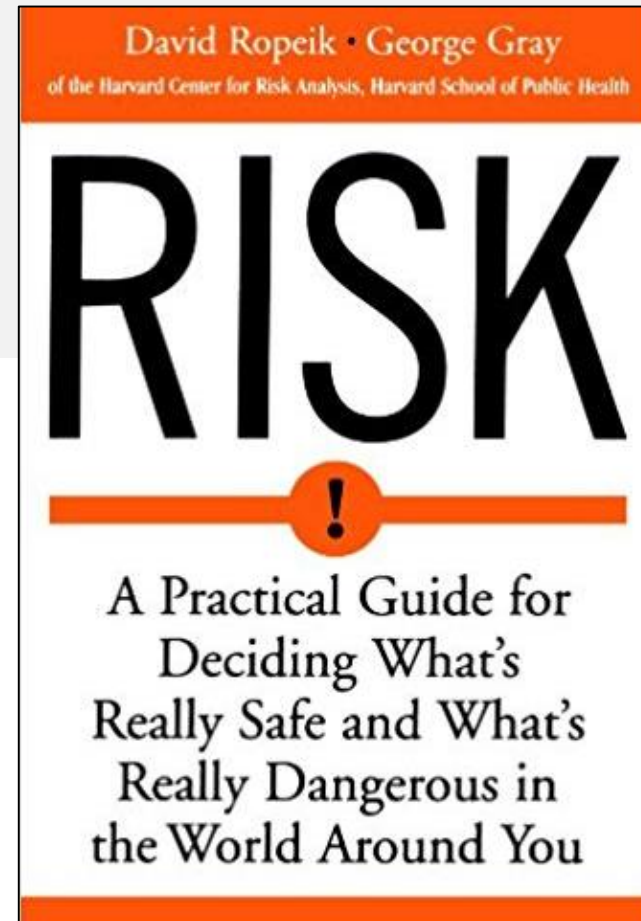
Gruesome

Risks to children

Unfamiliarity

Directly affects you

Distrustful source of risk



CRISES VERSUS CONTROVERSIES



65%

of Americans say they are likely to stop purchasing products if a company is involved in a crisis



61%

of Americans say they are likely to stop purchasing products if a company is involved in an upsetting controversy



43%

of Americans say they are likely to make negative comments to family/friends if a company is involved in a crisis



44%

of Americans say they are likely to make negative comments to family/friends if a company is involved in an upsetting controversy



62%

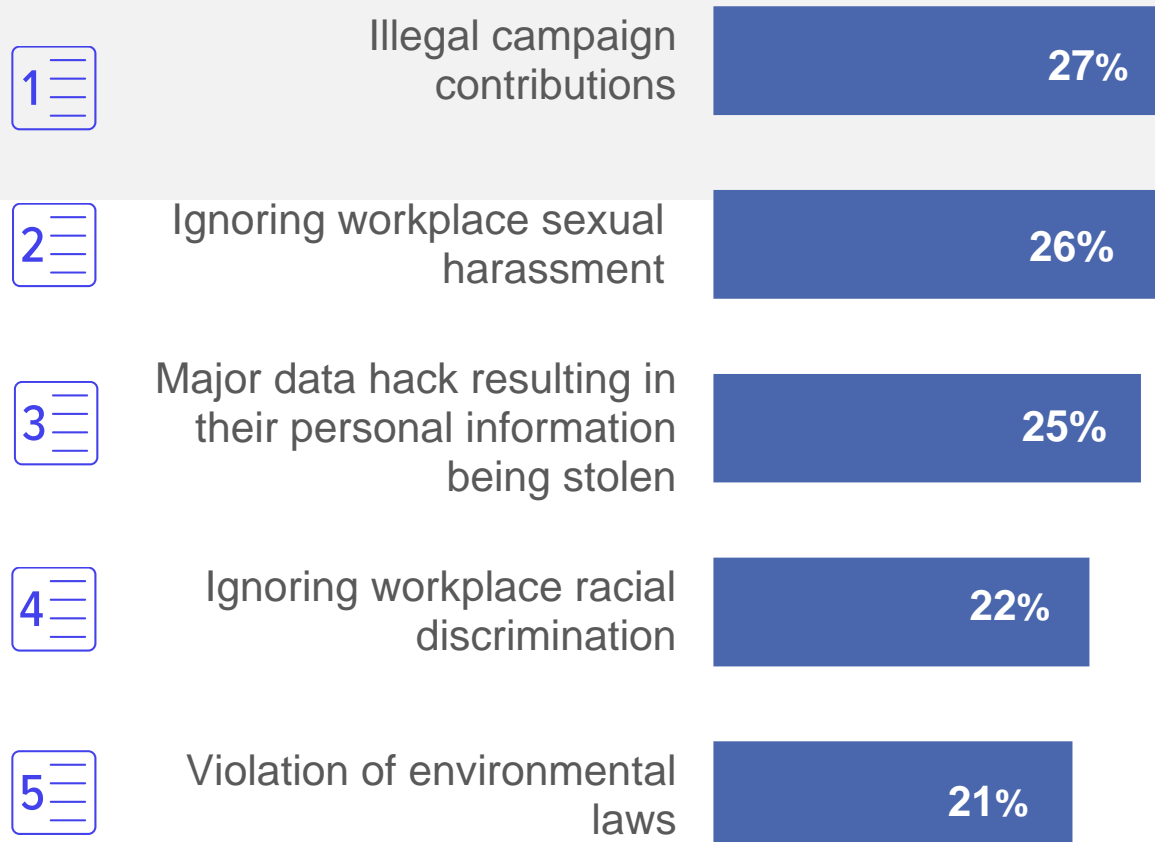
of Americans say they are likely to support tougher regulations if a company is involved in a crisis



MOST SERIOUS CRISES AND CONTROVERSIES

Americans were provided 21 crisis situations and asked which situations were the **MOST** and **LEAST** serious

Most Serious



LEAST SERIOUS CRISES AND CONTROVERSIES

Americans were provided 21 crisis situations and asked which situations were the **MOST** and **LEAST** serious

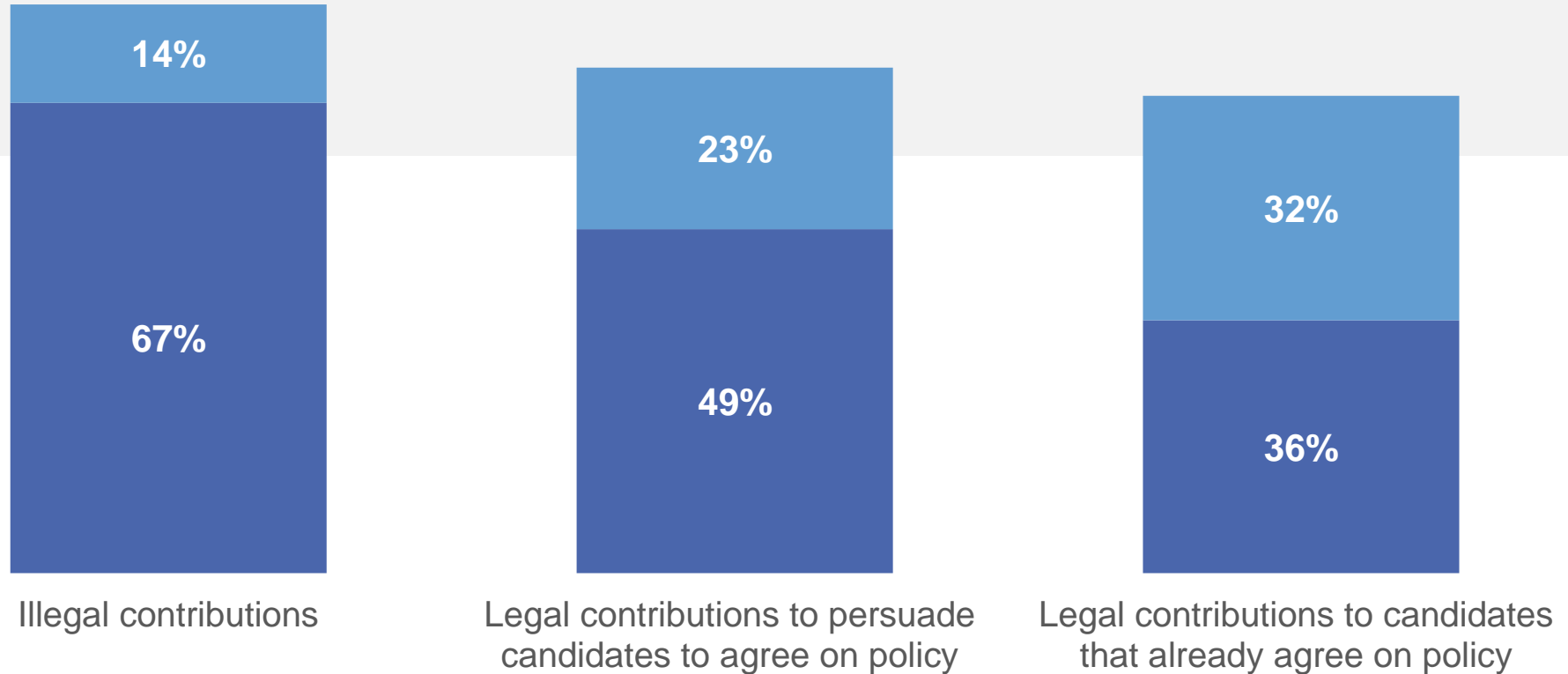
Least Serious



CAMPAIGN FINANCE CONTROVERSIES

Here's what Americans said when asked whether they have favorable or unfavorable views of companies making illegal vs. legal campaign contributions

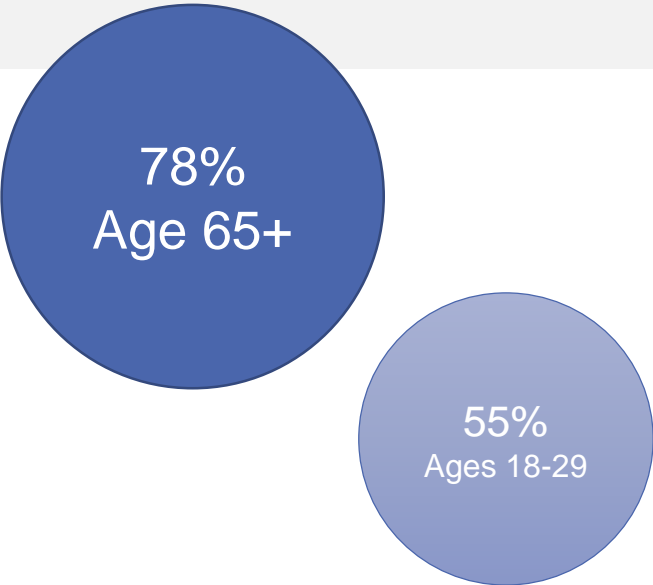
■ Unfavorable ■ Favorable



PUBLIC CRITICAL OF HARASSMENT AND DISCRIMINATION

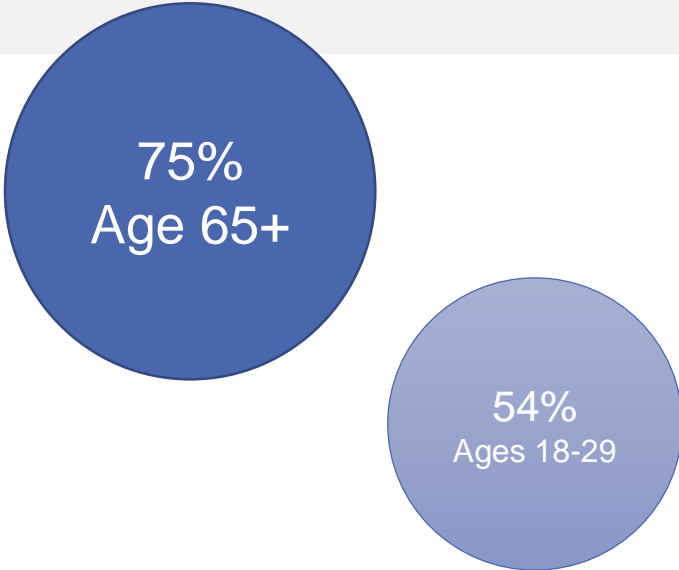
Older people had more unfavorable feelings than younger people about bad behavior in the workplace

Sexual Harassment



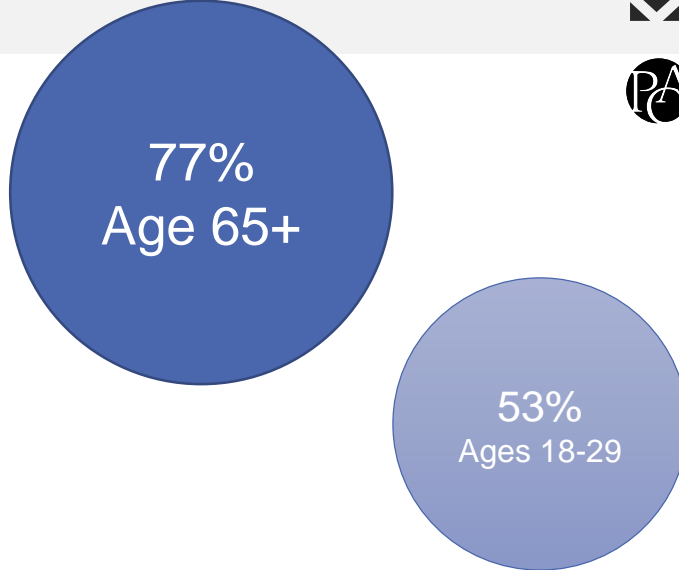
All Adults: 66%

Racial Discrimination



All Adults: 65%

Gender Discrimination



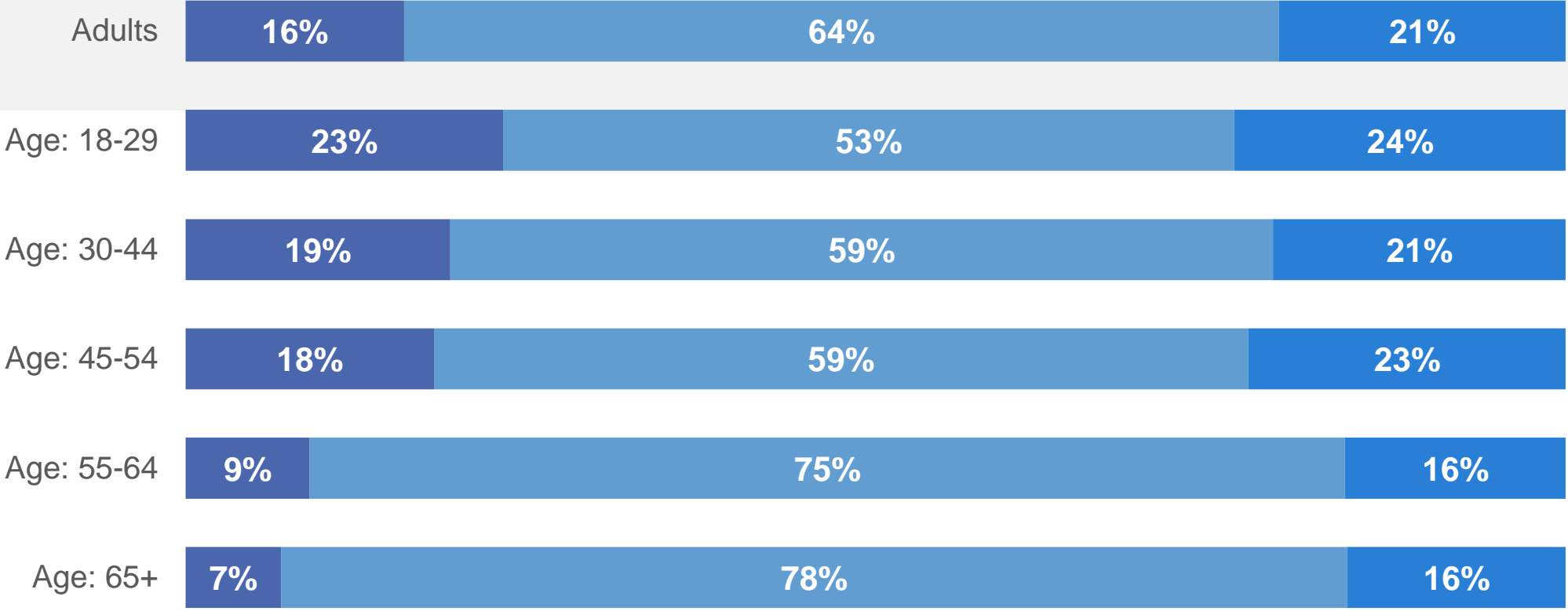
All Adults: 65%



DATA HACKING IS A SERIOUS CRISIS

Would you feel more or less favorable toward a company that experienced a major data hack and your personal data had been stolen?

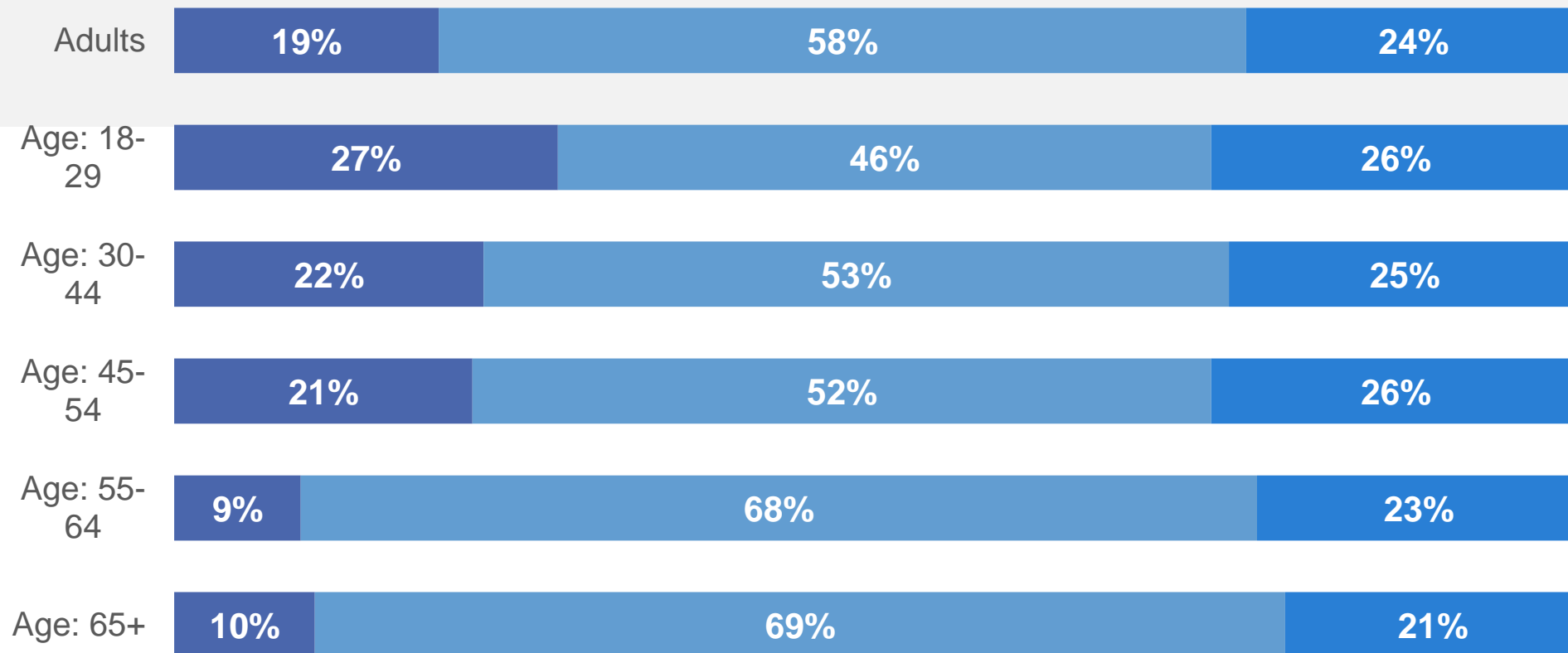
■ More Favorable ■ Less Favorable ■ Don't Know/No opinion



THIS IS TRUE EVEN WHEN SOMEONE'S PERSONAL INFORMATION IS NOT STOLEN

Would you feel more or less favorable toward a company that experienced a major data hack but your personal data had not been stolen?

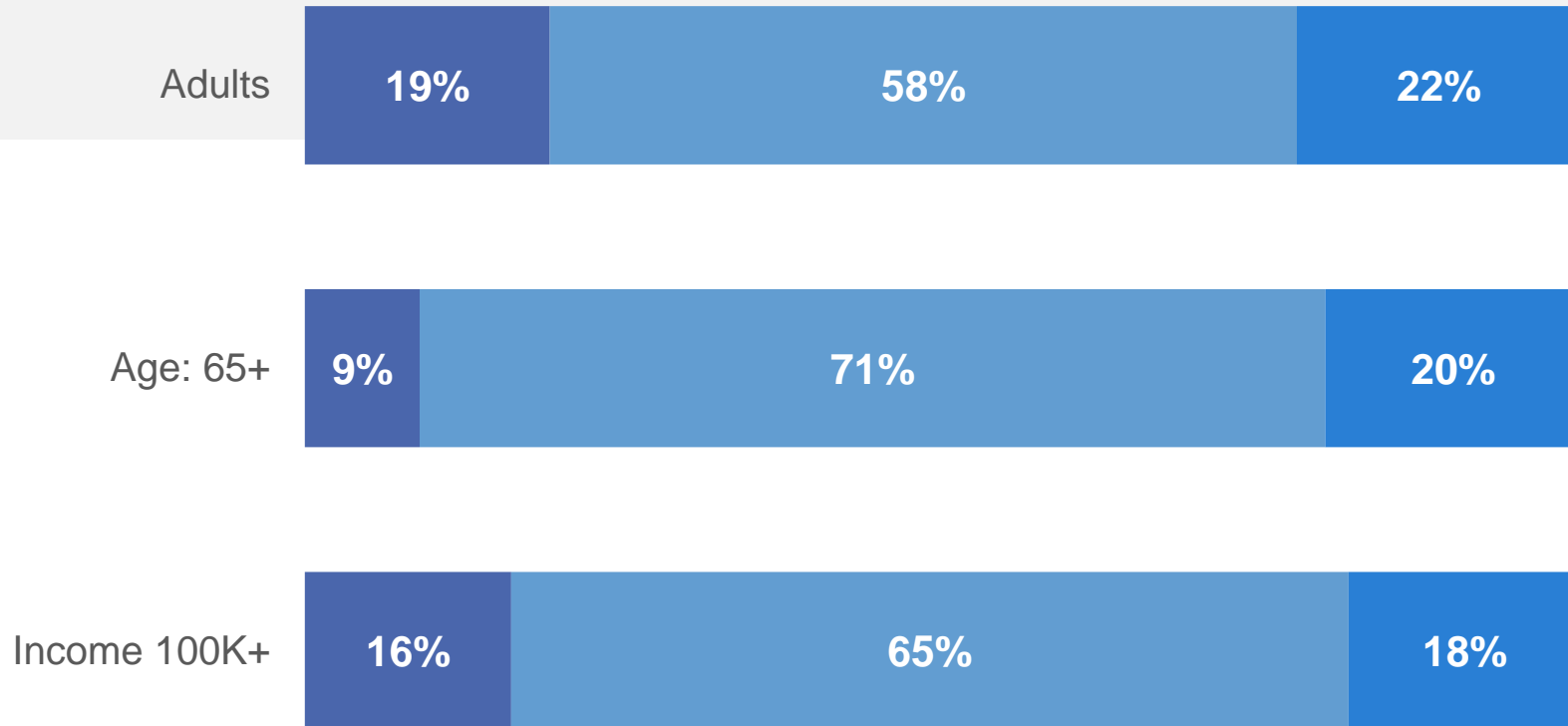
■ More Favorable ■ Less Favorable ■ Don't Know/No Opinion



PUBLIC BELIEVES CEOS ARE OVERPAID

How likely would you be to remain a customer of a company that loses money this year and the CEO gets a huge raise?

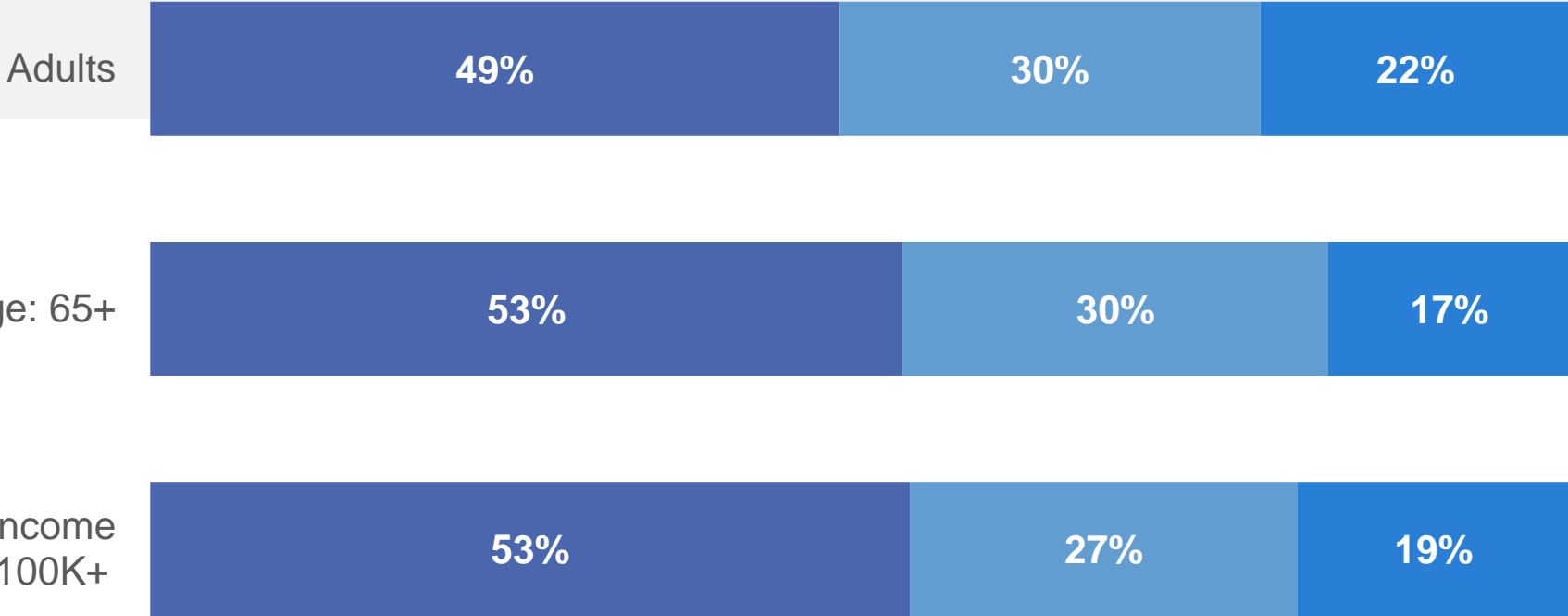
■ Likely ■ Unlikely ■ Don't Know/No Opinion



PUBLIC IS OUTRAGED ENOUGH ABOUT CEO PAY TO COMPLAIN ABOUT IT

How likely are you to make negative comments to family and friends if a company loses money this year and the CEO gets a huge raise?

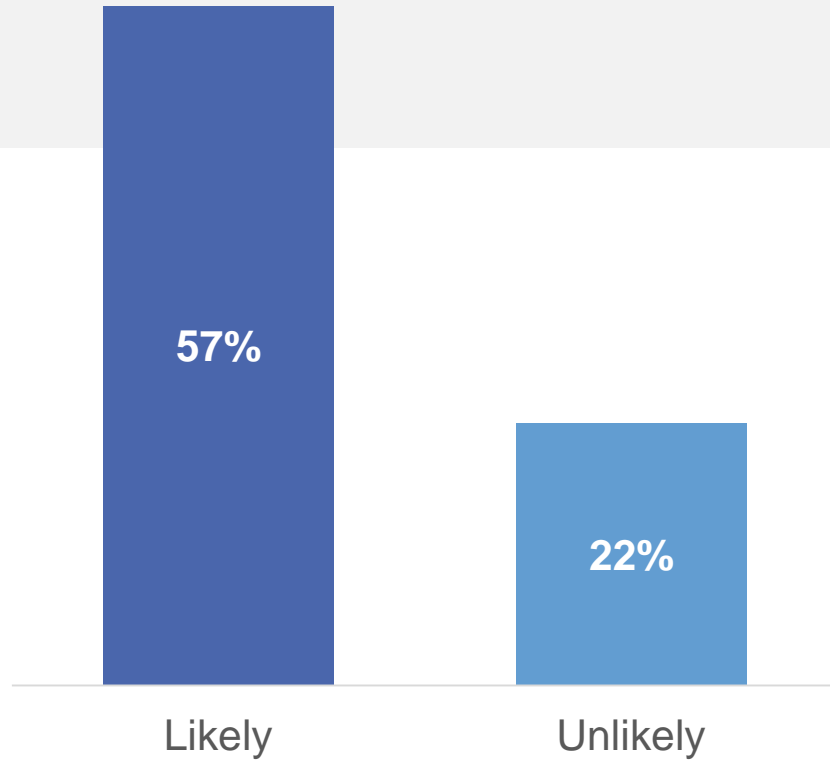
■ Likely ■ Unlikely ■ Don't Know/No Opinion



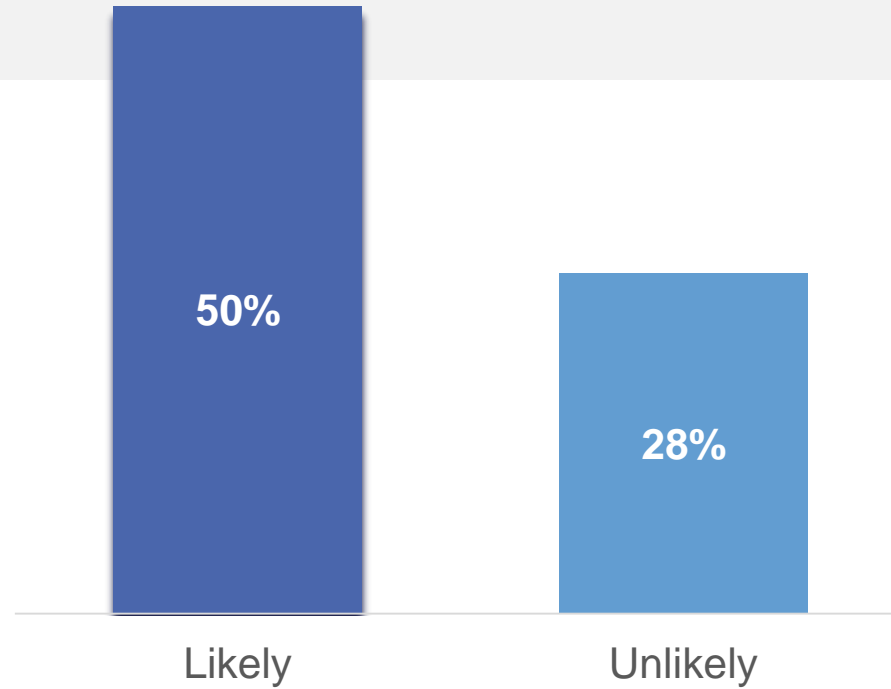
WALKING OUT VS. SPEAKING OUT

If a company had a major data hack that resulted in your personal information being stolen, how likely would you be to do the following?

Not Remain a Customer



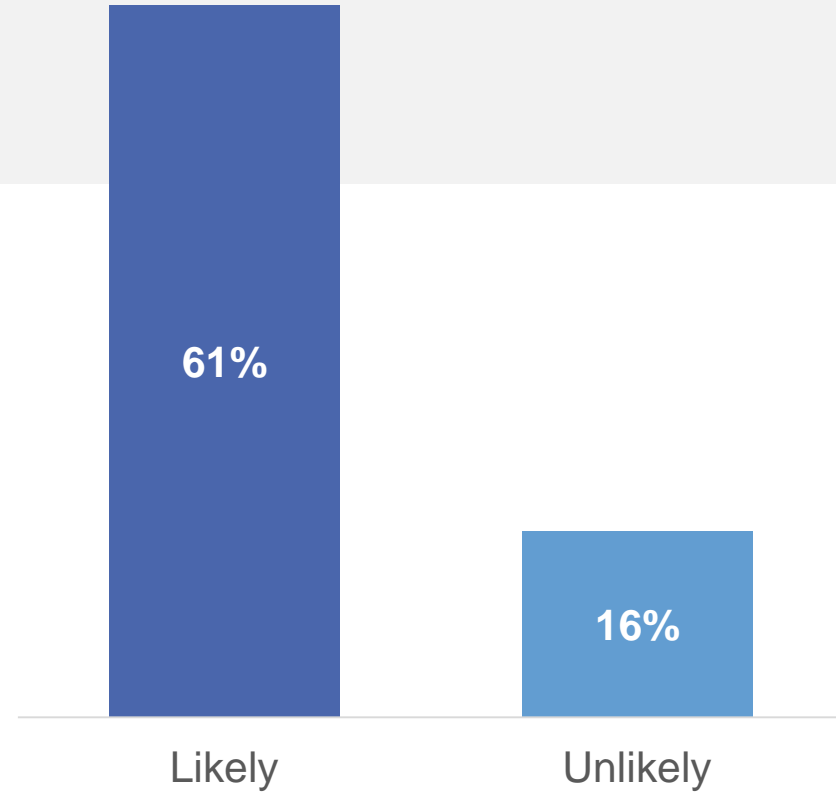
Make Negative Comments



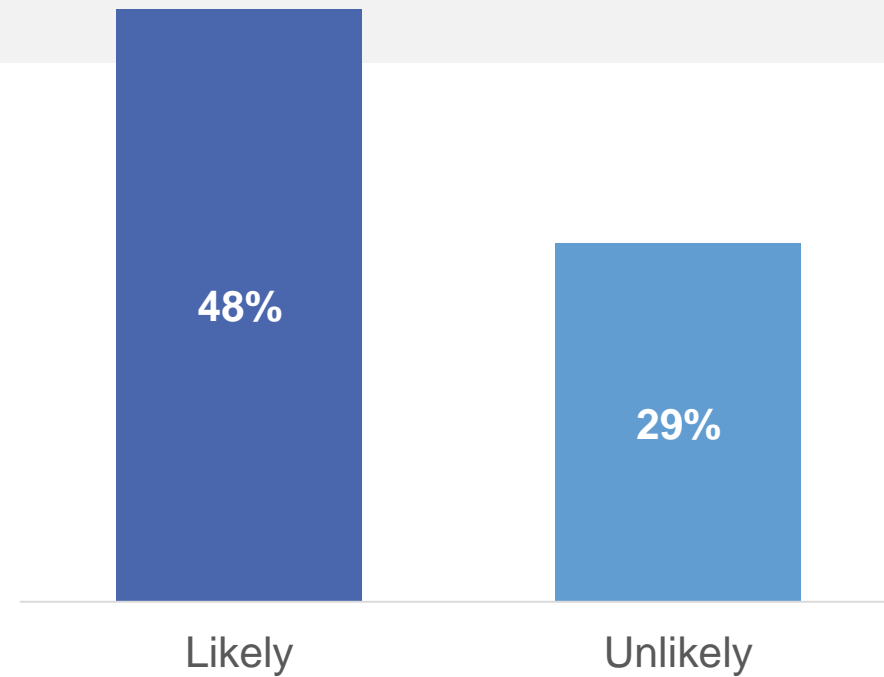
WALKING OUT VS. SPEAKING OUT

*If a company were accused of ignoring discrimination against women in the workplace
how likely would you be to do the following?*

Not Remain a Customer



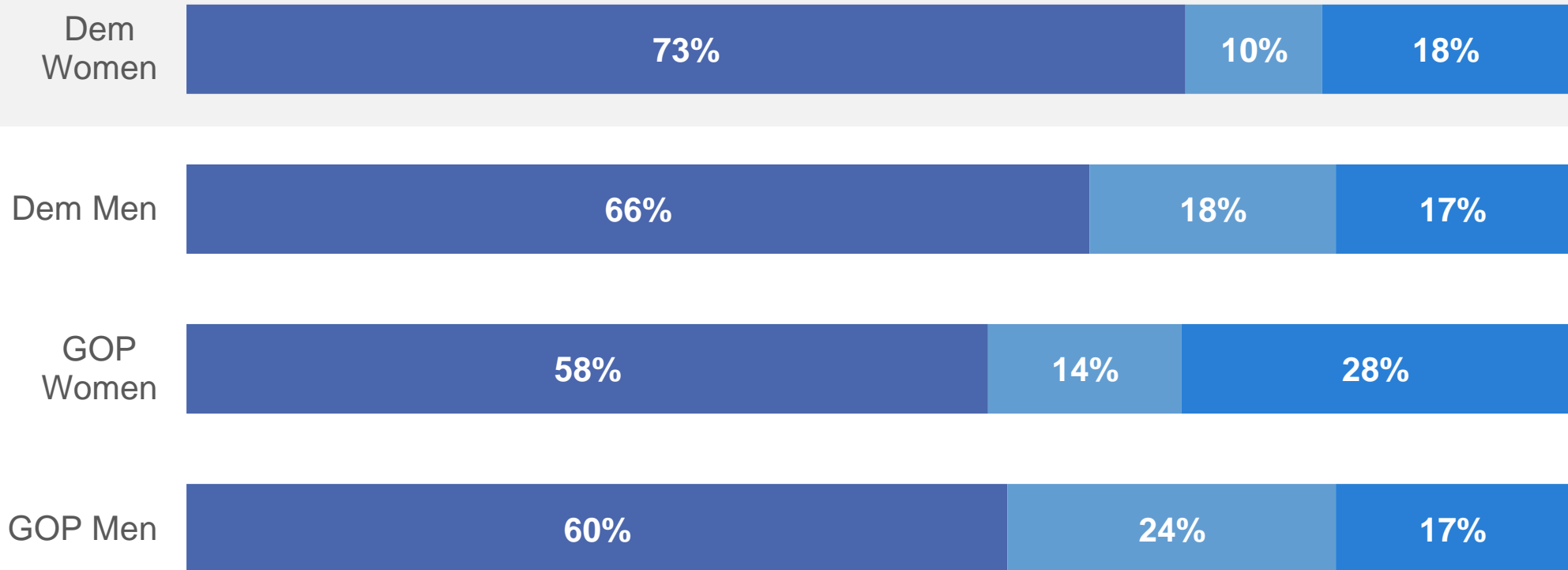
Make Negative Comments



DEMOCRATIC WOMEN SUPPORT TOUGHER REGS

Are you likely or unlikely to support tougher regulations for a company facing a crisis of moral or legal wrongdoing?

■ Likely ■ Unlikely ■ Don't Know/No Opinion

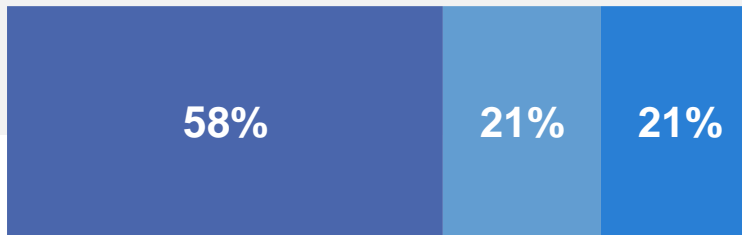


PUBLIC VALUES TRANSPARENCY, ACCOUNTABILITY

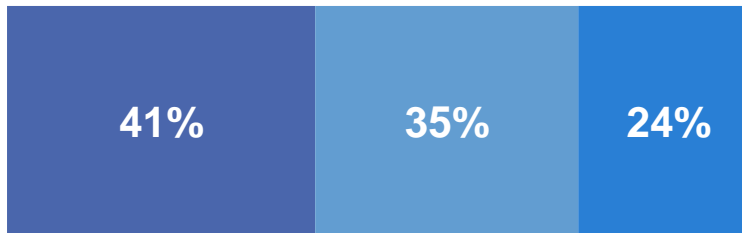
If a company executive were quickly fired for illegal activity, would you feel more or less favorable toward the following company responses?

■ *More Favorable* ■ *Less Favorable* ■ *Don't Know/No Opinion*

Company apologies and promises update once it has resolved problems



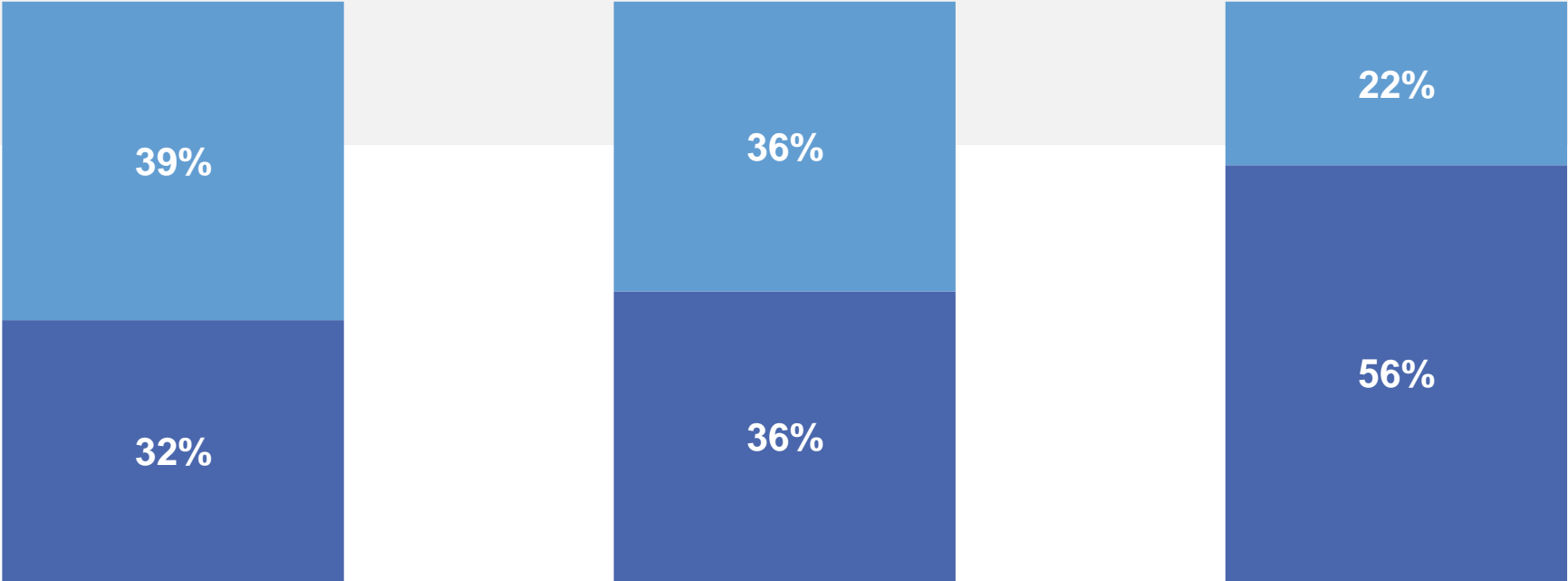
Company calls issue a personal matter and can't provide details, but promises to resolve problems



PUBLIC REACTION TO NEWS OF MAJOR LAYOFFS

If a company were to announce major layoffs, would you feel more or less favorable toward the following actions?

■ More Favorable ■ Less Favorable



No pay cuts for remaining employees No pay cuts for remaining employees; Senior executives agree to 20% pay cuts until business conditions improve company gives rationale for layoffs

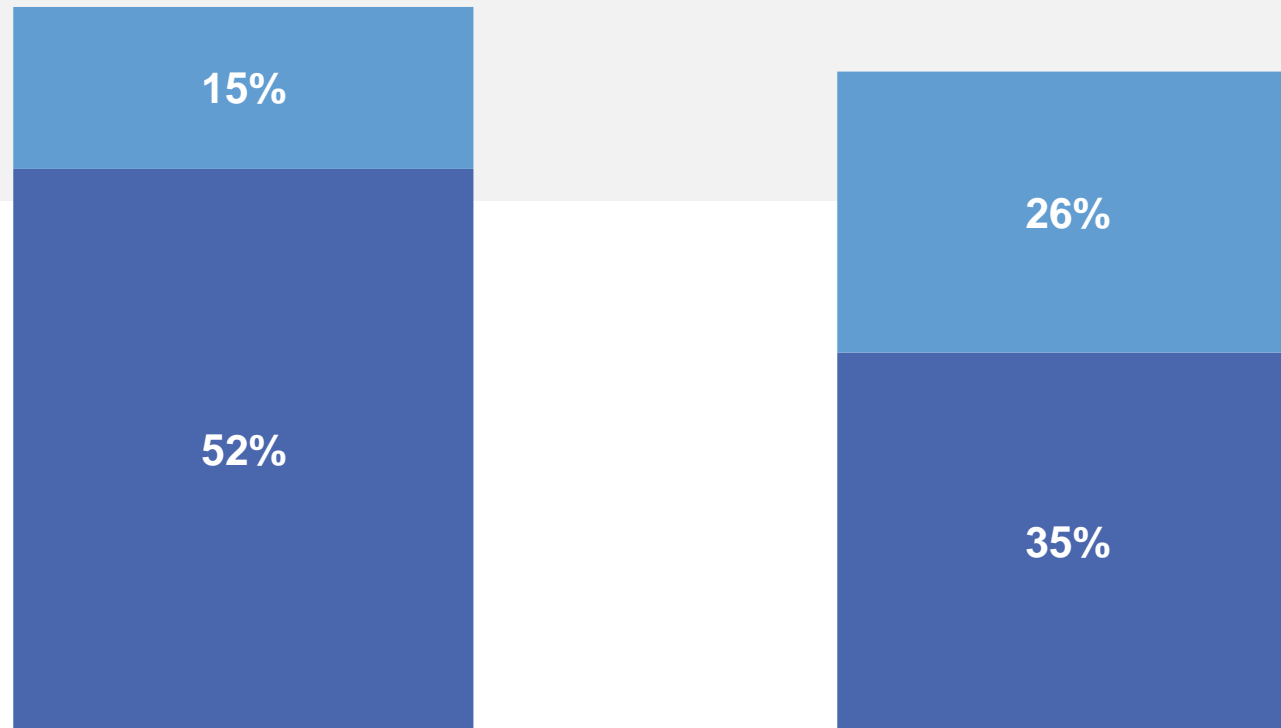
35



WHERE AMERICANS GIVE COMPANIES A PASS

Would you feel more or less favorable towards a company that did the following?

■ *More Favorable* ■ *Less Favorable*



Company shutdown due to natural disaster

Company shuts down due to natural disaster
and is criticized for not being prepared



1

CONTROVERSIES VS. CRISES

Controversies and crises are perceived in much the same way: 65% would boycott a company facing a serious moral or legal crisis while 61% said the same about a company involved in an upsetting controversy.

37

3

AMERICANS RESPOND

Americans are often more likely to boycott a company than make negative comments to friends or family.

KEY POINTS

Methodology:

Morning Consult conducted a national survey of 2,201 adults from March 13-15, 2018. The interviews were conducted online and the data were weighted to approximate a target sample of adults based on age, race/ethnicity, gender, educational attainment, and region. Results from the full survey have a margin of error of plus or minus 2%.

2

THE WORST CRISIS SCENARIOS

Illegal campaign contributions, workplace harassment and discrimination, and major data hacks are the most serious crisis situations across demographics.



4

CRISIS MANAGEMENT

Companies are judged more favorably if they demonstrate transparency and accountability during a crisis, or share in the sacrifices of employees.

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