HOW AMERICANS REACT TO CORPORATE CRISSES & 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 CRISSES HAVE BECOME NON-STOP
WHAT’S A BRAND TO DO?
ONLINE SURVEY RESEARCH HAS MADE MAJOR ADVANCES
WE ARE ABLE TO SURVEY 5000-10000 AMERICANS EVERY DAY ON THE BIGGEST TOPICS, BRANDS AND STORIES.
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

MaggieGremminger
@MaggieGren

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

Apr. 9, 2017: Video of David Dao being dragged off United plane posted online

Mar. 12, 2018: Passenger's pet dog dies on United flight
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 people are talking about this
CHANGE IN FAVORABILITY TOWARDS THE NFL

Sep. 22, 2017: President Trump publicly denounces NFL kneeling protests

- Favorability
- Unfavorability

GROUPS WITH THE BIGGEST DROP IN FAVORABILITY


- Trump Voters: -24
- Republicans: -21
- Catholics: -16
- Evangelicals: -15
- Ages 55-64: -15
- Retired: -14
- Southerners: -13
- Whites: -12
CLINTON VS. TRUMP VOTERS

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

How Trump voters said they viewed the N.F.L.
Ed Krassenstein
@EdKrassen

These companies have business relationships w/ the @NRA

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

Spread the word to demand change!

1:40 PM - 22 Feb 2018

2,793 Retweets 2,549 Likes
How Americans viewed the following companies before and after learning the company ended their relationship with the NRA?

<table>
<thead>
<tr>
<th>Company</th>
<th>Net favorability among all adults</th>
<th>Before</th>
<th>After</th>
<th>Net favorability among Republicans</th>
<th>Before</th>
<th>After</th>
<th>Net favorability among Democrats</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Rent-A-Car</td>
<td>+25</td>
<td></td>
<td>+49</td>
<td>+9</td>
<td>-9</td>
<td>-55</td>
<td>+59</td>
<td>+39</td>
<td>+64</td>
</tr>
<tr>
<td>Norton Antivirus</td>
<td>+20</td>
<td>+37</td>
<td></td>
<td>-16</td>
<td>+43</td>
<td></td>
<td>+43</td>
<td></td>
<td>+60</td>
</tr>
<tr>
<td>LifeLock</td>
<td>+22</td>
<td>+35</td>
<td></td>
<td>-11</td>
<td>+44</td>
<td></td>
<td>+57</td>
<td></td>
<td>+59</td>
</tr>
<tr>
<td>MetLife</td>
<td>+21</td>
<td>+33</td>
<td></td>
<td>-15</td>
<td>+40</td>
<td></td>
<td>+37</td>
<td></td>
<td>+60</td>
</tr>
<tr>
<td>Alamo</td>
<td>+19</td>
<td>+30</td>
<td></td>
<td>-16</td>
<td>+34</td>
<td></td>
<td>+33</td>
<td></td>
<td>+57</td>
</tr>
<tr>
<td>National Car Rental</td>
<td>+29</td>
<td>+18</td>
<td></td>
<td>-18</td>
<td>+35</td>
<td></td>
<td>+33</td>
<td></td>
<td>+57</td>
</tr>
<tr>
<td>SimpliSafe</td>
<td>+14</td>
<td>+13</td>
<td></td>
<td>-16</td>
<td>+17</td>
<td></td>
<td>+14</td>
<td></td>
<td>+47</td>
</tr>
</tbody>
</table>

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)
- Dick’s Sporting Goods: 53
- Walmart: 58

Net Favorability Post-Gun Sale Policy Change (3/7)
- Dick’s Sporting Goods: 44
- Walmart: 57
FIGHT OR FLIGHT

HOW AMERICANS REACT TO CORPORATE CRISES & CONTROVERSIES

MORNING CONSULT

Public Affairs Council
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.
- 43% of Americans say they are likely to make negative comments to family/friends if a company is involved in a crisis.
- 62% of Americans say they are likely to support tougher regulations 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.
- 44% of Americans say they are likely to make negative comments to family/friends if a company is involved in an upsetting controversy.
MOST SERIOUS CRISES AND CONTROVERSIES

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

**Most Serious**

1. Illegal campaign contributions - 27%
2. Ignoring workplace sexual harassment - 26%
3. Major data hack resulting in their personal information being stolen - 25%
4. Ignoring workplace racial discrimination - 22%
5. Violation of environmental laws - 21%
LEAST SERIOUS CRISIS AND CONTROVERSIES

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

Least Serious

1. Natural disaster forcing company to shut down facilities - 31%
2. Compliance with environment laws but criticized for not doing enough - 23%
3. Contributions to candidates with same public policy goals - 21%
4. Natural disaster forcing company shutdown; company criticized for being... - 19%
5. CEO receiving large raise after company had good financial year - 17%
Here’s what Americans said when asked whether they have favorable or unfavorable views of companies making illegal vs. legal campaign contributions.

**Illegal contributions:**
- Favorable: 67%
- Unfavorable: 14%

**Legal contributions to persuade candidates to agree on policy:**
- Favorable: 49%
- Unfavorable: 23%

**Legal contributions to candidates that already agree on policy:**
- Favorable: 36%
- Unfavorable: 32%
PUBLIC CRITICAL OF HARASSMENT AND DISCRIMINATION

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

Sexual Harassment

- Age 65+: 78%
- Ages 18-29: 55%
- All Adults: 66%

Racial Discrimination

- Age 65+: 75%
- Ages 18-29: 54%
- All Adults: 65%

Gender Discrimination

- Age 65+: 77%
- Ages 18-29: 53%
- 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?

<table>
<thead>
<tr>
<th></th>
<th>More Favorable</th>
<th>Less Favorable</th>
<th>Don't Know/No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adults</td>
<td>16%</td>
<td>64%</td>
<td>21%</td>
</tr>
<tr>
<td>Age: 18-29</td>
<td>23%</td>
<td>53%</td>
<td>24%</td>
</tr>
<tr>
<td>Age: 30-44</td>
<td>19%</td>
<td>59%</td>
<td>21%</td>
</tr>
<tr>
<td>Age: 45-54</td>
<td>18%</td>
<td>59%</td>
<td>23%</td>
</tr>
<tr>
<td>Age: 55-64</td>
<td>9%</td>
<td>75%</td>
<td>16%</td>
</tr>
<tr>
<td>Age: 65+</td>
<td>7%</td>
<td>78%</td>
<td>16%</td>
</tr>
</tbody>
</table>
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?

<table>
<thead>
<tr>
<th>Adults</th>
<th>More Favorable</th>
<th>Less Favorable</th>
<th>Don't Know/No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>19%</td>
<td>58%</td>
<td>24%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age: 18-29</th>
<th>More Favorable</th>
<th>Less Favorable</th>
<th>Don't Know/No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>27%</td>
<td>46%</td>
<td>26%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age: 30-44</th>
<th>More Favorable</th>
<th>Less Favorable</th>
<th>Don't Know/No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>22%</td>
<td>53%</td>
<td>25%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age: 45-54</th>
<th>More Favorable</th>
<th>Less Favorable</th>
<th>Don't Know/No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>21%</td>
<td>52%</td>
<td>26%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age: 55-64</th>
<th>More Favorable</th>
<th>Less Favorable</th>
<th>Don't Know/No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>9%</td>
<td>68%</td>
<td>23%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age: 65+</th>
<th>More Favorable</th>
<th>Less Favorable</th>
<th>Don't Know/No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>69%</td>
<td>21%</td>
<td></td>
</tr>
</tbody>
</table>
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**

### Adults
- Likely: 19%
- Unlikely: 58%
- Don’t Know/No Opinion: 22%

### Age: 65+
- Likely: 9%
- Unlikely: 71%
- Don’t Know/No Opinion: 20%

### Income 100K+
- Likely: 16%
- Unlikely: 65%
- Don’t Know/No Opinion: 18%
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

<table>
<thead>
<tr>
<th>Category</th>
<th>Likely</th>
<th>Unlikely</th>
<th>Don't Know/No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adults</td>
<td>49%</td>
<td>30%</td>
<td>22%</td>
</tr>
<tr>
<td>Age: 65+</td>
<td>53%</td>
<td>30%</td>
<td>17%</td>
</tr>
<tr>
<td>Income 100K+</td>
<td>53%</td>
<td>27%</td>
<td>19%</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Likely</th>
<th>Unlikely</th>
</tr>
</thead>
<tbody>
<tr>
<td>57%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Make Negative Comments

<table>
<thead>
<tr>
<th>Likely</th>
<th>Unlikely</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
<td>28%</td>
</tr>
</tbody>
</table>
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?

<table>
<thead>
<tr>
<th>Action</th>
<th>Likely</th>
<th>Unlikely</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Remain a Customer</td>
<td>61%</td>
<td>16%</td>
</tr>
<tr>
<td>Make Negative Comments</td>
<td>48%</td>
<td>29%</td>
</tr>
</tbody>
</table>
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**

<table>
<thead>
<tr>
<th>Group</th>
<th>Likely</th>
<th>Unlikely</th>
<th>Don't Know/No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dem Women</td>
<td>73%</td>
<td>10%</td>
<td>18%</td>
</tr>
<tr>
<td>Dem Men</td>
<td>66%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>GOP Women</td>
<td>58%</td>
<td>14%</td>
<td>28%</td>
</tr>
<tr>
<td>GOP Men</td>
<td>60%</td>
<td>24%</td>
<td>17%</td>
</tr>
</tbody>
</table>
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:
- 58% More Favorable
- 21% Less Favorable
- 21% Don't Know/No Opinion

Company calls issue a personal matter and can't provide details, but promises to resolve problems:
- 41% More Favorable
- 35% Less Favorable
- 24% Don't Know/No Opinion
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?

- No pay cuts for remaining employees: 39% More Favorable, 32% Less Favorable
- No pay cuts for remaining employees; company gives rationale for layoffs: 36% More Favorable, 36% Less Favorable
- Senior executives agree to 20% pay cuts until business conditions improve: 22% More Favorable, 56% Less Favorable
WHERE AMERICANS GIVE COMPANIES A PASS

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

Company shutdown due to natural disaster: 52% More Favorable, 15% Less Favorable
Company shuts down due to natural disaster and is criticized for not being prepared: 26% More Favorable, 35% Less Favorable
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.

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

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

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

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%.
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Public Affairs Council