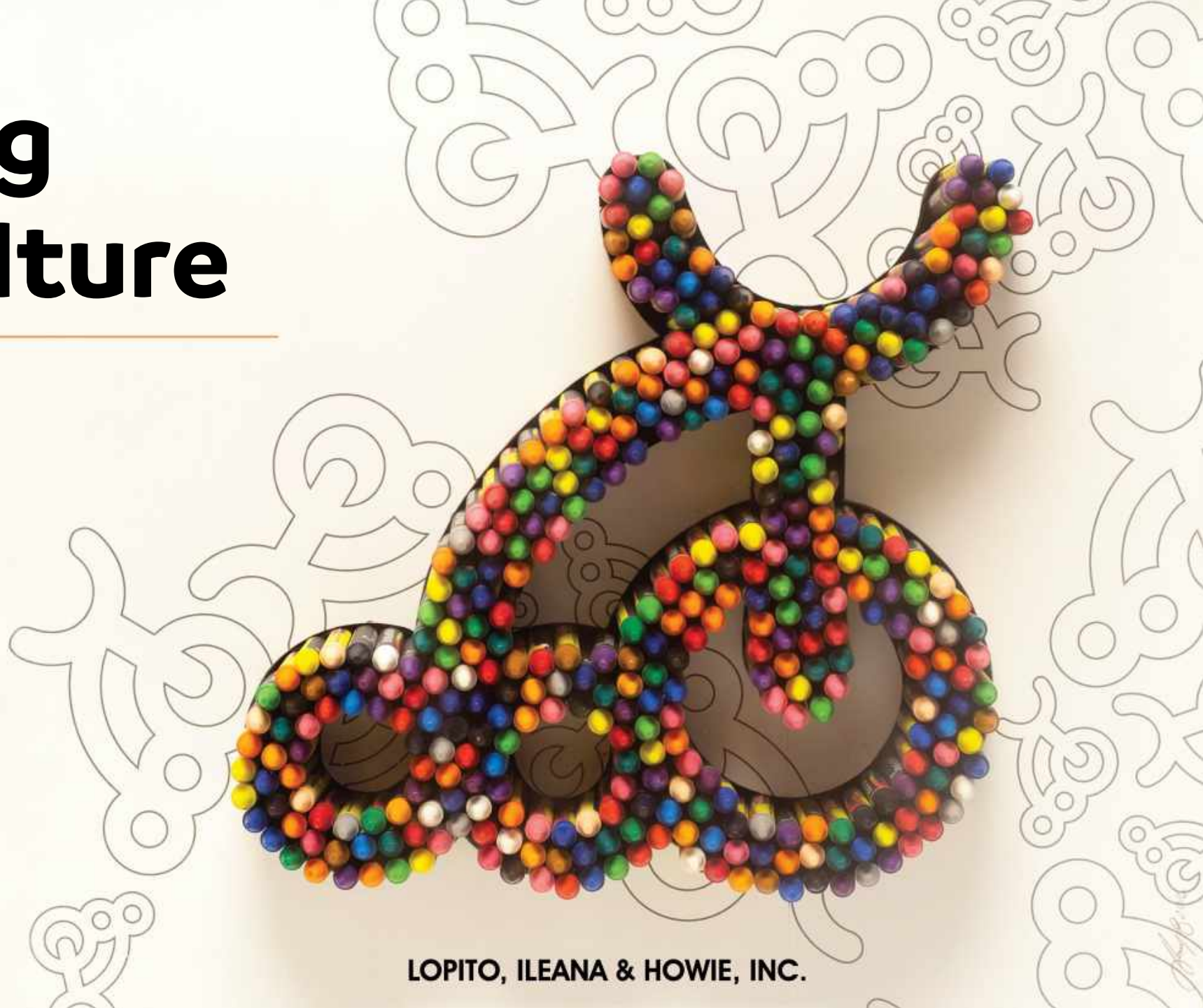


Navigating Cancel Culture

A Case Study

August 18, 2021

LOPITO, ILEANA & HOWIE, INC.



This Case Study will cover...

- **The Cancel Culture Phenomenon**
- **Recently Cancelled Brands**
- **Learnings & Suggestions**



The Cancel Culture Phenomenon

“Brands are increasingly being held accountable for their environmental, societal and cultural impact. Globalization, social media dominance and digitization have combined to give consumers the tools and wherewithal to express what they feel and be heard. What’s more, the rise of more culturally conscious Millennials and Generation Z into positions of economic power, along with increased political divide, has provided the foundations for cancel culture to thrive”

- Marteen Lagae, Landor & Fitch



Cancel Culture | What is it?

The practice of withdrawing support for a person or company, often on social media, based on their views or actions

Cancel Culture | How does it feel?



Cancel Culture is often referred to as a **guilty until proven innocent process”**

Cancel Culture | Who's behind it?

Influence

Influence

Starters

First to call out a brand and start the spread of a call to cancel

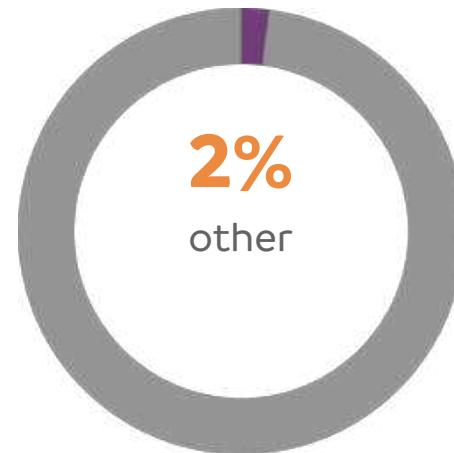
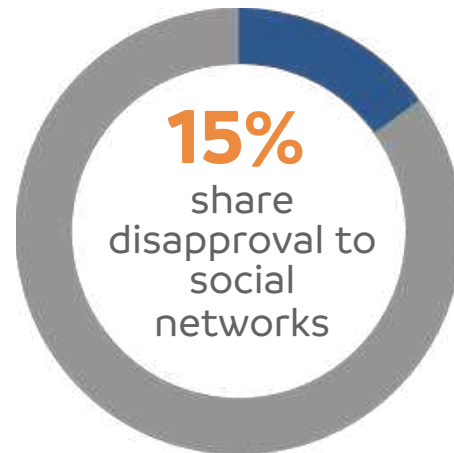
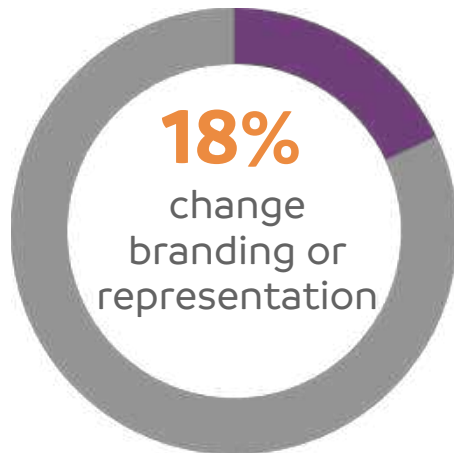
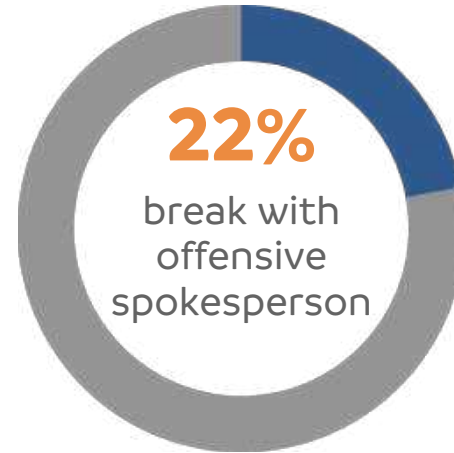
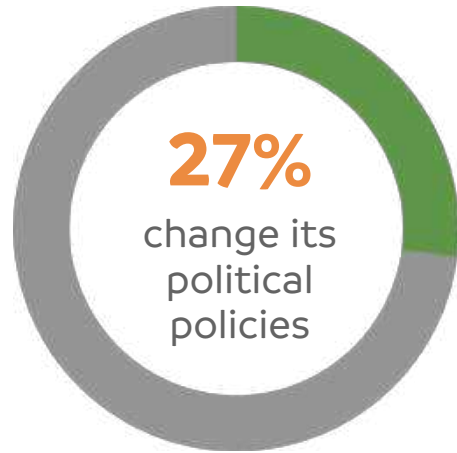
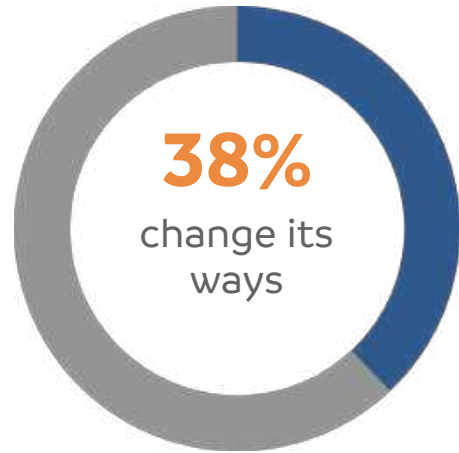
Followers

Quick to share another's opinion, regardless of how they really feel about the alleged offense

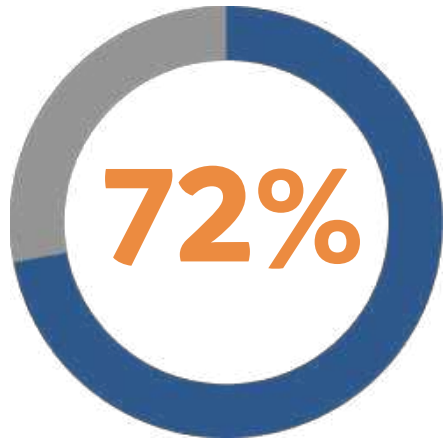
Discerners

Research the alleged offense or wait for the brand's response to make a decision

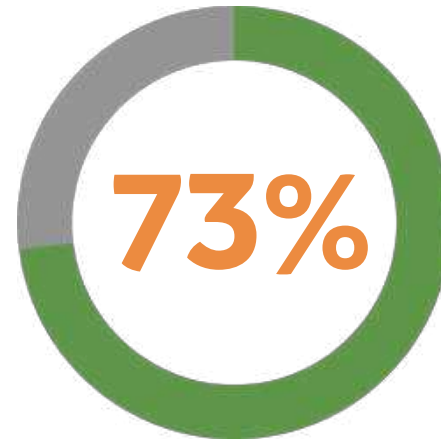
Cancel Culture | What do they want from a brand?



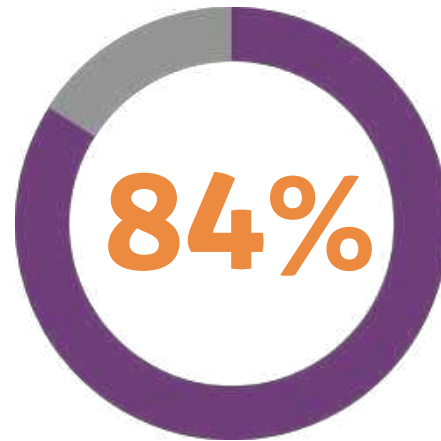
How are people feeling regarding Cancel Culture?



feel more empowered than ever before to share their thoughts or opinions about companies



say they are less likely to cancel a company if it is purpose-driven



are more likely to forgive a company for a misstep if it's that company's first time making a mistake

Cancel Culture is...



People would commit to cancelling a brand for..

Up to 6 months	6%	a week or less
	10%	up to a month
	12%	1-6 months
Up to a year	6%	7-12 months
	14%	One year or more
Never again	23%	Never support again

What will change people's minds?

43%

Making a public statement or apology

41%

Clarifying the situation (explain why it happened)

40%

Creating programs and policies to change

33%

Firing the person responsible for the offense

20%

Changing branding or external representation

17%

Making donation to an associated nonprofit

Recently Cancelled Brands



Situation:

- In June 2020, CEO Charles Scharf stated, "While it might sound like an excuse, the unfortunate reality is that there is a very limited pool of black talent to recruit from"
- He stated in an initial apology that he's "sorry his comments had been misinterpreted"
- He later apologized for making an insensitive comment reflecting his own unconscious bias and recognized the many talented diverse individuals working at Wells Fargo and throughout the financial services industry



Aftermath:

- Mr. Scharf announced the appointment of two black staff to its operating committee, pledged to double the number of black leaders over the next five years, and tied executive compensation to reaching diversity goals
- While total conversation on social media quickly resumed to the brand's standard baseline, negative sentiment dipped further than normal and remained steadily negative for nearly two months

Takeaways

- Apologizing for an offense can help overcome a cancellation
- Plan your response with follow-through actions instead of responding impulsively
- It's best to act sooner than later

Situation:



- In July 2020, Robert Unanue (CEO) stated, “We’re all truly blessed at the same time to have a leader like President Trump who is a builder...and we pray for our leadership, our president, and we pray for our country...”
- Latinos and fans of the brand were outraged by his support, given Trump’s negative rhetoric and policies aimed at minorities and immigrants
- Unuane refused to apologize and described the boycott as suppression of speech

Aftermath:



- Goya, a brand known as authentically Hispanic and a staple of family gatherings, became extremely polarized by politics
- Long-time Latino customers took to social media to show the end of their support for the brand
- Trump loyalists rushed to purchase Goya during that time
- Negative social media chatter around the brand stayed consistently negative for a while and persisted into 2021

Takeaways

- If you decide to stand by the alleged offense and not apologize, consider the long-term effect to the brand
- Assess your risk and prepare for the effect that your actions will have on your sales

J.K. Rowling



Situation:

- In June 2020, the Harry Potter author incited severe backlash over a tweet that was interpreted as transphobic for excluding transgender women
- She later joined around 150 authors and academics in signing an open letter published in Harper's Magazine warning of an "intolerant climate" for free speech

J.K. Rowling



Aftermath:

- Sales in the US suffered – According to a market analyst, “She's certainly underperforming the rest of the market, comparatively, by two thirds”
- However, her publisher stated that the Harry Potter books were “ever-popular” during the lockdown in the U.K. and that she maintained her bestseller status since she tweeted her views on the transgender community



Takeaways

- If you decide to stand by the alleged offense and not apologize, your overall sales may not take that big of a hit
- It helps to gather support for your stance and continue the conversation on the topic



Learnings & Suggestions

Cancel Culture | Possible Responses

If you stand by the alleged offense:

- Explain how your actions are true to your values
- Create a welcoming environment to continue the conversation

If you agree to the call for change:

- Apologize for the offense
- Create the opportunity to educate yourself and others on the topic
- Demonstrate change

Growth Opportunities



- Partnerships with organizations that can help in your re-education
- Social responsibility programs for your community
- Ongoing engagement with your community
- Expand your service/product offering to address varying audiences

Keep in mind...



- Getting “cancelled” doesn’t have to be the end of a brand
- The intention behind a “cancellation” is to effect change
- Responding in a timely manner, with sincerity and credible follow-through, will help a brand overcome a “cancellation”



**Feel free to contact us and
schedule a consultation
for your brand with one of
our expert team members**



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