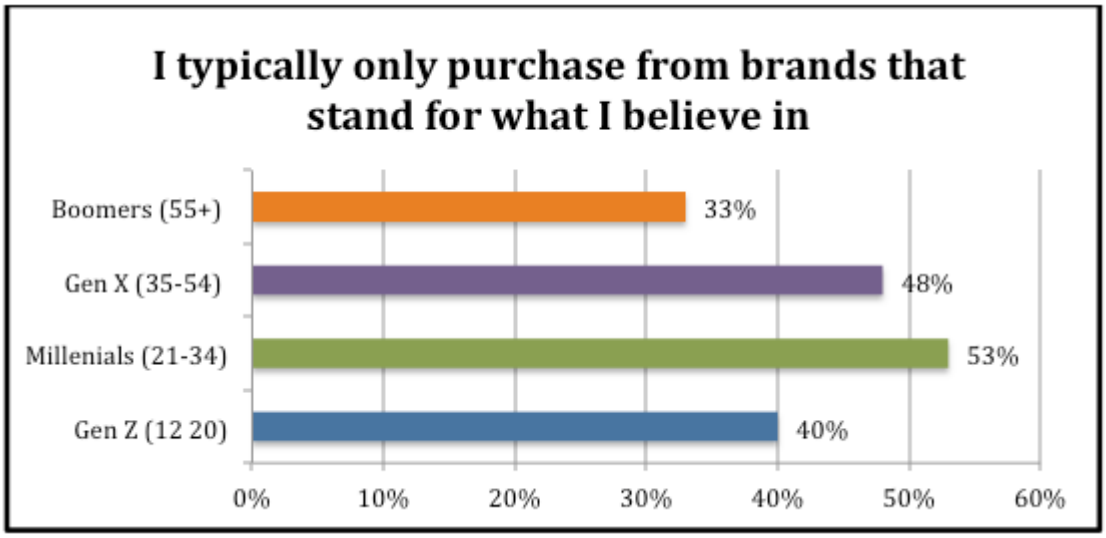
StratejiCo.

The Rise of Political Consumerism

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Recent developments show that consumers are increasingly influenced by the positions that brands take on social and political issues. In the era of customization and individualization, consumers prefer companies that reflect their ideals and values.

In a recent Nielsen survey, **59%** of UK respondents say that where a brand is from is at least as important as the product's benefits, while **58%** say origin is at least as important as price. These show that the companies' interactions with the earth are as important as their interactions with the customers. Therefore, business should now do more than improving the organizational process. KPMG report states that a growing majority of corporations (**68% of the top 250** global companies on the Fortune 500) has embraced a corporate responsibility or sustainability reporting.



Source: JWT Intelligence – Political Consumer 2016 Report

Young people are engaged in all forms of political consumerism. Survey research from different countries shows that they are more interested in grassroots engagements and in using the market than other channels for political participation.

More than half of the millennials are highly politicized during their shopping activities. Furthermore, 39% of the millennials think that brands should play a higher role in politics according to the same report.

The consumer's perspective



Image I: The piece bought from Adidas by a collective in tribute to Jonah Peretti

The political stance is now taken with the strategies, which affect business results directly. **In 2001, BuzzFeed founder Jonah Peretti ordered a customized Nike shoes with the script "Sweatshop" on them; drawing attention on the improper working conditions in Nike.** The emails—completely independent of his control or encouragement—reached an estimated 11.4 million people around the globe.

This example shows that businesses are not as independent entities as they used to be. They must have balance with their customer's values even if there is well-arranged balance in the bilateral transaction. As for now, there is not a pretty sight in terms of reflecting customers' values in actions.

Source: JWT Intelligence – Political Consumer 2016 Report

Prominent companies become political

53 US companies including Apple, Intel IBM, PayPal and Amazon supported a lawsuit by a transgender high school student to use the toilet of his choice. US companies increasingly take stand for the LGBTQ community rights. This is because it is not getting enough to embrace diversity only inside the organization but to defend it in society.

Many big companies even some of the energy companies recently defied Donald Trump's roll back from Paris Climate Agreement. Elon Musk, founder of Tesla Motors and member of advisory board of White House, resigned from his position.

Furthermore, many stated that they would continue to fight against carbon emission. This is actually the necessity our time imposes on businesses. Society is now aware of that there are "healthier" ways to operate and it is the age of "Technology" not "Oil".

What should businesses do?

Silence may kill your business: Remaining silent or hiding from the big storms is unfortunately no more an option. Executives are now required to make a comprehensive analysis while determining their positions; taking into account all the stakeholders' opinions as well as peers' attitudes.

Be well balanced: You might stand in different positions in different issues, without creating conflicts. In other words, you can a take different stance than 40% of your customers in an issue, while supporting them in another issue. Speaking may not kill you but keeping quit may.

Be coherent and consistent: Technologies change, types of production change, and organization structures change. However, a business cannot change its stance over a societal or political issue overnight.

StratejiCo. advises businesses on how to engage customers and to build influence among their stakeholders since 1987.

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