



What to Do When the Marketplace Becomes a Woke/MAGA Food Fight

By Dev Patnaik

Customers increasingly want companies to take stands on social and political issues. This article outlines how brands can focus on the three pillars of strategy, culture, and leadership to connect with customers authentically.

(An earlier version of this article appeared in Forbes on June 25, 2023.)

We're living in a time of intense cultural acrimony. And more and more companies are finding themselves caught in the scrum.

Bud Light suffered a 24% crash in sales after its promotion of a transgender influencer sparked a consumer boycott. Target saw \$14 billion erased from its market cap after some customers were offended by the release of a "gender-fluid" Pride Collection and still others were enraged by its subsequent removal. After taking issue with Florida's "Don't Say Gay" legislation, Disney has found itself at war with Republican Governor Ron DeSantis. Even Chik-fil-A, normally a darling of conservatives, has found itself the target of a boycott by right-wing activists over misinformation about its DEI initiatives.

The backlash to company marketing and HR decisions is spreading anxiety through boardrooms. Senior executives I've spoken with in recent days worry that they're only one poorly judged campaign or social-media post away from being canceled – by either the right, the left, or both.

It can be tempting to just try and keep your head down and focus on selling stuff. Unfortunately, that won't work. Consumers increasingly expect companies to state their values plainly so they can, in turn, vote with their pocketbooks. According to

data from Sprout Social, 70% of consumers believe it's important for brands to take a stand on social and political issues. For their part, employees are demanding that companies hold true to their espoused values.

In this climate, even small miscalculations can cause enormous damage to revenues and reputation. So what can business leaders do? Focus on leadership, focus on strategy and focus on culture.

Leadership: Develop Your Talent

No one can say these are easy waters to navigate. Such a fraught cultural and political environment requires leaders who exhibit wisdom, not just intelligence. They need to balance the interests of customers, employees, shareholders and communities in search of win-win outcomes. That's not something they're all prepared for.

Most companies are still stuck in 20th-century training models that focus on skills like delegation, and driving KPIs. Maybe they'll throw in a Myers-Briggs personality assessment. They don't produce the kind of leader who thrives in a highly ambiguous, complex environment.

Disney's Bob Iger exemplifies the emotionally intelligent leader that companies need right now. But there's no indication that Disney knows how to develop mini-Igers en masse. Look no further than the short-lived tenure of his successor, Bob Chapek, as proof.

Companies need to invest in the deliberate development of their leaders. Companies like Procter & Gamble and IBM were famous for doing that for 20th-century skills. We've yet to see companies who do that well for the new model of moral wisdom. If I join your company when I'm 22, I should have a higher likelihood of being a CEO or a senator, or a spiritual leader when I'm 62 than if I had done something else.

Strategy: Decide What Matters

The increasing pressure to take a stand doesn't mean you have to jump into every fight. Leaders need to identify the issues that are strategically important to them, state those priorities clearly, and then pick their battles. Certain issues are aligned with your greater purpose. Or they test your core values. Those are the ones worth standing up for.

No one was surprised when Patagonia announced that it would cease selling corporate logo vests to companies it viewed as "ecologically damaging." Saving the planet is what Patagonia is all about. Bud Light's error wasn't that they supported transgender rights. (And personally, I'm hugely in support of that.) Their mistake was that it came out of left field. It was a random tactic that caught their core audience unawares.

Ironically, Target has historically been a great example of how to do this well. Inclusivity is one of their core values. Target has held celebrations of Black History Month and Pride Month for years. I personally know leaders at Target who are part of the LGBTQ community, and they love working there. Its mistake wasn't one of strategy. It was all about execution. And that comes down to culture.

Culture: Stay Close to Your Customers

Knowing what's strategically important won't protect a company from hamfisted execution. Broad mandates have to get translated into thousands of nuanced decisions that can't all get reviewed by top management. Instead, leaders need to ensure that their teams have a deep empathetic connection with the people they seek to serve. This kind of customer-centricity has to go beyond great surveys. It requires the kind of cultural alignment between employees and customers that is increasingly at risk.

In the case of Target, guests had been used to seeing t-shirts with rainbows on them during Pride Month. But many guests were surprised to find "tuck-friendly" bathing suits in the collection. Target was subsequently the victim of a social media backlash that was chock-full of false claims, including that the bathing suits were for kids. Personally, I have no problem with trans-friendly clothing. But many Target customers do. Understanding where that line is makes the difference between graceful and sloppy execution.

The more successful a company gets, the more it attracts employees who are younger, wealthier, and better educated than the general population. And that makes them more out of step with the average consumer. The gap is only widened by remote work. Companies that are slower to get their teams back to work in person are finding it tougher to develop a culture that can navigate nuanced issues of execution.

Faced with such a complex, constantly shifting challenge, a common reaction from executives is either to throw up their hands and blame the kids for being woke or just "focus on the business." Neither works. The unavoidable fact is that the world is changing and companies need to raise their game in response.

About Jump

Jump Associates is the world's leading independent strategy and innovation firm. We work with the world's most admired companies to solve their most pressing growth challenges. Over the last twenty-five years, Jump has partnered with companies like Google, Nike, Samsung, Target, and Virgin. In a world that's mired in yesterday's data, we use a future-focused approach to help these organizations grow in times of dramatic change.

To learn more, please visit us at www.jumpassociates.com or contact us at inquiries@jumpassociates.com.