Brands that retract support for social causes risk losing consumers

Article





The trend: Consumers value brands that champion social causes and show unwavering support, even when they face backlash for their stances, recent research from the Association of National Advertisers' Alliance for Inclusive and Multicultural Marketing (ANA AIMM) <u>finds</u>.





- For every consumer who supports a brand backing away from diversity, equity, and inclusion (DEI) pledges, four to five would reward companies that stand by them, the survey of more than 9,200 people showed.
- 77% of respondents are willing to abandon brands that reverse their support for diversity, and
 76% would not return to brands that don't change their positions and practices.

Diversity dealt blow: DEI initiatives have suffered amid economic cutbacks and in the aftermath of this year's Supreme Court ruling that outlawed race-based affirmative action in college admissions. Political attacks on "woke" issues have also ramped up, increasing brands' fears of becoming targeted for their inclusive efforts.

- Glassdoor <u>data</u> released this month show the share of employees reporting that their company offered a diversity program fell to 43.1% this year from 43.5% last year and 45.8% in 2021, when many corporations made good on pledges to bolster DEI efforts after the 2020 murder of **George Floyd**.
- Challenges to firms' environmental, social, and corporate governance (ESG) investing are increasing, and a record number of anti-LGBTQ+ bills have been introduced in US state legislatures.
- "As consumers are prioritizing DEIB [diversity, equity, inclusion, and belonging] more and more, we see more and more companies that are minimizing those efforts," said Lisette Arsuaga, co-founder of ANA AIMM, which partnered with the Cultural Inclusion Accelerator, a research firm, on the survey.

Yay outweighs nay: But despite some visible, well-publicized opposition to diversity efforts and other social causes, the ANA AIMM survey showed that support for these issues among consumers is greater than the opposition.

- 62% of consumers support brands that offer targeted multicultural and diverse-focused services, products, or experiences, per the survey, while just 11% to 13% oppose inclusive efforts.
- <u>Target and Bud Light</u> pulled pro-LGBTQ+ products and marketing in response to conservative opposition, only to be hit by backlash from consumers upset by their reversals.

Our take: Authenticity, consistency, and inclusivity matter in brand messaging and actions, especially regarding social causes and DEI efforts. Despite the risks, brands can't sit out as

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culture wars rage on.

- Brands taking bold stances can position themselves to weather controversy by ensuring their positions have corporate buy-in and by being prepared to proactively address backlash.
- Marketers at brands that understand support for social causes not only attracts customers but also fosters long-term loyalty "will feel they are walking less on eggshells and more confident in their inclusive efforts," Arsuaga said.
- Efforts to curb DEI programs point to a need for brands to augment their support, as research shows inclusive practices not only draw diverse talent but also can <u>fuel business</u> <u>growth</u>.



Entertainment	52%
Fashion/apparel	49%
Food/beverage	48%
Healthcare/pharma	44%
Retail/ecommerce	39%
Travel	39%
Financial services	38%
Automotive	33%
Technology/telecommunications	32%
Energy/utilities	29%
Source: Integral Ad Science (IAS), "Diversity and Inclusion," June 1, 2023	
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