



2021 PORTER NOVELLI

*Business of
Cancel Culture
Study*

One Voice.

Years ago, that voice may not have gained too much traction—it may have moved forward for a bit, or floundered before reaching too many ears. Even armed with a bullhorn or a bully pulpit, it could be difficult to amplify a message to the masses. Yet, today a voice can carry. Social media has transformed the impact of a single voice—it has allowed stories to grow, opinions to become trending topics and movements to solidify into hashtags. Social media has created power. Suddenly, one voice has become many, and these voices can no longer be ignored.

Now, collective voices spreading like digital wildfire can sway public opinion. One misstep or wrong word from a person, a celebrity or brand can put that entity in a social media maelstrom—when mutual disapproval puts that entity on the outs. It's a phenomenon that has come to be known as “cancel culture.”

This research endeavors to understand the mechanics of corporate cancel culture. Why do we cancel brands—and what do we hope to gain? How long does a “cancellation” last and what does it take to get back in the good graces of social media public opinion? These are all questions we unpack here. To bring the data to life, we'll also examine four brands that have been recently cancelled to understand the impact on overall social media conversation, sentiment and the “shelf life” of an online cancellation. The debate still rages as to whether cancel culture is good for society or a harsh disavowal inflicted too quickly, but good, bad or ugly, cancel culture is here and brands must learn how to navigate this new norm.

Introducing the 2021 Porter Novelli Business of Cancel Culture Study.

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Unpacking Corporate Cancel Culture

Cancel culture has emerged because social media has given power to the masses and amplification to the individual. Americans are emboldened to share their opinions and misgivings not only with their own networks but directly with the offending company. In fact, nearly three-quarters (72%) of Americans feel more empowered than ever before to share their thoughts or opinions about companies. The primary vehicle for sharing this feedback is through social media—64 percent think it has given them a

voice to influence companies. Further, Americans see cancelling a brand as a way to not only get attention (69%) for an issue or act, but also change a company's ways (68%).

In the world of cancel culture, companies are accountable for both their brand voice but also those of their employees—especially as this relates to leadership. The majority of Americans (87%) think companies need to take responsibility for the words and statements of executives.



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No brand is excluded from cancel culture, even those with loyal fans. Two-thirds (66%) of Americans say even if they love a company's products or services, they will still cancel that company if it does something wrong or offensive. Yet, there are things companies can do to protect from the impacts of cancel culture. The majority of consumers (88%) are more willing to forgive a company for making a

mistake if it genuinely tries to change. Further, companies with an authentic Purpose fare better—as nearly three-quarters (73%) of Americans say they are less likely to cancel a company if it is Purpose-driven. Lastly, we found that individuals are willing to give first offenders some leeway, with 84 percent saying they are more likely to forgive a company for a misstep if it's that company's first time making a mistake.



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Yet, even the practice of cancelling companies is divided. While a third (34%) of Americans believe cancel culture is good for society, in that it gets companies or individuals to recognize bad behavior, others have a less positive view of the act. Thirty percent of individuals think it's

effective but overused, causing too many companies to be put on check. A further one-in-five think cancel culture is bad for society overall, and the act is used too freely, so that individuals and brands must tread lightly at all times.



Cancel Culture in Practice: When, Why and for How Long

As companies navigate this new world, it's important to understand the motivations behind a cancellation. For many Americans, they see this as a tool to help companies improve. In fact, nearly four-in-10 (38%) Americans

*Americans see
cancel culture as
a way to engage
with companies*

would cancel a company so that organization changes its ways—either reversing its stance on an issue or committing to making improvements internally. A further 27 percent say they'd be motivated to cancel a brand in order to have that company change its policies related to political involvement. Some Americans see cancellation as a lever for retribution against an act of an individual, with a quarter of individuals (26%) stating they'd use a cancellation in the hopes that a company would fire an employee responsible for an offensive statement. Yet, overall, Americans see cancel culture as a way to engage with companies, voice opinions and move toward progress—with just 14 percent of Americans stating their primary objective for cancelling a company is so that organization would “go away” (e.g., out of business) completely.

Primary reasons Americans would cancel a company:

38%	A company to change its ways
27%	A company to change policies/stances surrounding political involvement
26%	A company to fire the individual(s) responsible for an offensive statement
22%	A company to disassociate itself from a celebrity or spokesperson who said or did something offensive
19%	A company to take a financial or reputational hit
18%	A company to change branding and/or external representation
15%	A company to share feelings/disapproval to social networks
14%	A company to “go away” completely
2%	Other

The cancel culture movement continues to grow, taking over media and newsfeeds on a regular basis. And although most Americans still have not participated in cancel culture directly, there is a good portion of individuals who have activated their online voices and disapproval of brands. In fact, one-in-three (36%) Americans cite they’ve cancelled a brand in the past year, but most are selective

in their usage of the act. The majority (30%) of that group have cancelled just one or two brands with just one percent of individuals stating they’ve cancelled more than five brands over the past 12 months. This leaves more than half (56%) of Americans who have refrained from the movement thus far, mirroring Americans’ undecided nature over the aim, impact and effectiveness of cancel culture overall.

The number of brands Americans have cancelled in the past 12 months:

56%	0
30%	1-2
5%	3-5
1%	More than 5
8%	Don't know

Americans are also divided in terms of the appropriate length of a cancellation. Just over a third (34%) of consumers say they'd cancel that brand for a year or less. Fourteen percent of Americans would commit to cancelling that brand for the long term—stopping support for a year or more. For nearly a quarter (23%) of Americans, they believe a cancellation

is permanent. This portion of the population would never support that company again. The varying lengths of commitment again reflects that there are no hard and fast rules when it comes to canceling a brand, but also alludes to the fact different grievances can impact the severity of the cancellation.

How long Americans would commit to cancelling a brand:

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

There are no hard and fast rules when it comes to canceling a brand

Influencing Issues: What We'll Cancel

When examining the specific issues that might cause an individual to cancel a brand, these issues line up closely with the cultural mindset of the day. Seven-in-10 (70%) Americans said they'd be willing to cancel a brand if it said or did something offensive in relation to racial justice. A further 69 percent would cancel for egregious errors regarding women's rights and similarly with COVID-19 protocols (68%). Still, more than half of Americans say they'd be willing to commit to cancellation if a company made a statement or took an action that was in opposition with that person's personal beliefs on the topics of immigration (61%), religion (57%) and politics (54%). Interestingly, as divisive as our political landscape has felt over the past 12 months, it's not the top reason a company gets cancelled, especially in comparison to topics of racism or sexism.

Americans are likely to cancel a company if it says or does something offensive when addressing the following issues:

70%	Racial justice
69%	Women's rights
68%	COVID-19 protocols
61%	Immigration
57%	Climate change/environment
57%	LGBTQ+
57%	Religion
54%	Politics

Moving Beyond the Cancellation

As the research uncovered, most Americans today see cancel culture as a tool to help companies acknowledge wrongdoing or missteps, engage in dialogue and ultimately, improve. This is reflected in the fact that a majority (79%) of Americans say they'd be likely to "uncancel" a company if that organization apologized and committed to make changes. Only 7 percent of Americans said they are not at all likely to "uncancel" a company if it has pledged to take these steps.

When asked the specific actions companies can take to improve after a public cancellation, most Americans cited making a public statement of apology (43%) and clarifying the situation (41%) as first steps. Another 40 percent said companies must go beyond a statement and work to create programs and policies internally to address the change needed. Only 17 percent of respondents felt a donation to an associated nonprofit was enough to make amends, signaling that Americans expect companies to do work internally and communicate with authenticity and humility when moving beyond a cancellation.

Americans cite the following actions a company could take to be "uncancelled":

43%	Make a public statement of apology
41%	Clarify the situation (e.g., why a statement or action was made)
40%	Create programs and policies internally to address the change needed
33%	Fire the person responsible for making the offensive statement or policy
20%	Change branding and or external representation
17%	Make a donation to an associated nonprofit

Corporate Cancel Culture Case Studies

When it comes to cancel culture, what a brand does next can be the difference between a constructive step forward and a long-lasting reputational hit. With that in mind, we examined the social media conversation around

brands that have been recently cancelled to understand the impact on overall social media conversation, the sentiment of the discussion and the length of the cancellation.



Goya

What Happened:

When Goya's president Robert Unanue stated "We're all truly blessed at the same time to have a leader like President Trump," this July, the executive brought the company into a very divided political conversation. This **angered** some long-term Goya fans and energized others—spurring **boycotts** and counter-boycotts across the country.

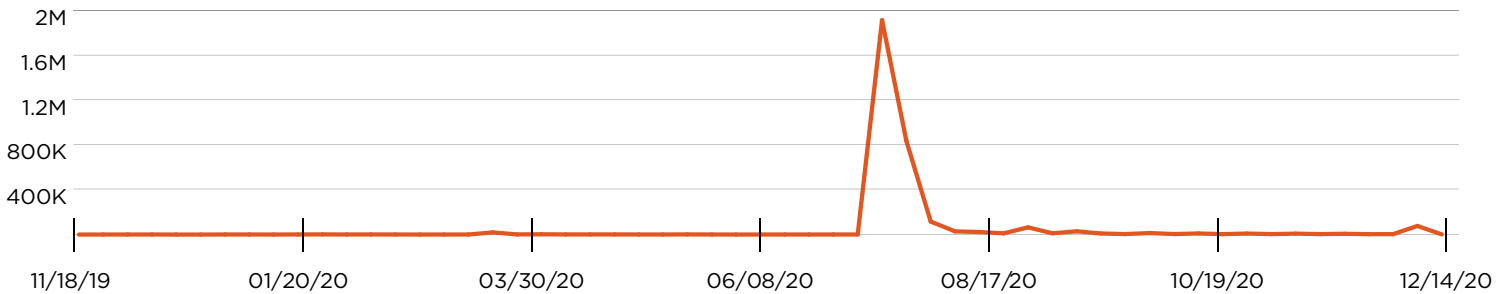
Social Snapshot:

Although online conversation around Goya has been historically limited, the cult food brand enjoyed a baseline of positive conversation. Yet, following Unanue's statement, Goya exploded onto the social scene with a massive spike in brand mentions in mid-July. Although by early August the conversation spike ebbed quite quickly, the impact to the overall conversation around Goya has persisted. Chatter around the brand staying consistently negative since the statement and is still continuing today.

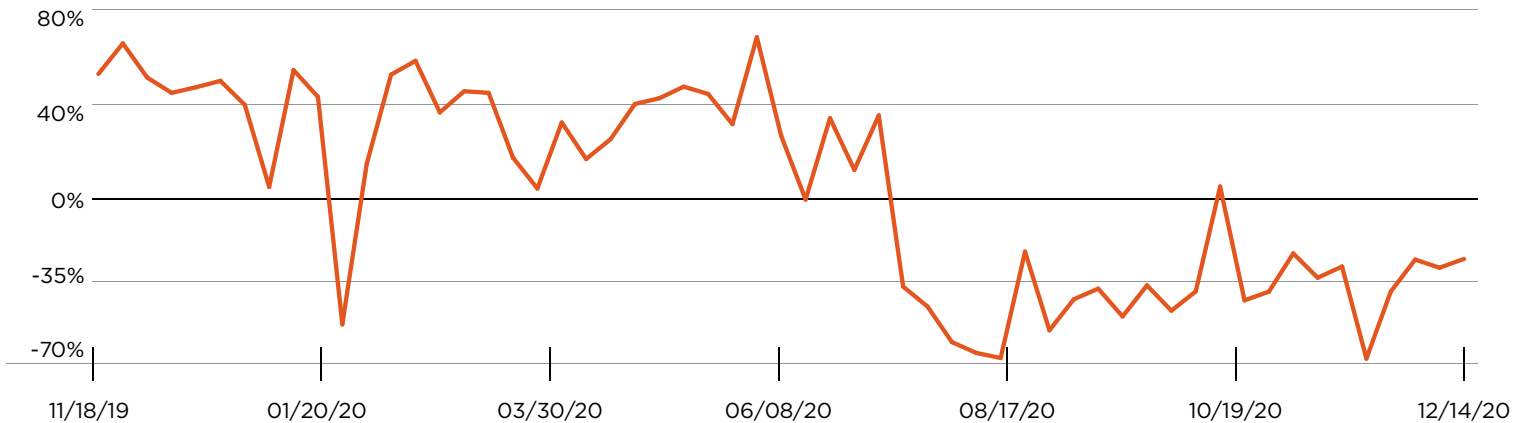
Key Insight:

Without taking a remedying step such as explaining Unanue's comment further or disavowing the executive, Goya's perception in social media conversation has suffered.

Social Media Conversation Over Time



Net Sentiment Over Time



Julián Castro ✓
@JulianCastro

.@GoyaFoods has been a staple of so many Latino households for generations.

Now their CEO, Bob Unanue, is praising a president who villainizes and maliciously attacks Latinos for political gain. Americans should think twice before buying their products. #Goyaway

L'Oréal Paris

What Happened:

Following the lead of many brands in the wake of the murder of George Floyd, L'Oréal Paris issued a statement of support for the Black Lives Matter movement. The makeup brand was immediately accused of "**gaslighting**" by trans model Munroe Bergdorf, who had been fired by L'Oréal after she spoke out about the racism surrounding violence in Charlottesville in 2017.

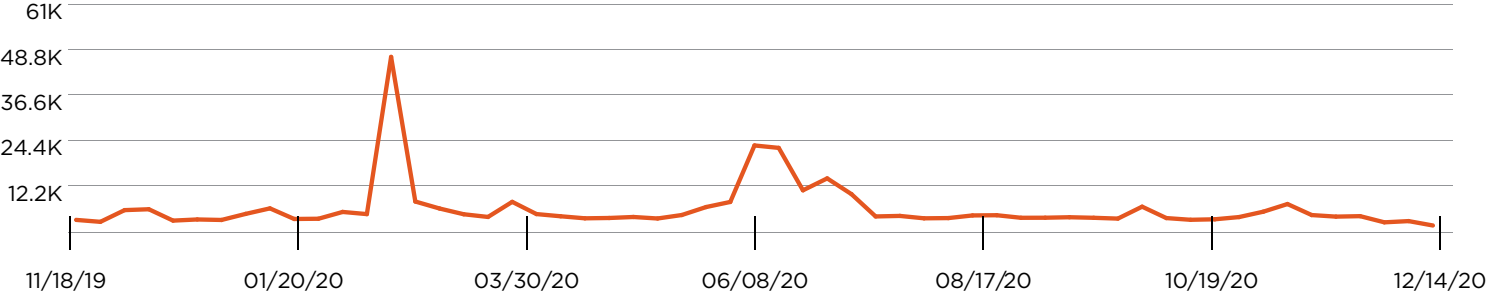
Social Snapshot:

L'Oréal enjoyed steady online conversation throughout the year, with a spike in February attributed to the announcement of GOT7's Jackson Wang as Global Ambassador for L'Oréal's Skin Care Line for Men. The second major spike occurred following Bergdorf's criticism of the brand, causing an increase in overall conversation around L'Oréal but a drop in positive sentiment. Conversation and sentiment fell back to baseline by early August, following steps by L'Oréal including issuing a public apology, re-hiring Bergdorf and asking her to sit on the brand's U.K. Diversity & Inclusion Advisory Board.

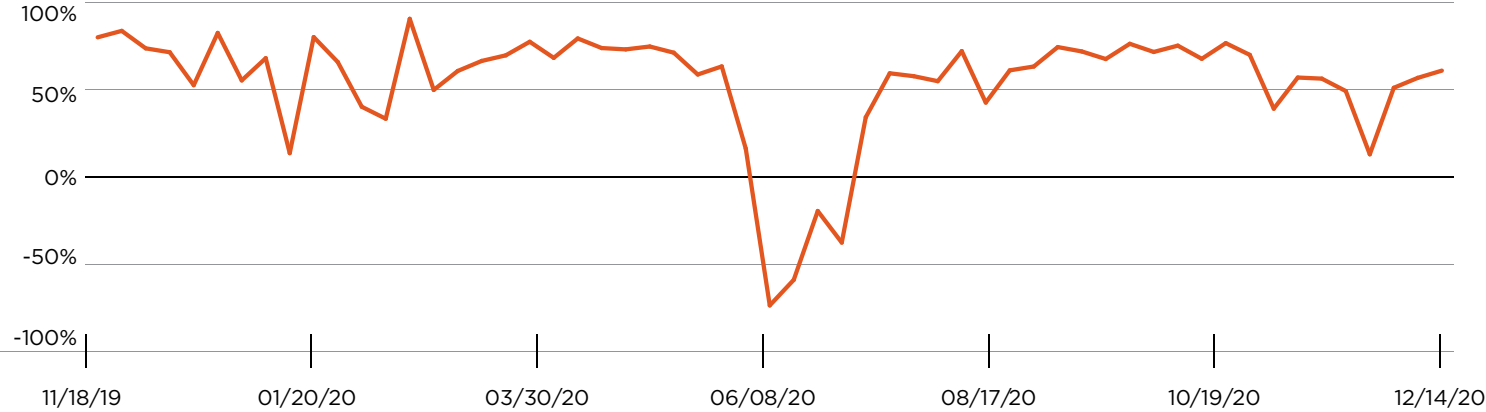
Key Insight:

Within a week, L'Oréal took a number of mitigating steps to acknowledge, learn and improve. Although the company recognizes it still has work to do, the initial steps helped to improve the overall conversation around the brand after its initial cancellation.

Social Media Conversation Over Time



Net Sentiment Over Time



Protect Trans Kids / BLM 🧢🔵
@MunroeBergdorf

I have spoken with [@loreal](#), please swipe for full statement.
Thank you everyone for having my back with this matter over the past three years, it hasn't been easy.
Looking forward to new beginnings and a new positive relationship with the L'Oreal team.
Munroe x

Wells Fargo

What Happened:

Wells Fargo CEO Charles Scharf was put on check after stating it was difficult to hire diverse employees because of a "very limited pool of Black talent to recruit from." This led to many people on Twitter, including Rep. Alexandria Ocasio-Cortez and Sen. Sherrod Brown, calling for a boycott of the company.

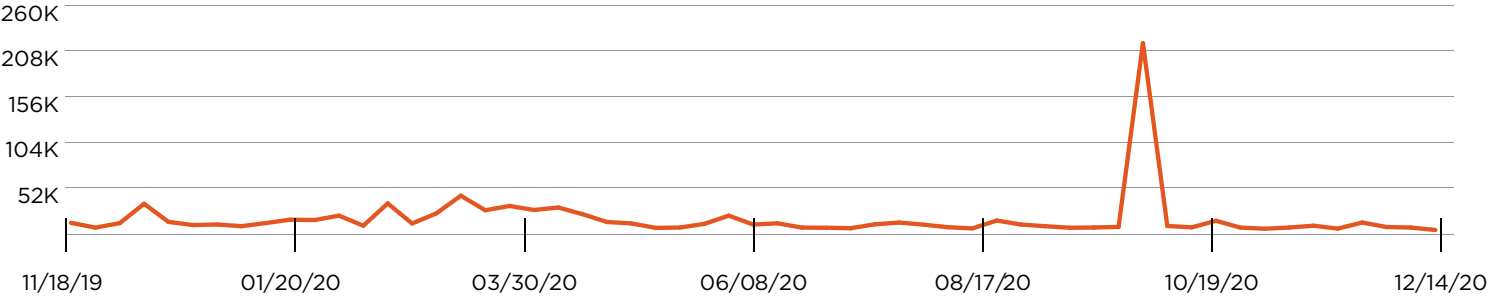
Social Snapshot:

Wells Fargo has had limited social conversation over time—with an average of less than 50,000 tweets per day. Further, sentiment around the company in online discussions has been historically negative. Yet, following Scharf's statement, Wells Fargo chatter shot up to more than 250,000 individual posts. While total conversation quickly resumed to Wells Fargo's standard baseline, negative sentiment dipped further than normal and remained steadily negative for nearly two months.

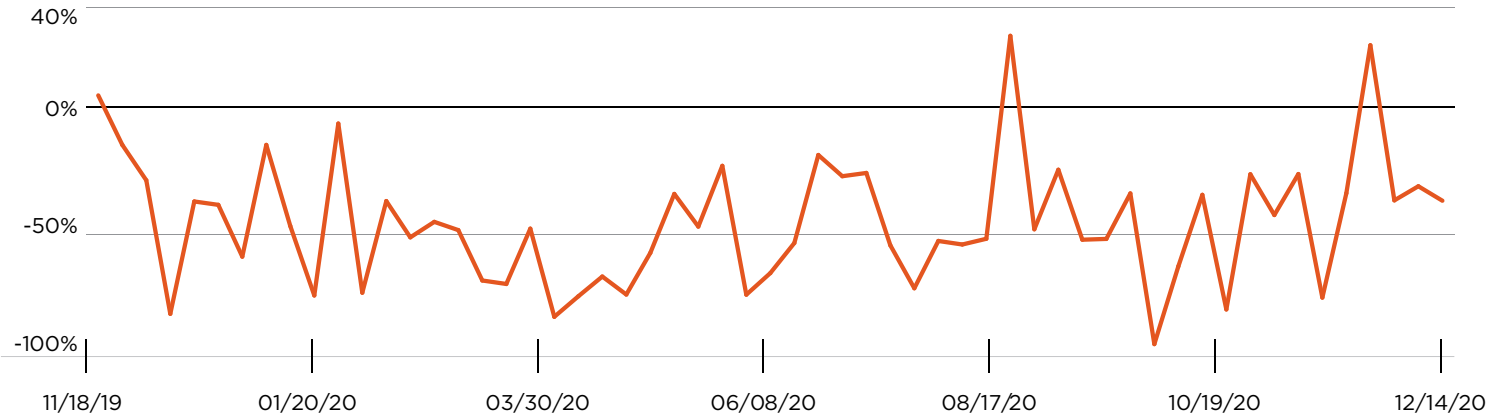
Key Insight:

Although Scharf did eventually apologize for his statement in an internal memo, the act wasn't enough to assuage the historically negative sentiment Wells Fargo endures online.

Social Media Conversation Over Time



Net Sentiment Over Time



Coug
@LeeTRBL

Wells Fargo literally just admitted racial profiling and discrimination on a national platform

OREO

What Happened:

Earlier this year, OREO launched an LGBTQ+ focused campaign including rainbow cookies and an ad of a mom supporting her daughter after bringing home her girlfriend. While this campaign was well received by many, the conservative advocacy group One Million Moms fought back—calling for a boycott on the snack brand for “pushing the LGBTQ agenda on families.”

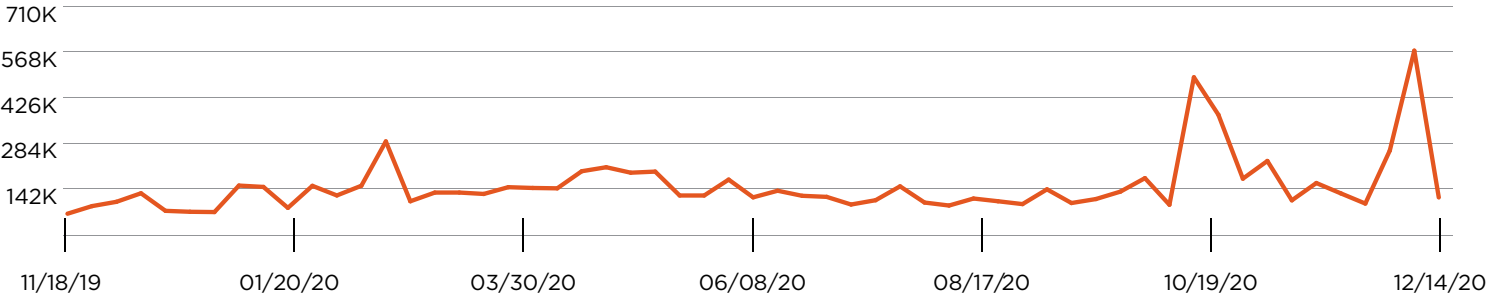
Social Snapshot:

OREO enjoys steady conversation throughout the year on social with a primarily positive sentiment. Following the statement from One Million Moms, conversation did spike to around 10,500 tweets; however, sentiment remained steadily positive, revealing that while the calls for boycotts generated conversation, they did not impact overall brand love in online conversation.

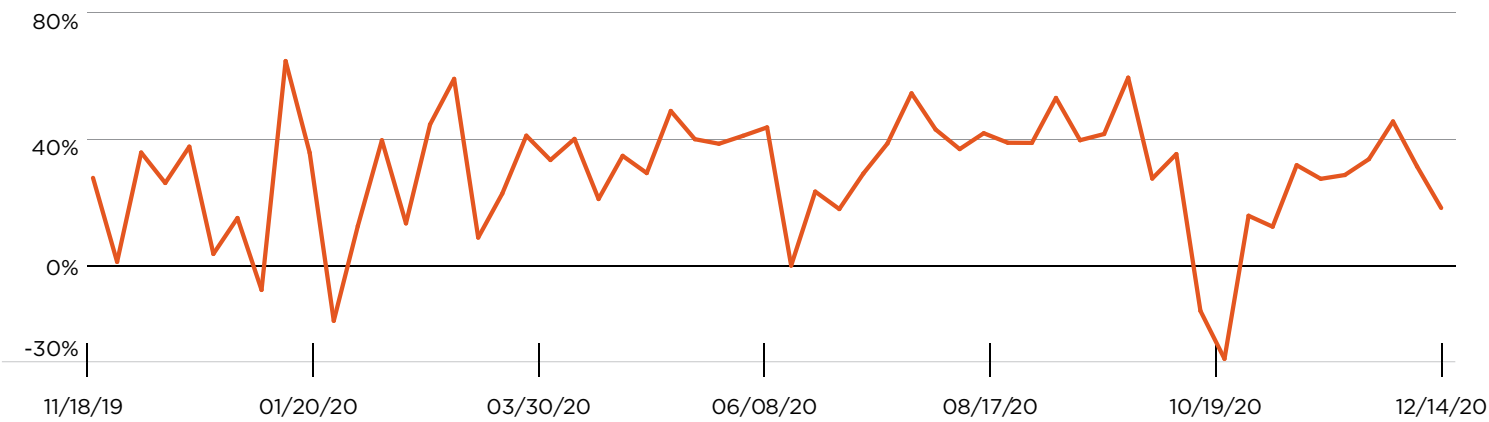
Key Insight:

While some may have been offended by OREO’s campaign, the calls for a boycott had little impact on overall social media conversation around the brand. Loyal fans likely supported OREO, attributing to its steadily positive sentiment over time.

Social Media Conversation Over Time



Net Sentiment Over Time



Dana Piccoli ✓
@DanaPiccoli

Ok this I love. @Oreo if you need a Fairy Gaymother spokesperson, I'm right here. I don't have my own kids, but I'm a #ProudParent 🏳️‍🌈 and Fairy Gaymother to many LGBTQIA folks out there.

Final Thoughts

Cancel culture, while a relatively new phenomenon, is gaining traction and brands should be prepared. Still, to be cancelled is not a finality. In the eyes of many Americans, they see cancellations as a way to share their voice—and disapproval—with companies so that change can be made. It's a way for individuals to exercise their collective online voice and boycott power to influence organizations. Although our case study research shows some brands still choose not to take part in this dialogue, those that do—either through explaining why it is staying true to its values or by acknowledging wrongdoing and creating a plan to change—tend to fare better in creating a positive public discourse once again. For some, a cancellation is not the end, but a beginning.

Methodology

Porter Novelli fielded a survey to gather people's opinions of "cancel culture." This wave was fielded online using Engine's online CARAVAN® Omnibus survey between December 4-6, 2020, and a total sample of 1,004 U.S. general market adults was collected. The data were weighted to U.S. Census population estimates and the margin of error is +/- 3.1% at a 95% confidence level. In addition, 13 months of Twitter conversation for each case study was analyzed using social listening platform TalkWalker.

About Porter Novelli

Porter Novelli is a global purpose communication consultancy born from the idea that the art of communication can advance society. More than 45 years ago, we opened our doors—and people's eyes and minds—for brands driven to make a positive impact. Today, we believe that organizations must find, live and tell their purpose in order to thrive. Companies that do, will motivate action, secure loyalty and encourage advocacy—all in service to a healthier bottom line. For additional information, please visit www.porternovelli.com. Porter Novelli is a part of the Omnicom Public Relations Group.

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