
Real Time Expert[®] Poll

Corporate Political Activism



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Institute for Strategic Leadership

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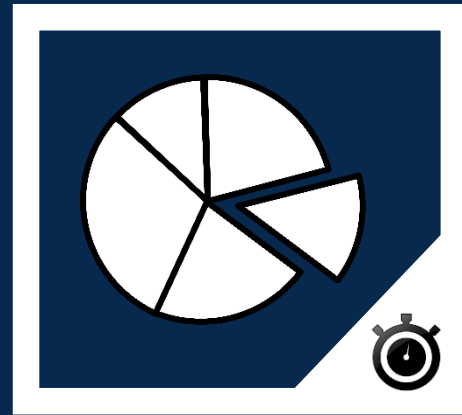
Our Mission

To provide an objective voice and immediate feedback when companies become politically active.

What is Corporate Political Activism?

“A public position taken by an organization, or its executives, on a divisive political issue, election, or legislation.”

How it Works



Company Takes Stand

Company announcement will be chosen about 6 times per year based on newsworthiness and interest level of the panel.

Expert Panel Surveyed

Panelists grade the company's management of the stand and give brief open-ended reactions.

Results Sent to Media

Responses are aggregated and reported to the media within 4-6 hours.

Follow-up Interviews

Reporters follow-up with individual panelists.

The Panel

Expert panelists are from 39 universities in 8 countries. They represent both liberal and conservative political leanings, and specialize in diverse topics such as corporate reputation, social impact, communications, politics, and economics.

Tamar Avnet

Yeshiva University

Mike Barnett

Rutgers Univ.

Jos Bartels

Tilburg Univ. (Netherlands)

Sharon Beatty

Univ. of Alabama

Aronte Bennett

Villanova Univ.

Marya Besharov

Cornell Univ.

CB Bhattacharya

ESMT (Germany)

Dora Bock

Auburn Univ.

Tom Brown

Oklahoma State Univ.

Vanessa Burbano

Columbia Univ.

Archie Carroll

Univ. of Georgia

Rick Clancy

Univ. of North Carolina- Chapel Hill

Alin Coman

Princeton Univ.

Timothy Coombs

Texas A & M

Chiara Cordelli

Univ. of Chicago

Peter Dacin

Queen's Univ. (Canada)

Jeff Dotson

Brigham Young Univ.

Shuli Du

Univ. of New Hampshire

Pam Ellen

Georgia State Univ.

Jenn Griffin

George Washington Univ.

Russ Klein

American Marketing Association

Sherryl Kuhlman

Univ. of Pennsylvania

Alex Kull

Univ. of San Diego

Dan Laufer

Victoria Business School (New Zealand)

Tom Lyon

Univ. of Michigan

Jeanette Mena

Univ. of South Florida

Kevin Money

Univ. Of Reading (U.K)

Rowena Olegario

Univ. of Oxford (U.K.)

Neeru Paharia

Georgetown Univ.

Vontresse Pamphile

Northwestern Univ.

Davide Ravasi

City University (U.K.)

Stefanie Robinson

North Carolina State Univ.

Simona Romani

LUISS Guido Carli (Italy)

Laura Schons

Mannheim Univ. (Germany)

Sankar Sen

Baruch College

Nancy Sirianni

Univ. of Alabama

Craig Smith

INSEAD (France)

Scott Swain

Clemson Univ.

Tillman Wagner

WHU (Germany)

Rupert Younger

Univ. of Oxford (U.K.)

Alex Zablah

Univ. of Tennessee – Knoxville

Latest Study Lyft and Uber (January 30, 2017)

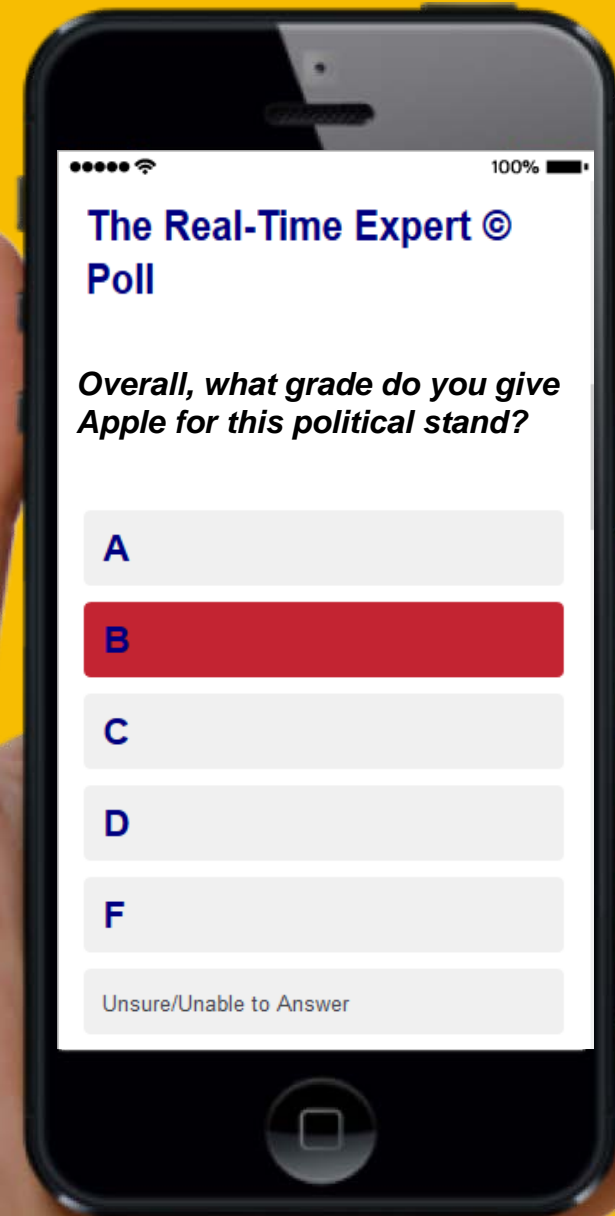
One industry, two starkly different approaches to President Trump's new executive order. The order prevents citizens of seven Muslim countries from entering the United States for the next 90 days.

Lyft called the executive order "antithetical to both Lyft's and our national core values." Lyft also said it was donating \$1 million to the ACLU over the next four years.

Uber's CEO was more equivocal, saying "this ban will impact many innocent people – an issue that I will raise this coming Friday when I go to Washington for President Trump's first business advisory group meeting."

Lyft co-founder's statement is here: <http://lft.to/2kKn3l8>

Uber CEO's statement is here: <http://bit.ly/2kLsf4f>



Poll Items

1. Overall, what grade do you give [company] for this political stand?

(Scale: A, B, C, D, F)

2. Evaluate the political stand on each dimension:

- a) **Leadership** *the political stand is proactive, setting a standard for peer companies to follow*
- b) **Consistency** *the political stand is consistent with the central and enduring values of the company*
- c) **Transparency** *the company is forthcoming in describing the motivations behind the political stand*
- d) **Materiality** *the political issue is substantively relevant when key stakeholders are deciding whether or how to interact with the company*

(Each dimension rated on 1-5 scale, Extremely Inaccurate-Extremely Accurate)

3. If you have additional comments, write them here. (Responses are anonymous unless you choose to sign your name)

Topline Results

B

Lyft

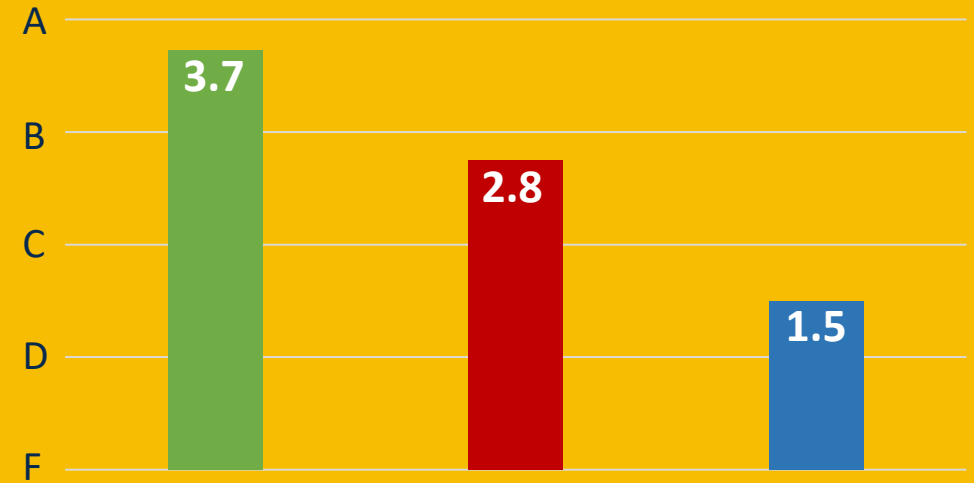
C+

Uber

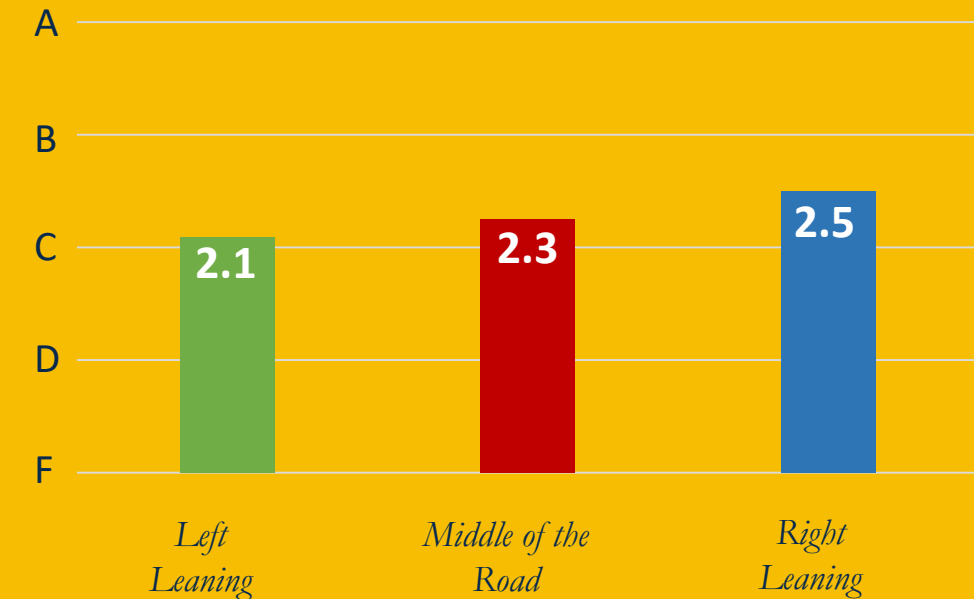
The panel gives the Lyft a grade of B and Uber a grade of C+ for how they are handling the political issue.

For Lyft, grades varied by the political leaning of the panelist. For Uber, grades were consistently low.

Lyft - Grade by Political Leaning



Uber - Grade by Political Leaning

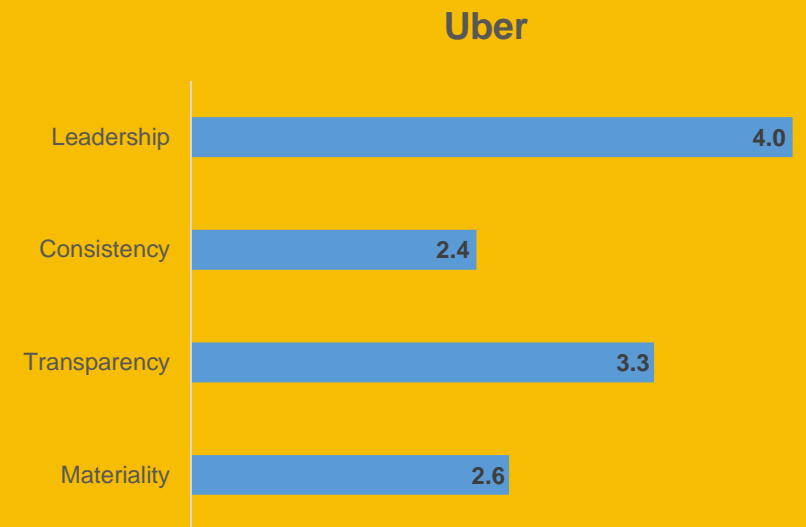
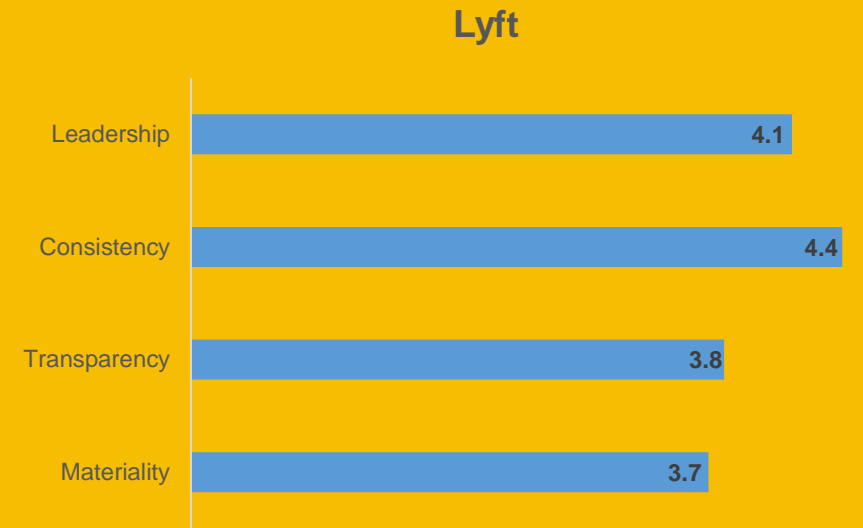


n = 21; grades based on mean response using standard GPA scale (A=4.0, B=3.0, etc.).

Key Indicators

The panel rates the leadership of Lyft's stand as high, and gives good marks for being consistent with its values.

The panel also rates the leadership of Uber's stand as high, but gives it low marks for consistency and materiality.



Topline Results

The professors on the panel found Uber's actions to be bottom-line oriented and misguided. Lyft was characterized by some as wisely taking advantage of Uber's blunder.

However, Lyft did not escape criticism. Panelists questioned whether its donation would be very impactful in the long run.

Lyft is taking action to show it lives its values. Action does speak louder than words when it comes to commitment to values. Uber is more measured and just saying it is displeased."

These actions seem impulsive and not necessary nor relevant to their business.

Lyft was clear ideologically, but I do wonder whether it will be more polarizing than unifying in the long run. It could lead to either a big win or a big loss business-wise. In general, I wished they had tied their statement more to their business (perhaps reiterated their mission beyond what they said in the first line). Uber stumbled a bit. Their letter at least was business focused but crossing the picket-line seemed out of step with the stance taken in the letter about "standing up for what is right."

Lyft's actions are easier to judge, but still with an element of speculation.

Uber's CEO is on Trump's business advisory board. Why is he willing to be part of this?

Uber has gotten cornered because its CEO has chosen to accept a political affiliation. Lyft has wisely taken advantage of this.

Lyft seems to be cleverly using Uber's blunder to gain visibility and consensus. A few vocal tweeters seem to have now shifted from Uber to Lyft. The long-term impact of Lyft's stand on its share of the market remains to be seen, but at least, in the short term, it should have substantially increased the notoriety of the company. More people now know that there is an alternative to Uber, and may not let price only guide their choices in the future.

Uber has persistently had employment issues that likely exacerbate the ban on Muslim-majority immigrants. Yet Uber likely doesn't know how deeply it might be impacted by immigrants as drivers or wanting to use its services. It simply doesn't know which is a huge liability. It's business is profits so a 'talk' with the president as one of hundreds is not likely to make a difference to immigrants yet is consistent with Uber's bottom line orientation, unfortunately. Lyft on the other hand seems gratuitous in its one-off donation. How much of a lasting impact can \$1mm to ACLU be? They're throwing away money without creating a lasting impact.

Lyft makes a general statement against the policy on their company site about explanation - other than at odds with their core values. Uber's founder makes his statement on his personal Facebook page and elaborates on exactly how it affects his drivers and offers some compensation for their lost wages as a result of the 90-day freeze. Given that driving a taxi has always been a source of jobs for many immigrants, taking a stance on the industry effects is appropriate.

By taking a strong political stand I believe that Lyft hopes to generate awareness for its relatively unknown brand. Uber already has high levels of brand awareness.

About Our Sponsor

Drexel LeBow's Institute for Strategic Leadership advances an evidence-based perspective to leadership. The Institute believes that clear, verifiable support will help leaders diagnose preconceived ideas and assumptions that may not be accurate, and replace them with practices that have been proven to be effective. It generates evidence – based knowledge through research grants, curriculum development, and corporate outreach.

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Real Time Expert® Poll on Corporate Political Activism

For more information, please contact:

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