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Case #5 - Starbucks and Brand Activism

Brand activism can be both beneficial and harmful to a company - it is a double edged sword. In a world of politics and social views that are more divided than ever before, choosing sides, either side for that matter, when it comes to various topics winds up polarizing half of the company's clientele. One of the best examples of this in recent history is Starbucks' 2015 decision to eliminate Christmas imagery from their cups, and instead replace them with a much more scaled back, but still slightly festive red cup [1]. Traditionally, Starbucks' festive cups have featured pine tree branches, Christmas ornaments, snowmen, snowflakes, poinsettias, and stars [2]. But in 2015, Starbucks' new cup was just red. No detail whatsoever, just red ink on a cardboard cylinder.

There is no official press release statement on why Starbucks decided to ditch the Christmasy theme, but immediately following the reveal of the red cups, people began to scold the decision. Twitter users called out Starbucks' "war on Christmas", and then-presidential candidate Donald Trump called for a "boycott of Starbucks". The reason this decision faced so much backlash is because Starbucks aligns itself with Democrats and more Democrat-oriented social causes. Statistically speaking, more religious people affiliate with Republicans. The outrage was somewhat justifiable, but to this day, nobody really knows if this decision was to make a social statement that Christmas imagery on their cups was offensive and inappropriate to use, as not everyone celebrates Christmas, or if it was simply an embrace of minimalist design, which exploded into popularity in the same year. Regardless, the general public's perception of this rather bold design change was that it was either an anti-Christmas move, or an embrace of minimalism.

Another, outside perspective of the cup controversy was that it was simply a very well planned marketing move. Starbucks PR team figured the radically redesigned cups would spark conversation, and whether or not the Christmas cup controversy was a PR stunt or a social statement, "Starbucks got its brand into the conversation of nearly every American without spending a dime on advertising, PR or even lifting a cup" [1]. Its no wonder Harvard Business Review placed Howard Schultz as the 14th most successful CEO in 2016 [3]. He managed to get Starbucks cups into the minds of every American, left and right, without ever needing to promote the new cups.

Personally, I do not believe this was a "war on Christmas", as a stunt like that would alienate even Starbucks' less religious clientele. Instead, it was a bold design change that was meant for people to take notice of, and the result was a more acrimonious response than Starbucks intended. Similarly, one of the main reasons why Starbucks has fallen under so much scrutiny over the last few years is because of their lack of foresight when it comes to making decisions that are not necessarily warranted from a business perspective. As with the Christmas cups, Starbucks did not foresee the backlash and negative press coverage it would bring. But in

2013, Schultz made a much more glaringly obvious political statement that again, brought Starbucks under fire from the political right. In short, Schultz made every Starbucks location a “gun free zone”, virtue signaling to the growing left wing movement of restricting the 2nd Amendment. This move infuriated people from the right and into the centrists. The decision was not spurred by any recent shooting incident, but rather Schultz felt it necessary because “he did not want guns to be a part of the Starbucks experience” [3]. This sounds more like an injection of personal politics, and not a response to social pressures. He shrugged it off, saying no matter what he did, people would be angry. But had Schultz left the topic untouched, it would not have evoked a response from either side. Instead, his brash decision stoked the flames of public opinion and turned more right-leaning clients off from purchasing coffee from Starbucks.

One of Starbucks’ more well-received sociopolitical statements was their decision to back an amicus supported by a plethora of large corporations that challenged the Defense of Marriage Act. Starbucks was one of the companies leading the charge to legalize same sex marriage, of which public approval is fairly high - about 75% of Americans support same sex marriage as of 2017 [3]. Clearly, Starbucks’ brand activism is fairly hit or miss. It can either go really well for them, like their charge in the push for same sex marriage, or really horribly, like their Christmas cup controversy or their push to have employees engage customers in conversation about “#RaceTogether”.

Schultz accurately pointed out that “capitalism is an unbelievable source of revenues and opportunity for people across America”, and feels that most businesses are inherently good. But if that is the case, is brand activism really necessary for every current political conversation, especially if he has seen how hit or miss his attempts are? If there is one thing that is important to take away from Schultz’s time at Starbucks, it would be that brand activism, while it may have pure intentions, is not always the best economical move. Despite “40% of millennials researching corporations’ stances on political topics” [3], not everything needs to be a social or political conversation, which is what Schultz so clearly missed out on especially with #RaceTogether.

With Kevin Johnson now firmly seated at the helm of Starbucks, maybe we will see less brand activism from Starbucks in the future. Johnson comes from a more technical background, and is not as politically vocal as Schultz. Regardless, he should keep these questions in mind.

1. Does advocating for this cause seem forced? (a la #RaceTogether)
2. Is this a stance we want the *entire* company to be aligned with? (a la gun ban from stores)
3. Is there public demand for more corporate action related to this topic? (a la same sex marriage push)
4. Will that demand translate into more sales? (a la Christmas cup controversy)

While the line between business and politics is becoming increasingly blurry, Johnson needs to remember that not everything has to involve politics or social conversation. Most people are just trying to get a cup of coffee and move on with their day. If people are going to be forced into conversations, it will only result in further backlash.

Sources

1. Macias, Mark. "The Real Winner in Starbucks Red-Cup Controversy." *CNBC*, CNBC, 16 Nov. 2015, www.cnbc.com/2015/11/13/the-real-winner-in-starbucks-red-cup-controversy-commentary.html.
2. Mullins, Jenna. "How Starbucks' Red Cups Have Changed Over the Years." *E! Online*, E! News, 9 Nov. 2015, www.eonline.com/news/714222/this-is-how-starbucks-red-holiday-cups-have-changed-over-the-years.
3. Harvard Business Course Pack - Brand Activism at Starbucks: A Tall Order?