



RISK & REPUTATION UNIT

April 2024

AGENDA

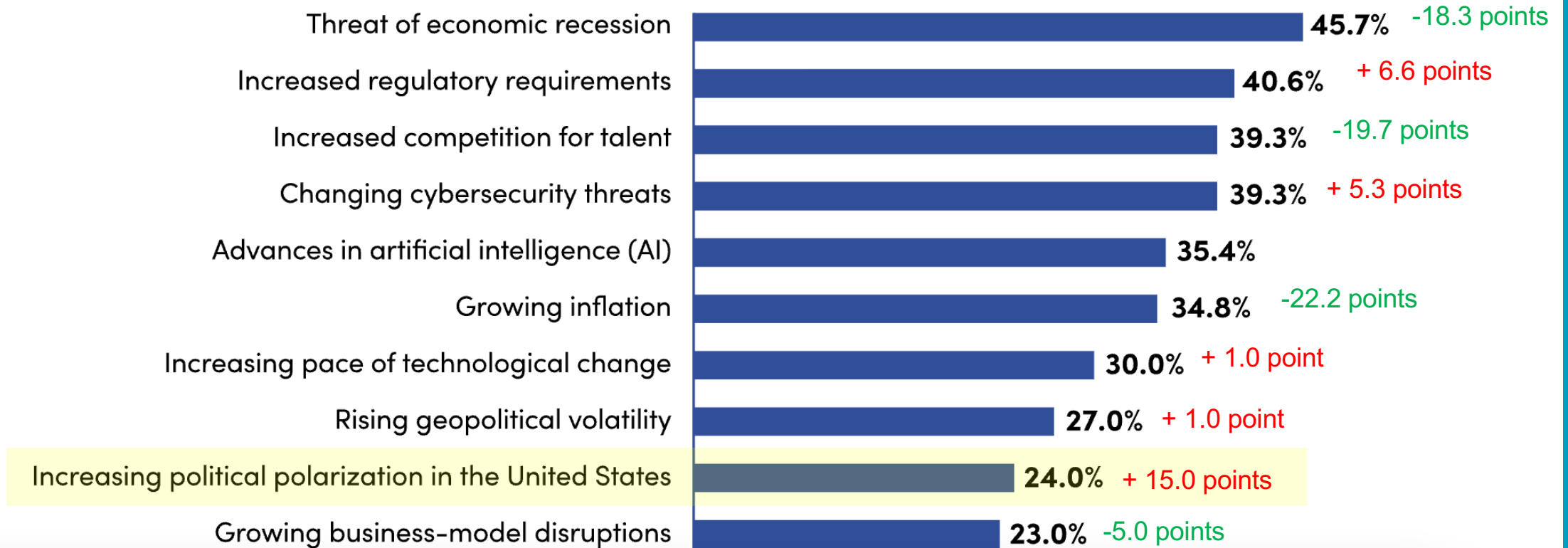
1. **Where** are we as business today?
2. **What** are the major issues this election year in the U.S.?
3. **Advice** for business



Where are we as business today?

POLITICAL POLARIZATION IS INCREASING *Becoming a Boardroom Discussion*

5 trends having greatest impact on your company in the next 12 months?



LOOKING AHEAD

The Business Environment Will Be Even Tougher

**The Next
Several
Months** are
Going to Be
*Politically
Anti-Business*



**It's Not Just Bud Light. How
Companies Are Fighting Back Against
the War Over 'Woke.'**

“

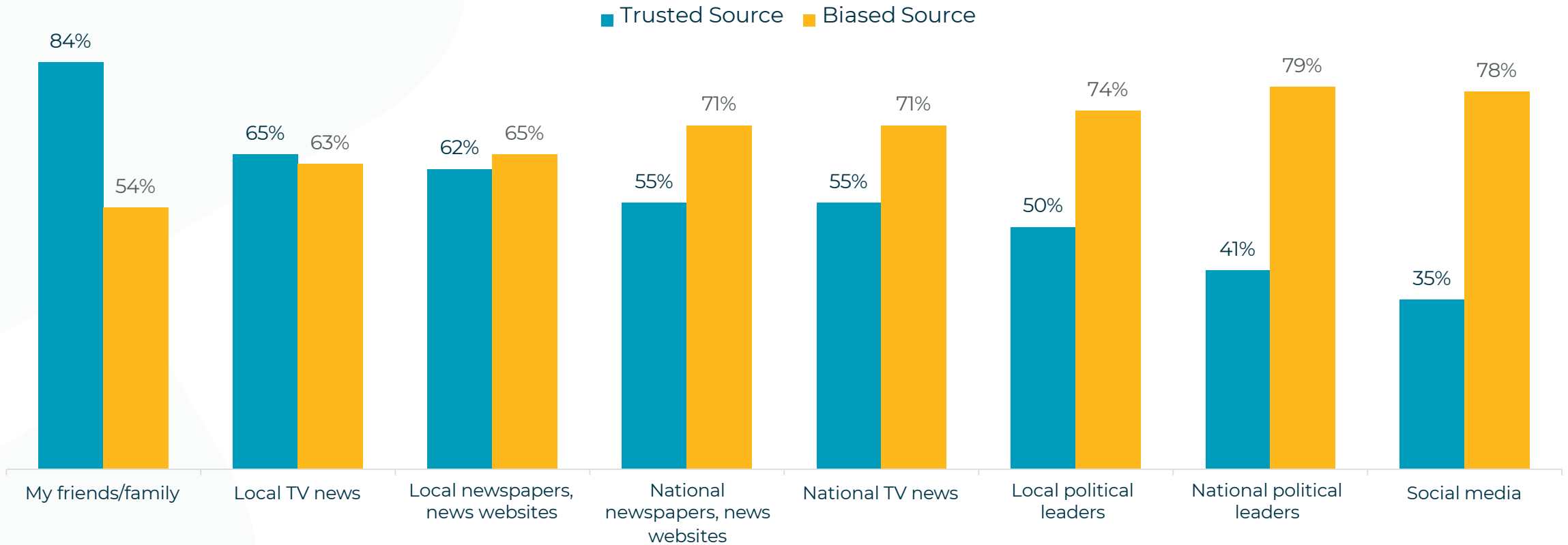
A Bud Light is no longer just something you grab when you feel like a beer. A conservative outcry over Bud's marketing campaign with a transgender activist has put the brand into the center of a culture war over so-called **corporate wokeism**. ”

PEOPLE ARE SKEPTICAL

Local Sources are More Trusted

How much do you trust information from each of the following sources?

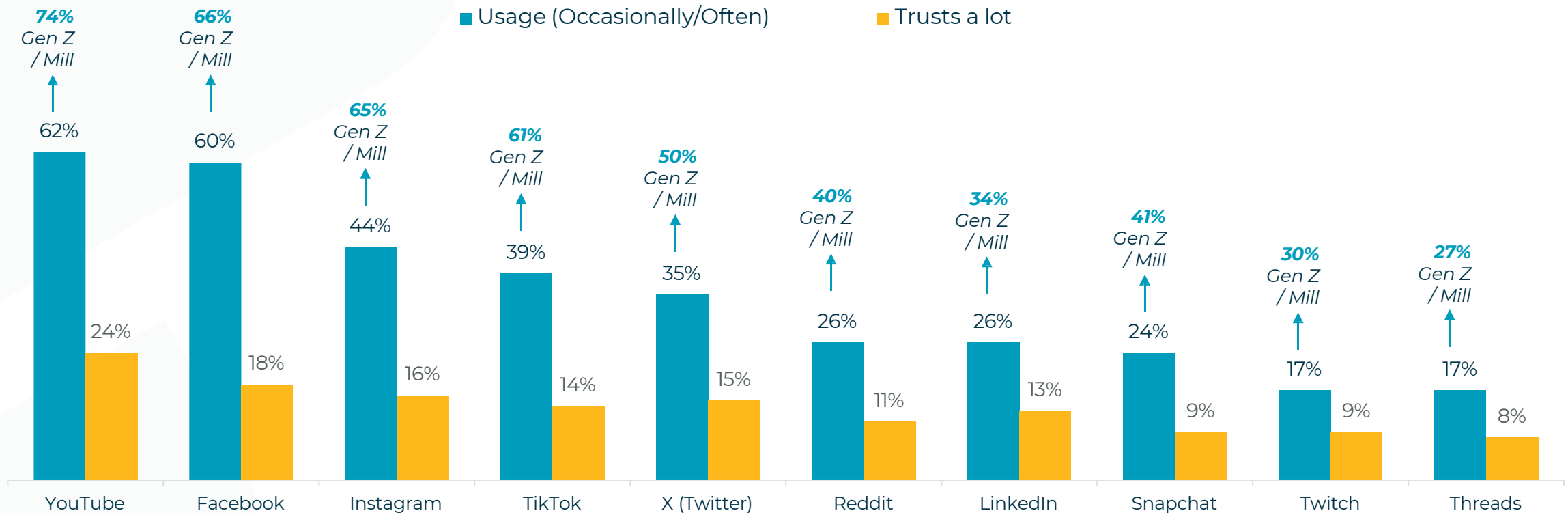
How biased do you think that the news and information you get from each of the following sources is?



PEOPLE ARE SKEPTICAL

News Reporting On Social Media Platforms are not Trusted

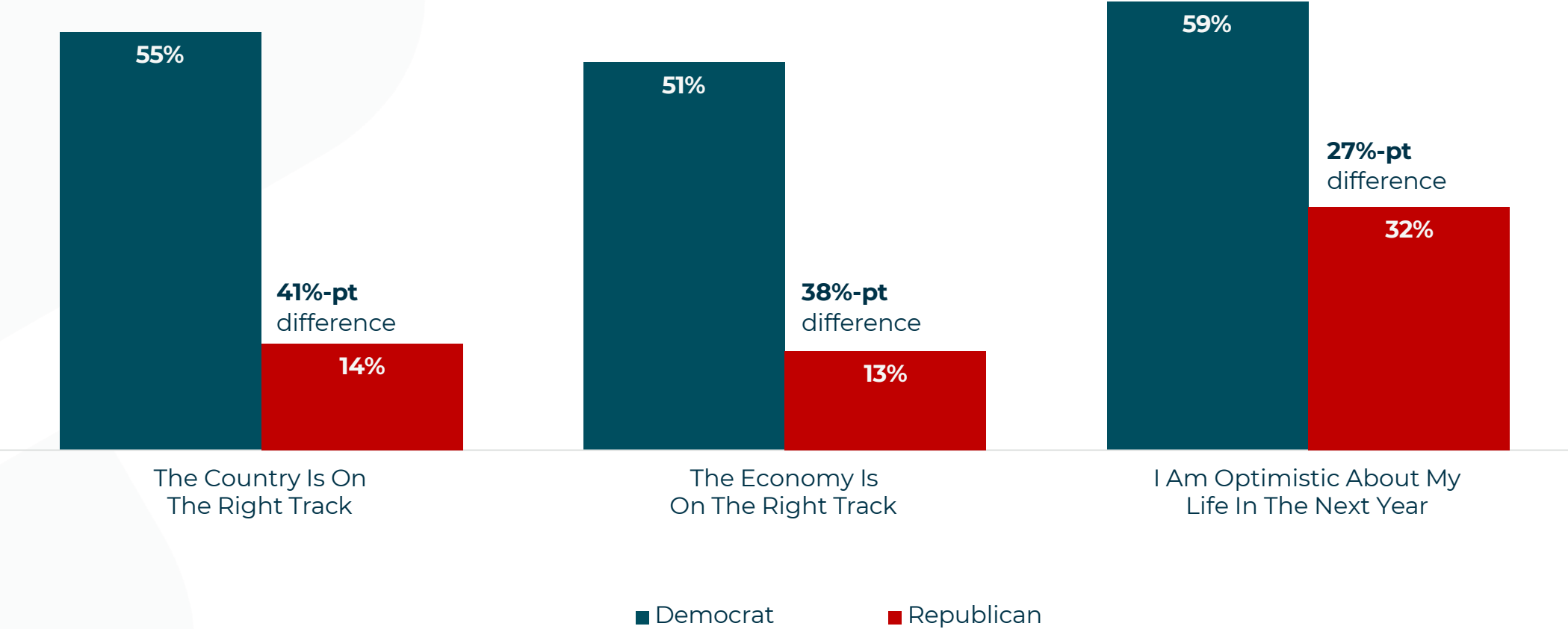
How frequently do you use the following platforms to learn about the news?
How much do you trust news and information from each of the following sources?
Among All Americans



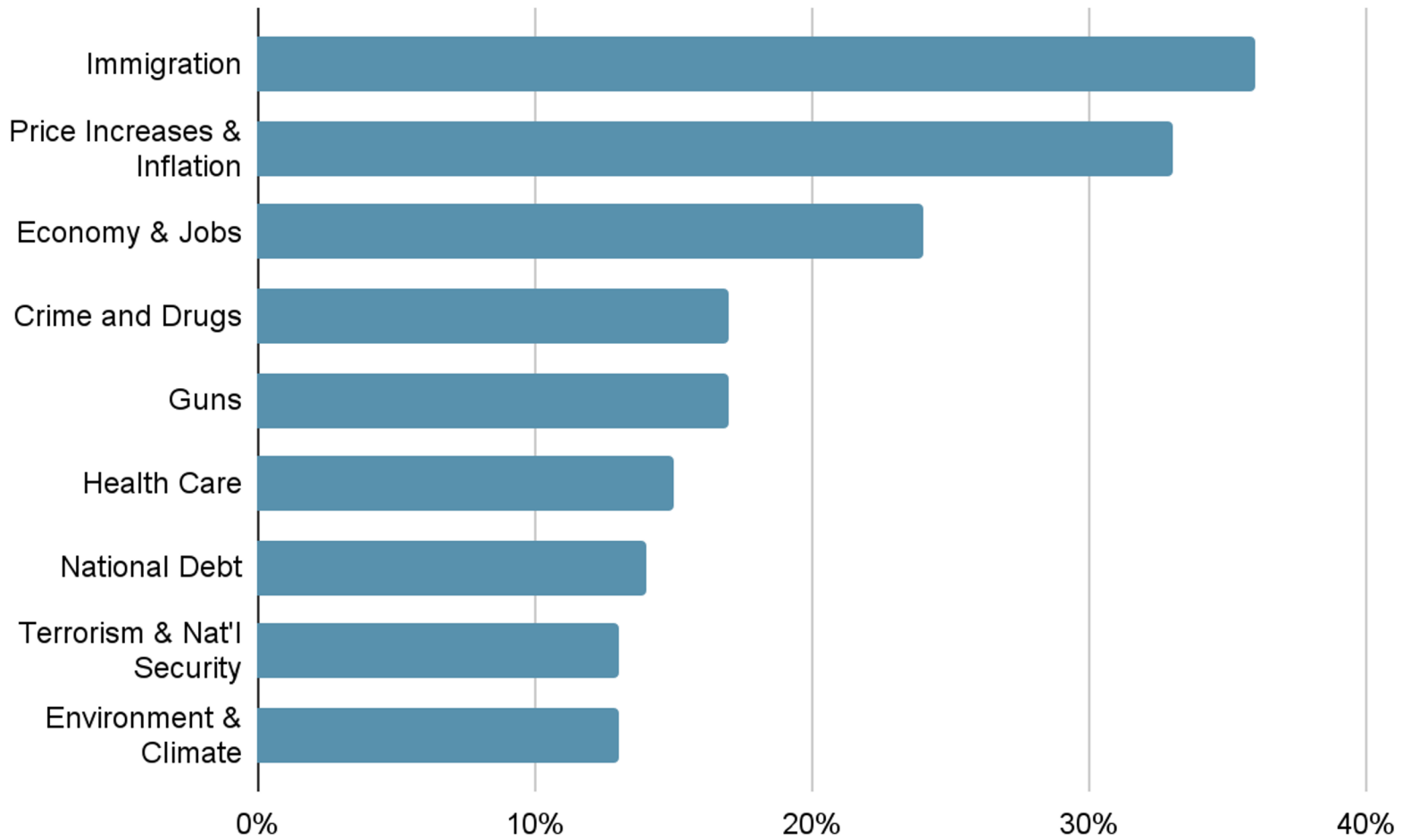


What are the major issues this U.S. election year?

REPUBLICANS ARE FROM MARS; *Democrats Are From Venus*



WHAT MATTERS TO VOTERS



WHAT MATTERS TO VOTERS

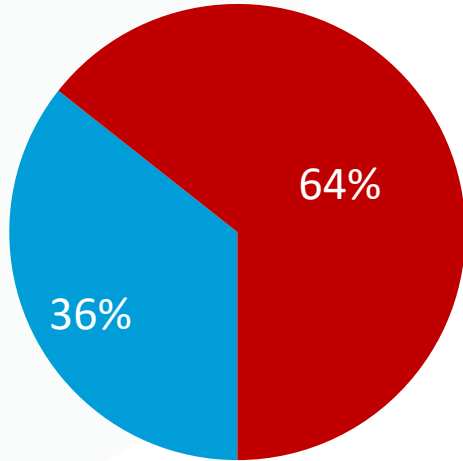
Column %	DEM	GOP	IND/ OTH	MALE	FEM	18-24	25-34	35-44	45-54	55-64	65+	WHITE	HISP	BLACK
Inflation	33%	42%	40%	34%	41%	24%	39%	38%	43%	42%	34%	40%	35%	36%
Immigration	10%	35%	16%	24%	19%	10%	22%	15%	20%	25%	26%	22%	24%	11%
Crime	13%	9%	9%	12%	8%	14%	10%	14%	14%	6%	7%	10%	10%	11%
Climate change	15%	2%	10%	10%	8%	12%	5%	11%	7%	8%	11%	10%	7%	7%
Abortion	11%	4%	9%	5%	10%	20%	5%	8%	8%	7%	6%	8%	5%	9%
Racial equity	7%	3%	8%	7%	5%	12%	10%	8%	3%	4%	3%	2%	11%	17%
Curbing guns	8%	1%	6%	5%	5%	6%	3%	3%	3%	6%	9%	5%	4%	6%
Israel	1%	1%	2%	2%	1%	1%	3%	1%	0%	0%	3%	2%	0%	1%

The Harris Poll (March 2024)

Q: Which of these issues is most important to you personally?

TIKTOK DEBATE UNDERSCORES BATTLE OF THE GENERATIONS

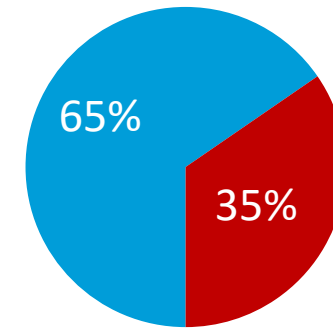
Which of the following do you think is more important:



- The benefits of using TikTok to American brands and content creators
- The risk posed by TikTok to American's personal privacy and security and the country's national security

Column %	DEM	GOP	IND/OTH	18-24	25-34	35-44	45-54	55-64	65+
The <u>benefits</u> of using TikTok	46%	28%	31%	51%	51%	47%	36%	28%	15%
The <u>risk</u> posed by TikTok	54%	72%	69%	49%	49%	53%	64%	72%	85%

The U.S. House of Representatives recently passed a bill requiring ByteDance to either sell TikTok to a U.S. government-approved buyer within six months or TikTok would be banned in the United States. Do you support this bill?



■ Support ■ Oppose

Column %	DEM	GOP	IND/OTH	18-24	25-34	35-44	45-54	55-64	65+
Support	66%	66%	64%	43%	51%	60%	62%	74%	84%
Oppose	34%	34%	36%	57%	49%	40%	38%	26%	16%

Democrats Want To Focus On:

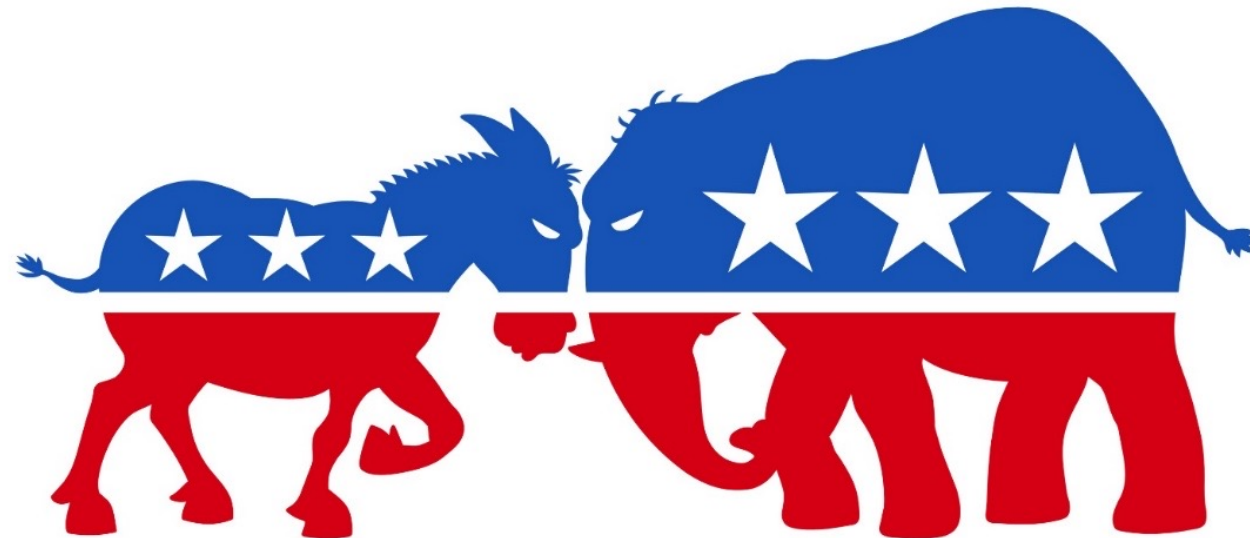
- Abortion Rights
- Healthcare
- Social Security, Medicare
- Protecting Democracy
- Climate Change
- Supporting Ukraine
- Automation

Both Parties Want To Focus On:

- China
- Taxes

Republicans Want To Focus On:

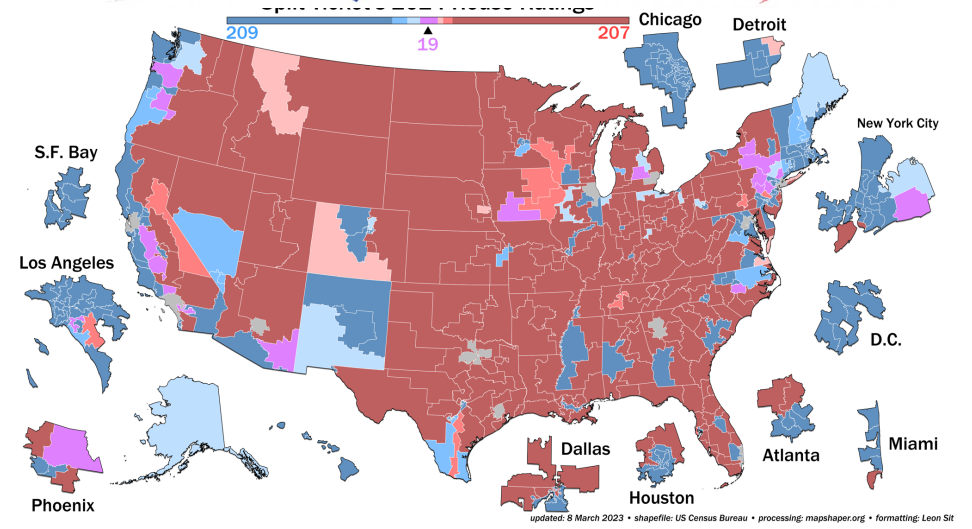
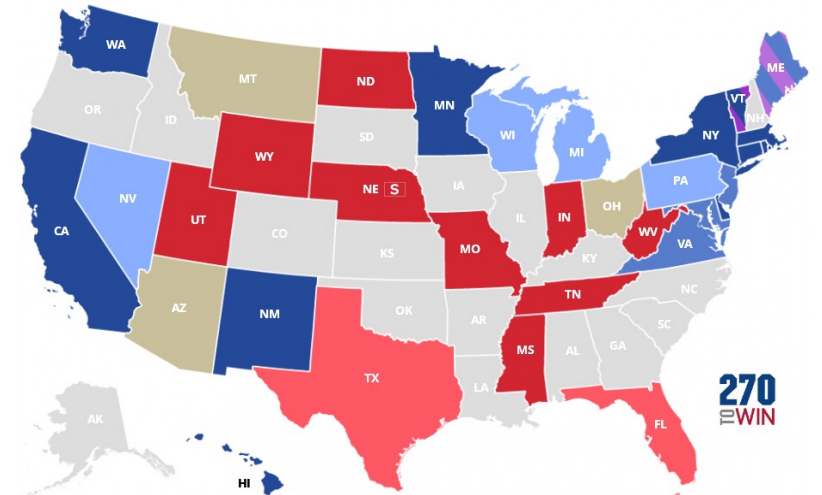
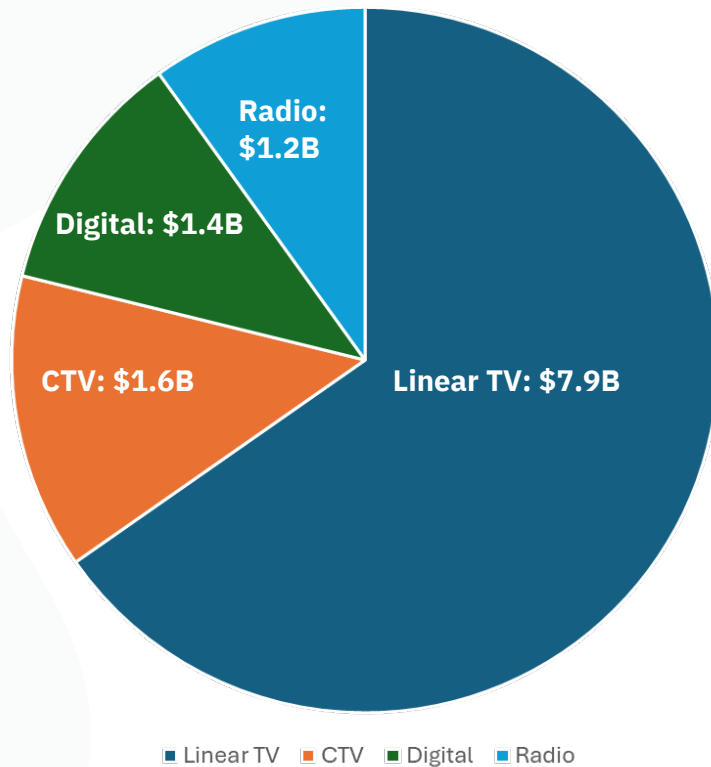
- Border Security
- Inflation
- Crime
- National Debt, Deficits



ELECTION SPENDING WILL BE UNPRECEDENTED ...

- 2024 will be the most expensive election cycle ever – with an estimated \$12B to be spent across media channels.
- This spending will not be spread evenly across DMAs

Political Spending by Media Type



updated: 6 March 2023 • shapefile: US Census Bureau • processing: mapshaper.org • formatting: Leon Sit

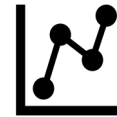
Factors at play that require unique solutions



Though 2024 will see a record amount of spending, the \$9B in down-ballot spending will be centered on just a few markets.



Extremely well-known major party candidates for President could lead to increased apathy from voters.



Longer than usual Presidential election may lead to voter fatigue. Campaigns will try to mitigate this by being active longer.

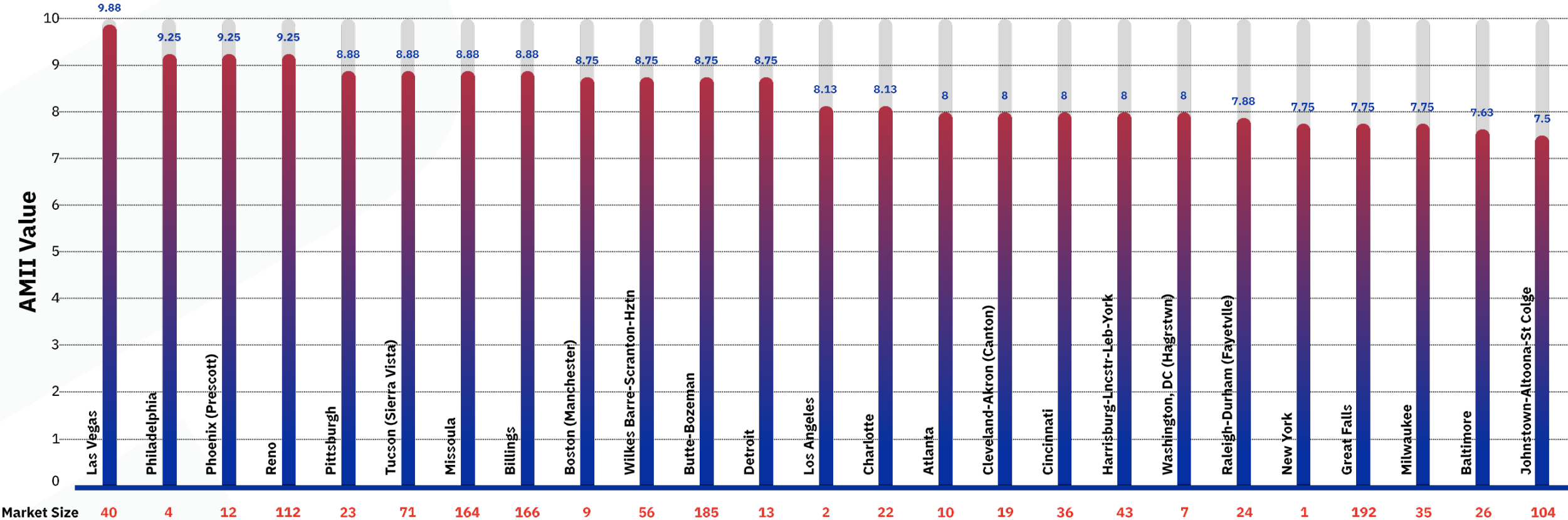


There will be fewer 'tentpole' moments like debates, major interviews, and town halls that tend to draw large numbers of viewers to TV



Unpredictable news stories (like updates to Trump's legal cases) may upend the traditional schedules of political advertising.

Las Vegas, Philadelphia, Phoenix and Reno top Assembly's 2024 Market Intensity Index





Advice for business

5 TRUTHS ON REPUTATION TO SURVIVE POLARIZATION

Thinking about ways to build a company's reputation that would be immune to consumer and/or societal backlash, how important are the following?
% Important

1.

Know your customer



Know your audience and prioritize stakeholders when it comes to social issues

2.

Live your values



Live out company values in all areas of operations

3.

Bring people together



Focus on unifying social messages and programs

4.

Don't flip-flop



Refuse to backtrack on social stances when facing backlash

5.

Back it up



Have a proven track record in order to quell backlash when information/news moves quickly

WHAT A BRAND NEEDS *ahead of Election 2024*

1. **Holistic understanding of stakeholders**
– including employees, consumers, investors and media
2. **Vetting process**
that integrates marketing and communications
3. **A ready defense**
to ensure you stand by your actions
4. **24/7 monitoring and increased tracking**
during key flash points on the calendar
5. **Always-on bipartisan advisory team**

Thank you!

Ray Day, Ray.Day@StagwellGlobal.com

Alexis Williams, Alexis.Williams@StagwellGlobal.com