

# **PUBLIC POLICY CONSEQUENCES OF RETAIL DISRUPTION**

**POLITICS + POLLING + PROFITS**

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MARC A. ROSS

# Agenda

**Pop Quiz**

**The Rules**

**Political Environment**

**Case Studies + Tactics**

**Predictions**

# Pop Quiz

**How do you prove trust?**

**What was the last job you created?**

**Why do you want to be regulated?**

**What's good about global government?**

**Are you a good corporate citizen?**

**Should you speak with 60 Minutes?**

# The Rules

**“where you sit is where you stand”**

**“personnel is policy”**



**“good politics rarely makes good economics”**

**“the Chinese don’t have a vote, or do  
the French, the Dutch, the Japanese,  
the Brazilians, the Australians, the  
South Africans...”**

**“globalization depends on  
technology and politics”**

**“protectionism can take many forms,  
not all are obvious”**

**“culture follows power”**

**“understand the business model”**

**“geography matters”**

**“you can’t make the policy if you don’t  
win the politics”**



**“Washington is undefeated”**

# Political Environment

# **Distrust 2018**

**Nobody trusts government**

**Nobody trusts media**

**Nobody trusts institutions**

# Empowerment 2018

**Everyone is a witness**

**Everyone is a publisher**

**Everyone is an activist**

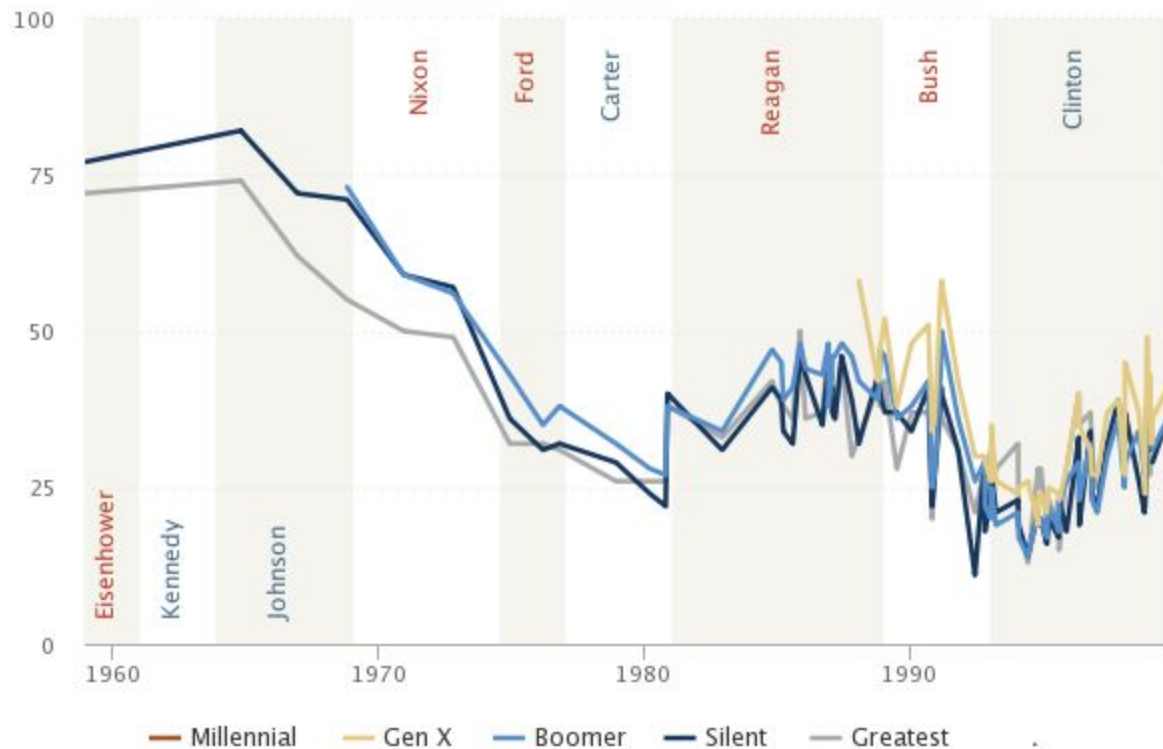
## Public trust in government near historic lows

*% who trust the govt in Washington always or most of the time*



## Trust in government by generation

*% who trust the govt in Washington always or most of the time*



# Global Challenges 2018

**China setting international standards**

**Accidents**

**Global tech cold war**

**Mexico**

**US-Iran relations**

**Erosion of institutions**

**Protectionism 2.0**

**United Kingdom + Brexit**

**Identity politics in Southern Asia**

**Africa's security**



# **Future 2018**

**Autonomous vehicles**

**AR + VR**

**Gene editing**

**Internet of Things**

**Artificial intelligence**

**Blockchain**

**Robots + Automations**

**Droids + Drones**



## **Then - 2008**

**Exxon Mobil**

**PetroChina**

**Walmart**

**China Mobile**

**Procter & Gamble**

**I&C Bank of China**

**Microsoft**

**AT&T**

**Johnson & Johnson**

## **Now - 2018**

**Apple**

**Amazon**

**Google**

**Microsoft**

**Facebook**

**Tencent**

**Berkshire Hathaway**

**Alibaba**

**JP Morgan Chase**

# New leaders to fill vacuum

**Innovators**

**Celebrities**

**Foreign Leaders**

**NGOs + Pressure Groups**

**Thought Leaders**

**CEOs**







APRIL 2, 2018



Parkland, Fla., students  
and March for Our Lives  
organizers (from left)  
Jaclyn Corin, Alex Wind,  
Emma Gonzalez, Cameron  
Kasky and David Hogg

time.com









## **CEOs engaging on social issues**

**Litigate = Amicus brief over travel ban**

**Advocate = Coalitions + Grassroots**

**Culture = Pull advertising**

**Values = Resign from councils + groups**

**When + how = Success + failure**

**Walmart + Dick's Sporting Goods**

**Patagonia**

**HB2 Coalition**

**Delta**

**Papa John's**

**Under Armour**

## Without trust - they will stop buying

**"A good reputation may get me to try a product—but unless I come to trust the company behind the product I will soon stop buying it, regardless of its reputation"**

**63% Agree**

***-2018 Edelman Trust Barometer***

# Trust-building mandates for business

**Safeguard privacy**

**Drive economic prosperity**

**Invest in jobs**

**Ensure competition**

**Consumer safety**

***-2018 Edelman Trust Barometer***

## **Business is expected to lead**

**Percent who say that CEOs should take the lead  
on change rather than waiting for government  
to impose it**

**64% Agree**

***-2018 Edelman Trust Barometer***

**For CEOs, building trust is job one**

**Company is trusted**

**High quality services and products**

**Business decisions reflect company values**

**Profits and stock price increase**

***-2018 Edelman Trust Barometer***

# Navigating this environment

**Go beyond business**

**Localize trust-building strategies**

**Speak up on key issues**

**Inform and engage**

**Communicate through trusted voices**

**Activate entire organization**

***-2018 Edelman Trust Barometer***

# Case Studies + Tactics



**Kroger**

**PAC = \$176,434 (31% D | 69% R)**

**Lobbying = \$235,000**

**Common Sense Nutrition Disclosure Act of 2017**

**Mobilizing Against Sanctuary Cities Act**

**American Health Care Act of 2017**

**Tax Cuts and Jobs Act**



## Safeguard privacy

**“Your trust is very important to us.”**

**The policy notes that consumers can “control your exposure to most interest-based advertising” using information provided by the Digital Advertising Alliance.**

**[Video](#)**



**Walmart**



**PAC = \$1,149,128 (42% D | 56% R)**

**Lobbying = \$6,800,000**

**National Defense Authorization Act for Fiscal Year 2018**

**Tax Cuts and Jobs Act**

**American Vision for Safer Transportation through**

**Advancement of Revolutionary Technologies Act**

**21st Century AIRR Act**

**Drive economic prosperity**



**“working with others to use our strengths to create  
a more inclusive economic system”**

**Economic mobility + inclusion**

**Women’s economic empowerment**

**Local manufacturing + small business**



# Apple

**PAC = \$378,619 (91% D | 2% R)**

**Lobbying = \$7,150,000**

**Tax Cuts and Jobs Act**

**Financial CHOICE Act of 2017**

**Stop Enabling Sex Traffickers Act of 2017**



## **Invest in jobs**

**Apple accelerates US investment and job creation**

**\$350 billion contribution to US economy over next five years**

**"20,000 new jobs through hiring at existing campuses and opening a new one"**



**P&G**

**PAC = \$239,810 (42% D | 56% R)**

**Lobbying = \$3,269,033**

**Tax Cuts and Jobs Act**

**Fairness in Class Action Litigation Act of 2017**

**STRONGER Patents Act of 2017**

**Balancing the Rights Of Web Surfers Equally Act**

**Personal Care Products Safety Act**

***P&G***



## Consumer safety

**"For 175 years, ensuring the safety of people who use our products, and the safety of the world we all live in, has been at the heart of what we do"**

**"Our four-step, science-based process ensures both your safety and the safety of our products before they go to market."**





**Nestle**

**PAC = \$42,926 (90% D | 10% R)**

**Lobbying = 2,632,000**

**American Healthcare Act**

**Mobilizing Against Sanctuary Cities Act**

**Tax Cuts and Jobs Act**

**Agriculture and FDA Appropriations**



**Nestlé**

## Global standards

**“Harmonization of food standards contributes to the protection of consumers and to the facilitation of international trade.**

**"We apply the same Nestlé Quality Standards everywhere in the world - USA, India, China, Switzerland, everywhere....often far more stringent than some national standards."**

**"Our Nestlé Quality Management System encompasses the whole value chain from “farm to fork”, ensuring appropriate controls are in place at each step of the chain to ensure that our products are safe and compliant."**



**Nestlé**

**Coca-Cola**



**PAC = \$1,903,288 (36% D | 64% R)**

**Lobbying = \$6,340,000**

**Tax Cuts and Jobs Act**

**Save our Seas Act**

**Mobile Workforce State Income Tax Simplification**

**Marketplace Fairness Act**

**Amend IRS code = Puerto Rico + Virgin Islands**

Inform and engage (maybe)



**Keep Seattle Livable for All  
Yes! To Affordable Groceries**

**The soda industry spent \$48.9 million on recent  
soda tax opposition campaigns in 2017 = Cook  
County, Philadelphia, Boulder, San Francisco,  
Oakland, Seattle, and Santa Fe**

**“We have a variety of beverages to suit every lifestyle, taste and need. The choice is yours!”**





# Home Depot

**PAC = \$1,903,288 (36% D | 64% R)**

**Lobbying = \$1,720,00**

**Tax Cuts and Jobs Act**

**CEO-Employee Paycheck Fairness Act**

**Surface and Maritime Transportation**

**Marketplace Fairness Act**

**C-TPAT Reauthorization Act of 2017**



## **Go beyond business**

**"before Hurricane Harvey hit, Home Depot received an alert from a weather service and activated its disaster-response plan"**

**"Before the hurricane season begins, the retailer stocks everything from flashlights to shovels in dedicated centers. It pre-loads trucks so they can leave for stores as soon as a hurricane alert comes"**



# Patagonia

**PAC = \$1,000 (100% D | 0% R)**

**Lobbying = NA**

**Healthy Families Act**

**Schedules That Work Act**

**FAMILY Act**



## Activate entire organization



**“The President Stole Your Land”**

**NBC: Patagonia sues to block Trump's reductions to Utah national monuments**

**Patagonia vs. Donald Trump - “it wasn’t till Trump came along that we realized they were ready to fight.”**





Patagonia

@patagonia

Follow



This is the largest elimination of protected land in American history.

Take Action: [pat.ag/BearsEarsTakeA...](https://pat.ag/BearsEarsTakeA...)


#BearsEars

patagonia

# The President Stole Your Land

In an illegal move, the president just reduced the size of Bears Ears and Grand Staircase Escalante National Monuments. This is the largest elimination of protected land in American history.

3:24 PM - 4 Dec 2017

WE   
OUR  
PUBLIC  
LANDS

# Walt Disney

**PAC = \$751,248 (100% D | 0% R)**

**Lobbying = 3,500,000**

**Register of Copyrights Act**

**Tax Cuts and Jobs Act**

**Stop Enabling Sex Traffickers Act of 2017**



# Shanghai Disney + Global retail

**2001 - Negotiations start**

**2009 - Project approved**

**2011 - Groundbreaking**

**2016 - Opens**





**\$5.5 billion spent = includes two hotels, a shopping district with more than 50 retailers and Disney's "tallest, largest and most interactive castle."**



**Amazon**

**amazon.com**

**PAC = \$445,000 (52% D | 48% R)**

**Lobbying = 13,000,000**

**FAA Reauthorization Act**

**21st Century AIRR Act**

**Postal Service Reform Act**

**Cyber Privacy Fortification Act**

**Tax Cuts and Jobs Act**

## **Press relations + Public affairs**

**43 press releases so far in 2018 (25 for Kroger)**

**46,300,000 press mentions (846,000 for Kroger)**

**Fortune: Amazon's brag and awe press release strategy**





**Twitter =**  
**2,300 Comments**  
**30,000 Likes**

**Instagram =**  
**1,899 Comments**  
**58,400 Likes**

**60 Minutes: [Amazon's Jeff Bezos looks to the future](#)**

**Trends**

**Cash**

**Career**

**Calling**

**City**

**County**

**Country**

**International**

**First = Home**

**Second = Work / School**

**Third = Social Hub**



**Urbanization**

**Infrastructure**

**Lifestyle**

**Build**

**Buy**

**Borrow**

**Data Collection**

**Data Efficiency**

**Data Ownership**

**Data Protection**

# **Strange Bedfellows**

**Subsidies**

**Tariffs**

**Protectionism**

# **Universal Basic Income**

**Washington Consensus**

**Beijing Consensus**

# Predictions



**Amazon buys Carrefour**

**Pro-consumer loses to pro-competition**

**Brick and mortar is less but better**

**Experiences, education, and entertainment win**

**Supply chains and sourcing stressed**