Do CEO Activists Make a Difference? Evidence from a Quasi-Field Experiment

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CEO activism refers to corporate leaders speaking out on social and environmental policy issues not directly related to their core business. In the first study of this phenomenon, we investigate how CEO activism can influence public opinion about these issues and consumer attitudes about the CEO’s company. Using a quasi-field experiment, we find that CEO activism can sway public opinion and increase consumers’ intentions to purchase products from the CEO’s company. However, we find that these two effects of CEO activism depend on the alignment between the CEO activist’s message and individuals’ preexisting policy preferences. Finally, we find no evidence that CEO activists using economic language are more persuasive in their appeals.
INTRODUCTION

Business leaders have increasingly been engaging in “CEO activism,” defined as corporate leaders taking public stands on social and environmental issues that are not obviously related to their core business (Chatterji and Toffel 2015). CEO activism represents a new kind of strategic activity, different from traditional nonmarket strategy and corporate social responsibility, that has both benefits and risks. To better understand this emerging phenomenon, this paper explores the following research question: to what extent can CEO activism influence public opinion and consumer attitudes? In an era of dwindling trust in both politicians and big business in the United States (Gallup 2016), it is unclear whether CEOs can sway public opinion and if so, whether they will bolster brand loyalty or create backlash.

CEO activists have spoken out on topics ranging from climate change to lesbian, gay, bisexual, and transgender (LGBT) rights and race relations to gender equality. For example, a number of business leaders (most prominently Apple CEO Tim Cook) spoke out publicly against Indiana’s Religious Freedom Restoration Act (RFRA)¹ before and immediately after it was signed into law on March 26, 2015 (Cook 2015). Paul Polman, CEO of Unilever, has called on CEOs to take more prominent leadership roles in pushing for policies to address climate change (Polman 2015). Lloyd Blankfein, CEO of Goldman Sachs, publicly supported gay marriage in 2012 (CBS News 2013), and Sheryl Sandberg, COO of Facebook, is not only a frequent commentator on workplace gender equality but wrote a bestselling book on the topic (Wall Street Journal 2013). In other recent examples, CEOs from many public companies publicly encouraged world leaders to secure “an ambitious climate deal” at the 2015 Paris climate conference (World Economic Forum 2015), urged President Trump to remain in the Paris

¹ Indiana’s RFRA permits individuals and organizations to use religious freedom as a defense in lawsuits. Critics have claimed that this law will become the basis for allowing discrimination against the LGBTQ community, whereby service providers could legally choose not to serve LGBTQ customers based on religious objections.
Agreement (Stokols 2017; The B Team 2017), and subsequently pledged to abide by that agreement despite the US’s withdrawal (Gustin 2017).

Despite this spate of CEO activism, our study is the first to our knowledge that examines whether CEO activism actually influences public opinion. We first develop hypotheses about the effect of CEO activism on public opinion, predicting that CEOs will influence public opinions, but to a less extent than politicians advocating the same issue. We also predict that the effect of CEO activism will depend on the composition of the audience. For those who hold views similar to the CEO on related policy issues, we predict that CEO activism will increase their support for the corporate leader’s position. We predict the opposite effect for those that disagree with the CEO on related policy issues.

We also explore the influence of CEO activism on purchasing intent. We predict that CEO activism will erode purchasing intent on average, but that once again the effect will differ depending on the audience. We predict that CEO activism will increase (decrease) purchasing intent among those individuals who hold views similar to (different from) the CEO on related policy issues. Finally, we expect CEO activists to be particularly influential when they frame their arguments with economic language, given their perceived expertise in business and understanding of the economy.

To test these hypotheses, we conducted a quasi-field experiment to investigate the effects of CEO activism on public opinion and consumer attitudes in the specific context of Cook’s statements on Indiana’s RFRA and the efforts of several other corporate leaders to shape public opinion on regulation to mitigate the effects of climate change. We adopt broadly similar approaches in studying both issue areas, with some important distinctions.

In the case of RFRA, to investigate the influence on public opinion, we designed a set of one-question surveys that asked respondents to indicate their support for the law. In our baseline condition, we simply asked respondents whether they supported RFRA. In another condition, we prefaced this question with an unattributed statement indicating that “some” were concerned that this law would allow discrimination. Other conditions attributed this concern to Cook, to another business leader, or to particular politicians. We developed a second set of one-question surveys to assess the influence of
Cook’s CEO activism on consumers’ intent to purchase Apple products in the near future. We primed each respondent with a statement describing Cook’s generic management philosophy, with a statement describing Cook’s opinion of RFRA, or with no statement at all. We then asked respondents to indicate their intent to purchase Apple products.

We find that exposure to Cook’s statement that RFRA may allow discrimination resulted in 40 percent of respondents supporting the law, substantially less than the 50-percent support reported by respondents who were not prompted with this statement; this is a statistically significant difference. We find similar lower levels of support among respondents who were presented with statements containing language identical to Cook’s but attributed to another CEO, a politician, or unattributed. Our subsample analysis reveals that Cook’s discrimination remarks erode RFRA support among advocates of same-sex marriage, but not among opponents. Turning to the potential influence of CEO activism on consumers, we find greater intent to purchase Apple products among respondents who were exposed to Cook’s activism than among those who were not, and that this effect is driven by same-sex marriage supporters.

We tested the power of differing frames in the context of climate change. We employ the same approach, using the CivicScience platform to ask users the following baseline question: “Do you think the U.S. government is doing too much, too little, or about the right amount in terms of addressing climate change?” We then run several variations of treatments, prefacing this question with preambles stating that “CEOs from many S&P 500 companies” believe that climate change is one of the biggest threats confronting various entities, including our country, our economy, and the next generation. We find no evidence that CEO activists using an economic frame to discuss climate change have any impact on public opinion. Taken together, our results provide some evidence that corporate leaders can shape both public opinion and purchasing intent, while also revealing some limitations of CEO activism.

**MOTIVATION**

Firms have long pursued nonmarket strategies intended to shape the rules of the marketplace by influencing government policies on taxation, trade, labor rights, the environment, and numerous other issues (e.g., Baron 1995; Bonardi, Holburn, and Vanden Bergh 2006; Baron 2012). Such strategies may
be designed to build coalitions and constituencies around policy positions (Keim and Zeithaml 1986) or even aim to prevent an issue from becoming more salient and politically potent (Bonardi and Keim 2005). A key component of nonmarket strategy is selecting the issues that the firm will engage on in the first place and how it will advance its position (Bonardi et al. 2005). Examples of nonmarket strategy include when Microsoft CEO Satya Nadella lobbied Congress to change US immigration policy to admit more highly skilled workers, the very population his firm relies on (Romm 2014), or when General Electric CEO Jeffrey Immelt advocated that the US government adopt clean energy policies (Behr 2010), which would bolster his firm’s large wind-turbine business.

Beyond efforts to shape the rules of the marketplace in ways that directly increase corporate profits, corporations or their leaders sometimes pursue corporate activism by taking public stances on issues that shape society more broadly. For example, during the 1980s many companies rallied to defend affirmative-action programs by filing amicus briefs in court cases and testifying to Congressional bodies (Kelly and Dobbin 1998). Some firms conduct ambitious programs to help underserved communities, such as Goldman Sachs’s 10,000 Women program, which provides business training to women around the world (Goldman Sachs 2016). Such programs, however, face two types of critiques. First, the literature on “strategic CSR” (corporate social responsibility) (Lantos 2001; McWilliams, Siegel, and Wright 2006; Porter and Kramer 2006) argues that if these efforts are not closely aligned with the organization’s core business, their social impact will be limited. Second, such corporate initiatives are subject to enduring suspicion that they are thinly veiled attempts to enhance brand equity and attract customers, rather than good-faith efforts to translate corporate values into social impact (e.g., Hess and Warren 2008; Karnani 2010; Lyon and Maxwell 2011).

These concerns make it challenging for companies per se to become “activists” for social causes. Business leaders, however, have the opportunity to speak out as individuals in attempts to influence social issues. We view the statements of Cook, Sandberg, Blankfein, and other corporate leaders as examples of this type of activity—that is, as CEO activism—which is distinct from nonmarket strategy, strategic CSR, and other kinds of corporate engagement with the public sphere. Whereas corporate activism
encompasses traditional CSR programs, efforts by non-CEO executives, and even “private” behind-the-scenes initiatives (such as lobbying) to promote policies clearly designed to enhance the profitability of the business, CEO activism focuses on the CEO (as opposed to the organization) as the unit of analysis and on public activity (in contrast to corporate activism and traditional nonmarket strategy that considers both public and private activity).

Further, CEO activism describes corporate leaders speaking out on issues that are largely unrelated to their core businesses. Although race relations, gender equality, and LGBT rights are certainly relevant to the employees of Starbucks, Facebook, and Goldman Sachs, gains in these areas are unlikely to boost those companies’ short-term operating performance. When Apple CEO Tim Cook spoke out against Indiana’s RFRA, Apple was already perceived as providing an attractive working environment for LGBT employees (Frank 2013), and the company is primarily located in California, where there was no threat of similar legislation (Berry 2014).

There is some historical precedent for American business leaders speaking out on polarizing social and environmental issues, ranging from prohibition to capital punishment to civil rights (Chicago Daily Tribune 1927; PBS 2011; Burress 2015). As the United States undergoes rapid demographic and social change, corporate leaders are once again emerging as prominent advocates on several controversial issues, hoping to influence the debate. However, it is not a foregone conclusion that CEOs will be successful in shaping public opinion or what the potential downsides might be. Although some customers might view CEO activism favorably, others might be alienated by it, as was the case when Chick-fil-A CEO Dan Cathy spoke out against gay marriage in 2012, sparking not only (a) calls for boycotts of his fast-food restaurants on college campuses and some questions as to whether the company could successfully expand to the more politically liberal northeastern states (McGregor 2012; Horovitz 2014) but also (b) counter-actions including a “Chick-fil-A Appreciation Day” that attracted crowds of customers. When Howard Schultz, CEO of Starbucks, publicly urged his baristas to write “Race Together” on coffee cups in 2015 to encourage discussion of race relations in the aftermath of several police shootings and subsequent protests, the press largely ridiculed his efforts (Economist 2015).
CEO activism can occur early in the policy lifecycle, with CEOs pushing for specific legislation, such as when Duke Energy’s then-CEO Jim Rogers spearheaded the U.S. Climate Action Partnership to advocate for legislation on greenhouse emissions (Mulkern 2010). In other cases, CEO activists have advocated against pending legislation, such as when Bill Oesterle, then CEO of Angie’s List and well-connected to Indiana’s politicians, personally lobbied against RFRA just before it became law. Similarly, Whole Foods Market CEO John Mackey wrote an op-ed in the *Wall Street Journal* to support alternative health reform measures as Congress was debating whether to pass the Affordable Care Act (Mackey 2009).

In other cases, CEO activism has occurred shortly after legislation was passed to build political will to repeal or oppose specific pieces of legislation, sometimes with the aim of preventing the broader diffusion of similar laws. For example, days after Indiana’s RFRA was passed, Apple CEO Tim Cook wrote an op-ed in the *Washington Post* criticizing the Indiana law and a similar one recently enacted in Arkansas as “dangerous” and argued that similar bills, “introduced in more than two dozen states, would allow people to discriminate against their neighbors” (Cook 2015). Two days later, nine CEOs from some of Indiana’s largest employers, including Eli Lilly and Anthem Health, signed an open letter urging the governor and legislative leaders to modify the law to ensure it “will not sanction or encourage discrimination against any residents or visitors to our state by anyone” (Swiatek and Evans 2015). This example is also notable because CEOs may also act as a group rather than individuals, an issue that we address directly below.

To make their case, CEO activists can use moral persuasion, economic logic, patriotic appeals, or a combination of these approaches. For example, leaders of sports leagues including the National Basketball Association (NBA) and the National Collegiate Athletic Association (NCAA) made moral arguments against North Carolina’s controversial 2016 law HB2 (requiring transgender individuals to use bathrooms in public buildings corresponding to the gender they were born into) by threatening to move prominent games and tournaments out of the state, contributing to the pressure on North Carolina’s legislature to amend the law (Tracy 2017). Thomas Monaghan, founder and former CEO of Domino’s
Pizza, sued the federal government on behalf of his business over provisions in the Affordable Care Act ("ObamaCare") that required companies to provide employees with contraception coverage, arguing that contraception was “gravely immoral” and that that mandatory provision violated his religious beliefs (Associated Press 2012).

CEOs often use economic rationales to support their activism, sometimes backed by tangible economic leverage over communities. Once RFRA became law with the governor’s approval, Oesterle suspended ongoing negotiations with Indiana to expand the company’s headquarters in its capital, Indianapolis. That move, seen as potentially costing the state millions of dollars of economic activity and the loss of hundreds of new jobs, was widely publicized and “dealt one of the most damaging political blows” to the governor (Bump 2015). Similarly, the CEOs of PayPal and Deutsche Bank responded to HB2 in 2016 by threatening to limit the number of jobs their organizations would create in North Carolina until the law was repealed (Groden 2016). Finally, many of the CEOs who opposed President Trump’s “immigration ban” did so by appealing to national competitiveness arguments and the prospect of America falling behind other nations (Guynn and Mandaro 2017). We refer to these alternative frames in our final hypothesis below and in our experimental design.

**HYPOTHESES**

**The Influence of CEO Activism on Public Opinion**

Given that CEO activism is a new phenomenon, prior work provides little guidance about its underlying theoretical mechanisms. At its core, as we define it, CEO activism involves a public act by an individual to take a side on a topical political or social issue. To theorize about the effects of CEO activism, we aim to develop insights into how such acts influence public opinion and the intention to purchase goods and services from the CEO’s company.²

Within the large literature on public opinion, there is significant interest dating back to at least Katz and Lazarsfeld (1955) about who can influence others via the provision of new information. One

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² While CEO activism may certainly have other effects, both on CEO themselves and their organizations, we leave these questions for future work.
stream of inquiry has explored how political and economic elites in particular shape public opinion, typically through media intermediaries such as television. Prior research has found that in order for new information provided through the media to alter an individual’s view on a particular issue, that information must be both relevant to the issue at hand and credible (Page et al. 1987). Those authors found that public opinion was strongly influenced by newscasters, experts, and popular U.S. Presidents.

Whether particular CEOs can also influence public opinion is a more complex question. CEOs may be considered relevant and credible messengers on traditional business issues such as taxes and trade. Indeed, prior work has found that elites, including business leaders, are influential in shaping public opinion on key economic issues, such as the desirability of European integration (Gabel and Scheve 2007). But it is less clear whether the public considers CEOs to be relevant and credible on social issues like LGBT rights or race relations. This judgment hinges on whether CEOs are seen as more than simply business leaders. For example, some researchers have found that CEOs who become “celebrities” via favorable media coverage may subsequently command more attention and become more influential than the average executive (Hayward, Rindova, and Pollock 2004). Further, successful CEOs might be seen as authority figures who can have considerable influence on public opinion, particularly with those members of the public who are less well informed (e.g., Bullock 2011).

Such notoriety and status should make CEO activism more likely to influence public opinion. However, because the experience and remit of CEOs is more focused on business, whereas politicians are steeped in public policy, we posit that CEOs would be viewed as less relevant and credible—and thus less influential on public opinion—than politicians. Thus we predict:

**H1.** CEO activism will influence public opinion toward the CEO’s policy position.

**H2.** CEO activism will influence public opinion to a lesser extent than politicians taking a public position on the same issue.

The influence of new information depends on characteristics of both the provider and the recipient. New information is much more likely to influence public opinion if it is consistent with an individual’s prior beliefs (Page et al. 1987). Scholars have also documented that once an issue has been
framed in a particular way, individuals seek out—and are more receptive to—information that reinforces their existing beliefs (e.g., Druckman, Fein, and Leeper 2012). Moreover, the less individuals know about a particular topic, the more likely they are to be influenced by those with whom they already agree on other issues (Bullock 2011).

Though it might seem counterintuitive, those whose prior beliefs are most consistent with a CEO activist’s message—the group that is most predisposed to agree with the CEO—will experience the largest positive effect from activist stands. This group could easily be assumed to already agree with the CEO activist, such that the CEO activist statement would elicit little change in their opinion. However, CEO activists often address issues that are novel (such as laws pertaining to transgender Americans and bathroom access or somewhat technical (such as climate change). In these cases, new information from a trusted or likeminded individual can be determinative.

With individuals who disagree with an activist CEO on a particular issue, we would expect the same mechanism to work in the opposite direction. As Nyhan and Reifler (2010) observed, the provision of new information does not always lead to a shift in opinion, especially when the new information conflicts with an individual’s political preferences. Indeed, they find that when individuals receive new information that contradicts their preexisting political stance, those individuals sometimes “double down” on their established perspective. In our case, this would translate into declining support for the CEO’s preferred policy position among those who disagree on related issues.

Thus, we predict:

- **H3a.** CEO activism will increase public support toward the CEO’s policy position among those who already hold similar views on related policy issues.
- **H3b.** CEO activism will decrease public support toward the CEO’s policy position among those who already hold differing views on related policy issues.

**The Influence of CEO Activism on Purchasing Intent**

In addition to its effect on public opinion, we also seek to understand how CEO activism influences intentions to purchase products and services from the CEO’s company. While CEOs are often featured prominently in news stories (e.g., Hayward et al. 2004) and advertisements for products (e.g.,
Reidenbach and Pitts 1986), we are interested in another underlying mechanism. We do not contend that driving sales motivates CEO activism; none of our interviews with CEOs engaging in activism (or our reading of their motives expressed to others) have referred to promoting sales or brand image as an objective of CEO activism. Instead, we seek to understand whether CEO activism might indirectly influence consumers’ intent to purchase.

How could this be the case, especially if CEO activism arises primarily from personal conviction rather than a commercial imperative? The related literature on corporate social responsibility and consumer attitudes provides some useful parallels. Prior work has found that corporate social responsibility initiatives and corporate sponsorships, which similarly focus on values, can affect consumer perceptions under some conditions (Bhattacharya and Sen 2004; Rifon et al. 2004). One key factor is the level of perceived fit, the “similarity between corporate mission and social initiative,” where research indicates that “high levels of perceived relatedness enhance consumer attitudes towards firms/brands because they view the actions of firms as appropriate” (Becker-Olsen, Cudmore, and Hill 2006: 46-47). CSR campaigns with high levels of fit are also less likely to induce backlash from cynical consumers (Yoon, Gürhan-Canli, and Schwarz 2006). Our definition of CEO activism specifies that the specific issue at hand is explicitly not directly related to the firm’s bottom line, which according to the CSR literature means that CEO activism is inherently “low-fit” and thus less likely to enhance brand image and more likely to produce a consumer backlash.

**H4. CEO activism will decrease purchase intent for the CEO’s company’s products.**

When engaging in CEO activism, corporate leaders make public declarations of their values, revealing to consumers the extent to which these leaders share their own values. Prior work has found that value congruence between consumers and firms can be an important driver of how consumers evaluate products and make purchasing decisions (Sen and Bhattacharya 2001; Bhattacharya and Sen 2003; Bhattacharya and Sen 2004). More directly related to our work, there is some limited non-experimental evidence that CEO tweets about political issues can negatively affect willingness to purchase products from their company (Mikeska and Harvey 2015), presumably among those who disagree with the CEO’s...
publicized political stance. This finding suggests that CEO political and social views are readily
connected both to their organization as a whole and its products. For those who agree with the CEO, this
will engender greater brand loyalty. Similarly, consumers’ interest in purchasing goods and services from
a company will decline when they discover incongruence between the company leader’s values and their
own.

Thus we predict:

\[ H5a. \text{ CEO activism will increase purchase intent for the CEO’s company’s products more so among those who already hold similar views on related policy issues.} \]

\[ H5b. \text{ CEO activism will decrease purchase intent for the CEO’s company’s products more so among those who already hold differing views on related policy issues.} \]

Finally, we posit that how CEOs explain their policy positions will influence how consumers
perceive their companies. A large practitioner literature (e.g., Amernic and Craig 2007) emphasizes the
importance of communication style to CEOs’ ability to achieve their intended outcomes. Similarly, we
expect that the use of specific kinds of language and rationales allow some CEO activists to be more
effective. For example, a CEO may advocate that the United States remain in the Paris Climate
Agreement for economic reasons (e.g., emphasizing the benefits to jobs and economic prosperity) or for
nationalistic motivations (e.g., pointing to the need for American leadership in climate policy). Or a CEO
could use moral language (Weber 2010), perhaps focusing on our duty to the planet and shared
obligations to support this position.

Some previous literature has compared the effectiveness of these differing rationales in a variety
of contexts. For example, in experimental settings, scholars have compared economic and moral
rationales for supporting action on climate change (Albertson and Busby 2015) and found that economic
rationales are especially persuasive for respondents who are more knowledgeable about the underlying
issue. However, other experimental work has found that the use of moral language in general can lead
respondents to be more altruistic (e.g., Brañas-Garza 2007), and on specific issues such as climate change,
scholars have offered templates for how to frame the issue more effectively in moral terms (Markowitz
and Shariff 2012). Wolsko, Ariceaga, and Seiden (2016) find that patriotic appeals (in concert with moral and ethical language) were effective in shifting environmental attitudes among political conservatives.

For our purposes, we are interested in which kind of rationale will be most effective for CEO activists in persuading others to adopt their views. Given the observation by Page et al. (1987) that the credibility of the messenger is an important determinant of persuasion, we posit that economic framing will be most effective for CEOs, since they are generally viewed as authorities on how the economy works. Moreover, public opinion polls indicate that CEOs have more legitimacy weighing in on economic issues because of this perceived economic expertise (Global Strategy Group 2016). Indeed, that expertise is one reason political leaders often seek out CEOs for counsel and business schools often invite CEOs to speak to students. The economic credibility of a CEO should increase the persuasiveness of an economic rationale for CEO activism. As few CEOs are widely viewed as national policy experts or moral authorities, we argue CEO activists will be most effective when using an economic rationale.

\[ H6. \] CEO activism will be most effective when it uses economic rationales to support the policy position.

Figure 1 provides a conceptual model that depicts our hypothesized relationships. Figure 1.

Conceptual model.

DATA AND MEASURES

Ascribing causality from a relationship between CEO activism and particular outcomes is especially difficult using traditional empirical methods, because business leaders might champion causes
that are already popular or might simply add their voices to a chorus of advocates already promoting the same position. It is also difficult to isolate individual contributions to policy outcomes that are often the result of input from and debate among many stakeholders. To analyze our hypothesized relationships in a manner that overcomes these methodological challenges, we deployed a quasi-field experiment (described below)—a technique rarely used in research on strategy or business and public policy (Chatterji et al. 2016).

**Study 1**

We developed a survey to gather data on how CEO activism affects an individual’s (a) views on the relevant policy issue and (b) intention to purchase the company’s products. To avoid cross-contamination, we asked each subject a single question about either public policy preference *or* purchase intent.

**RFRA Policy Support.** To assess a respondent’s public policy preference, we developed six versions of a question that inquired about the respondent’s views on RFRA, the Indiana legislation discussed above. Our treatment condition provided the following preamble and question: “Apple CEO Tim Cook recently expressed his concern about Indiana’s new law about religious freedom because he believes the law may allow discrimination against gays and lesbians in that state. Do you support this law?” For this and all other versions of the question, the variable *RFRA policy support* was coded 1 for yes and 0 for no. To assess whether respondents’ views were shaped by the individual to whom the statement was attributed, other respondents received a version of this question in which we replaced “Apple CEO Tim Cook” with one of the following corporate or political leaders: “Indiana-based Angie’s List CEO Bill Oesterle,” “The Republican mayor of Indianapolis,” or “The mayor of Indianapolis.” Each of these people actually did speak out against the law: Indianapolis’s Republican mayor, Greg Ballard,

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3 The survey also included a “not sure” option to avoid forcing respondents to make an arbitrary yes-or-no choice when they were unsure. We excluded those responses from our primary analysis and coded *policy support* as a dummy variable. As a robustness test, we recoded *policy support* by including “not sure” responses, which we coded with the intermediate value of 0.5, and then conducted the policy support analysis using two-sample t-tests. The results of this alternative approach were very similar to those of our primary analysis.
issued statements opposing it both before and after it passed (Terkel 2015). To assess whether attribution in itself shaped respondents’ views, another group of respondents received the following version, which provided no attribution: “Indiana recently passed a law about religious freedom, and some believe the law may allow discrimination against gays and lesbians in that state. Do you support this law?” This unattributed version is akin to a traditional political or product advertisement, or re-tweet on Twitter, when the author is ambiguous or unrecognized. We asked one group of respondents a baseline version of the question that omitted the preamble about discrimination and simply asked, “Do you support Indiana’s new law protecting religious freedom?”

**Purchasing Intent.** To proxy for consumer response to CEO activism, we rely on “intent to purchase,” a dependent variable commonly used in the marketing literature to measure the likelihood that a consumer will eventually purchase a product (Fishbein and Ajzen 1975; Sewall 1978; Silk and Urban 1978; Infosino 1986; Morwitz and Schmittlein 1992; Bemmaor 1995; Cobb-Walgren, Ruble, and Donthu 1995). We address the limitations of this measure—namely, that we cannot observe actual purchases in our data—in the discussion section. We developed three versions of a question about the intention to purchase Apple products. Our treatment condition provided the same preamble described above along with a purchase-intent question: “Apple CEO Tim Cook recently expressed his concern about Indiana’s new law about religious freedom because he believes the law may allow discrimination against gays and lesbians in that state. How likely are you to buy Apple products in the near future?” For this and all other versions of this question, we asked participants to respond based on the following five-point Likert scale: “Definitely not” (coded 1) “Not likely” (2), “Not sure” (3), “Likely” (4), or “Very likely” (5). We assign these values to the variable *purchase intent*. Other respondents faced an alternative question that provided a preamble about Cook’s management philosophy: “Apple CEO Tim Cook recently said his management philosophy was to focus on people, strategy, and execution. How likely are you to buy Apple products in

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4 No deception was involved in framing the alternative scenarios, survey respondents were anonymous, and no questions were asked that risked harming respondents. Our study received a determination of exemption from the Harvard University Committee on the Use of Human Subjects under Category 2 (that is, 45 CFR 46.101(b)(2)).

5 A 2002 law in the United States, the Bipartisan Campaign Reform Act, includes a provision that requires some political ads to identify their sponsor, commonly adding the phrase “I approve this message.”
Study 2

Support for Government Policy to Mitigate Effects of Climate Change. Our second study explores the influence of CEO activism on public opinion regarding the extent to which the United States federal government should combat climate change. Following the same general approach as in Study 1, we used the following baseline question: “Do you think the U.S. government is doing too much, too little, or about the right amount in terms of addressing climate change?” We coded these responses based on a three-point Likert scale: “Too much” (coded 1), “About the right amount” (2), or “Too little” (3). We assign these values to the variable climate change policy support. We then randomly presented participants with either the baseline question alone, or the question prefaced with one of three different preambles to explore the mechanisms by which CEO activism could affect public opinion. The preamble cites “CEOs from many S&P 500 companies who believe that climate change is one of the biggest threats confronting…” either “our country,” “our economy,” or “the next generation.”

By attributing the statement to an unnamed group of CEOs, we seek to assess the general impact of CEO activism, avoiding attributions to a particularly well-known CEO such as Tim Cook. Furthermore, by randomizing the focal point of the statement among “country,” “economy,” and “the next generation,” we seek to understand whether CEO activism is more effective when framed in economic terms (which aligns with their public image as business leaders) than when they refer to national pride or moral arguments.

Survey Implementation

We worked with market research firm CivicScience to gather data on our survey questions. CivicScience collects over 300,000 survey responses each day via approximately 250 third-party websites in categories such as newspapers, television and radio stations, and entertainment (Pierce, Rogers, and Snyder 2016). CivicScience installs a “survey widget” on these websites to conduct surveys that consist of a series of three questions: an “engagement” question, then a “value” question, and finally a “profile”
CivicScience maintains lists of these questions and draws from each list at random so that the three questions it poses to any given user are the result of three random draws.

CivicScience designs engagement questions to attract a user’s attention. Engagement questions typically ask about current events or other topics relevant to the website on which the survey is being conducted. The value question, presented second, is most important for market research and is the one that clients typically pay CivicScience to ask, such as “What are the most important features you will look for in buying your next smartphone?” The alternative versions of our questions were positioned as value questions. CivicScience reported that among respondents who completed an engagement question and then viewed one of our value questions, more than 95 percent responded to it across both studies, giving us an attrition rate of less than five percent. Given that our value question randomly appears after respondents answer the first question and that the attrition rate is so low, it seems unlikely that individuals are “selecting” into answering our question because of existing political beliefs or other factors.

CivicScience designs the third and final question, the profile question, to obtain a demographic characteristic such as gender, age bracket, income bracket, or a psychographic trait. CivicScience randomly selects the particular profile question to ask from a pool of many alternatives. As described below, our analysis used data from one of these profile questions: “Do you support or oppose the legalization of same-sex marriage in your state?” CivicScience accumulates information about people who respond to several of its surveys if their Web browsers have cookies enabled. This process allowed us to obtain CivicScience data on multiple demographic variables for people who had answered CivicScience surveys before our questions were deployed.

CivicScience uses proportionate quota sampling, a non-probability sampling technique in which subjects “are selected such that known characteristics or demographics are proportionately represented in the sample” (Privitera 2016), a standard approach used in management research (Chen and Smith 1987).

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6 In some instances, CivicScience deployed a four-question survey, in which our value question appeared second or third, but always after an engagement question and before a profile question. To avoid confusion, in discussing the survey below, we use the three-question format as a point of reference.

7 Note that we posed this question before the U.S. Supreme Court’s June 2015 decision in Obergefell v Hodges, requiring states to provide marriage licenses to same-sex partners.
and by research entities like Pew Research (Henning 2014; Pew Research Center 2016). Specifically, CivicScience stratifies its target respondents based on gender and age strata and makes real-time adjustments while surveys are underway to ensure that respondents are nationally representative along these dimensions.8

CivicScience began administering the survey for study 1 on April 2, 2015, the day Indiana’s governor signed the revised version of RFRA. We asked the firm to gather data for two weeks, ending on April 15. CivicScience administered the survey for study 2 over the two-week period of December 16, 2016 through January 1, 2017. Sample sizes are reported in Tables 1 and 3 for each group of study 1 respondents, and in Table 5 for each group of study 2 respondents.

The distributions of these demographic characteristics in each of our samples and the U.S. population are very similar. For example, females make up 48 percent of our study 1 sample and 42 percent of our study 2 sample, which can be compared to the 51 percent of the U.S. population according to the 2010 Census. The distributions in our two samples closely approximate the U.S. population in terms of household income.9 In terms of race, our sample has a slightly higher proportion of whites (84% for study 1; 83% for study 2), and thus fewer minorities, than the national population, which is 72% white according to the 2010 Census. Moreover, the demographic characteristics of those who responded earlier versus later to our two surveys were very similar.10 Finally, the distribution of political party affiliation

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8 For example, once our survey respondents include a sufficient number of Millennial males (that is, once their proportion of the intended total number of respondents is commensurate with their national representation), CivicScience would display only our value question to other demographic groups until the data collection is complete.
9 Those reporting household income under $50,000 make up 41% of our study 1 sample and 37% of our study 2 sample, compared to 47% of the population according to U.S. Census Bureau’s Current Population Survey, 2015 Annual Social and Economic Supplement. Those reporting $50,001-$100,000 make up 35% of each of our study samples, compared to 29% of the population. Those reporting $100,001-$150,000 make up 15% of our study 1 sample and 18% of our study 2 sample, compared to 13% of the population. Those reporting more than $150,000 make up 10% of each of our study samples, compared to 11% of the population.
10 To assess this, we calculated the median timestamp of all respondents in the RFRA study, and separately, all respondents in the climate change study. We then compared the proportion of respondents in each subgroup along gender, race, household income, and political affiliation (for those who had also previously reported any of these in previous CivicScience polls), and found that respondent demographics were very similar between the earlier and later respondents across each of these dimensions. For example, females constituted 47% of the earlier group of respondents in study 1 and 49% of the later group. In study 2, 46% of the earlier group and 40% of the later group were female. Democrats comprised 26% of the earlier respondents and 29% of the later respondents to study 1. For study 2, 30% of the earlier group and 28% of the later group were Democrats.
was quite similar across each treatment condition, among the subset of respondents who had reported their affiliation in response to an earlier CivicScience poll.\footnote{For example, consider the respondents to study 1’s various conditions who had also previously self-reported their political affiliation to an unrelated CivicScience poll: Democrats ranged from 24\% to 30\% across these nine conditions, Republicans ranged from 35\% to 42\%, and Independent/Other ranged from 32\% to 37\%. Similarly, among the respondents to study 2’s various CEO conditions who had also previously self-reported their political affiliation to an unrelated CivicScience poll, Democrats ranged from 26\% to 30\% across these three conditions, Republicans ranged from 37\% to 44\%, and Independent/Other ranged from 30\% to 33\%.

\footnote{We test the difference between two proportions for two samples (1 and 2) using \texttt{prtest} in Stata version 13.1, using the following test statistic:
\[ z = \frac{\hat{p}_1 - \hat{p}_2}{\sqrt{\hat{p}_1 \hat{q}_1 / n_1 + \hat{p}_2 \hat{q}_2 / n_2}}, \]
where $\hat{q} = 1 - \hat{p}$, $\hat{p}_i = \frac{x_i}{n_i}$, and $x_i$ is the number of respondents in sample $i$ who responded yes or no and $n_i$ is the number of respondents in sample $i$ who responded yes.

\footnote{Agresti-Coull binomial confidence intervals are suitable for dichotomous variables and are recommended by Brown, Cai, and DasGupta (2001).}}

We believe that the method by which CivicScience collects survey responses is an appropriate methodological approach for answering our research questions. First, while CivicScience does not know who views the engagement questions and then chooses not to answer them, we do know that conditional on answering the engagement question that preceded our survey questions (which were randomly deployed), nearly all individuals who were then presented with one of our survey questions provided a response (95\% for both studies). These statistics imply that attrition is not introducing significant bias in the responses. Second, because CivicScience constructs samples to approximate the American population as a whole, the demographic characteristics of our respondents do not appear to be biased in a way that would affect the interpretation of our results.

**ANALYSIS AND RESULTS**

**Study 1: RFRA Policy Support**

To analyze whether CEO activism influenced public support for RFRA, we conducted several two-sample tests of proportions to assess whether the average level of \textit{RFRA policy support} differed amongst the groups of respondents who received our alternative questions.\footnote{Agresti-Coull binomial confidence intervals are suitable for dichotomous variables and are recommended by Brown, Cai, and DasGupta (2001).} Table 1 reports mean levels of \textit{RFRA policy support} along with 95-percent Agresti-Coull binomial confidence intervals\footnote{Agresti-Coull binomial confidence intervals are suitable for dichotomous variables and are recommended by Brown, Cai, and DasGupta (2001).} and the results of the two-sample tests of proportions. Among those who responded to the unframed question,
“Do you support Indiana's new law protecting religious freedom?” 50 percent of respondents supported and 50 percent opposed RFRA. This split is remarkably similar to the views of respondents to a Reuters poll conducted during the same time period as our survey (early April 2015), in which 53% disagreed with the statement that “Businesses should have the right to refuse services to certain people or groups based on religious beliefs” (Reuters 2015).

Compared to the 50 percent RFRA policy support among respondents to the unframed question, the 40.2 percent RFRA policy support among respondents to the question following Tim Cook’s discrimination framing was statistically significantly lower (z = 3.29, p < 0.01). Additional results in Table 1 indicate indistinguishable RFRA policy support levels across all discrimination framing conditions, whether the discrimination concern was attributed to Cook, Angie’s List CEO Bill Oesterle, the Republican mayor of Indianapolis, or just the mayor of Indianapolis—or was not attributed to anyone in particular. These results indicate that the discrimination framing, irrespective of its source—or even whether the framed statement was attributed to anyone at all—drove the decrease in public support. These results also suggest that CEOs and politicians have equivalent ability to influence the public debate by framing issues in a particular manner. Figure 2 depicts RFRA policy support levels associated with three of our conditions: unframed, the Cook discrimination framing, and the unattributed discrimination framing. These results support H1 (the main effect of CEO activism on public opinion) but are not consistent with H2, since we did not find that politicians had any more influence than CEOs.

We acknowledge that mentioning the term ‘discrimination’ may trigger social desirability bias that could erode support for the religious freedom policy, and that this could explain the difference in policy support between those exposed to the unframed condition (which does not mention discrimination) and those exposed to any of the conditions that do mention discrimination. However, because all conditions that mention discrimination are subject to the same social desirability bias, such bias ought not influence our comparisons between conditions that differ only in terms of who frames the law as discriminatory.
To explore potential heterogeneity in how public opinion might be swayed by CEO activism, we explored whether and how RFRA policy support differed between respondents who indicated support or opposition in response to the following question: “Do you support or oppose the legalization of same-sex marriage in your state?” Table 2 reports these results. Among supporters of same-sex-marriage legalization, only 14.3 percent of those responding to the unframed question expressed RFRA policy support, which fell significantly to zero support among those responding to the question framed by Cook as discrimination ($z = 2.32$, $p = 0.02$). This unanimous opposition associated with the Cook discrimination framing condition obviously represents less backing than the 8.3 percent RFRA policy support exhibited by the group primed with the unattributed discrimination statement ($z = -1.74$, $p = 0.08$). Although these results are based on small samples (approximately 30 respondents per cell), they suggest that in some circumstances, CEO activism can be more persuasive than unattributed messages. This finding is consistent with H3a regarding the shift in opinion among respondents who agree with the CEO on related issues.

We find contrasting results among opponents of same-sex-marriage legalization, who were overall much more supportive of RFRA, with RFRA policy support averaging 91.7 percent for those responding to the unframed question and a nearly identical 90.0 percent for those responding to the question framed by Cook’s statement. This result is not consistent with H3b, in that we did not find a statistically significant increase in support for RFRA among same-sex-marriage opponents exposed to Cook’s CEO anti-RFRA activism. Interestingly, RFRA policy support was a much lower 70.2 percent among same-sex-marriage opponents who responded to the question primed by the unattributed discrimination framing, significantly less than the support among those primed by the identical discrimination statement but attributed to Cook ($z = 2.53$, $p = 0.01$). That same-sex-marriage opponents were more persuaded by the unattributed message than by the same message attributed to Cook reveals that CEO activism can sometimes be counterproductive and that CEOs wishing to persuade some groups might have more success funding unattributed messages rather than speaking out themselves. Together, these heterogeneous results suggest that the influence of CEO activism depends on the audience. In this
case, Cook may be more credible and persuasive to same-sex-marriage supporters—especially given his public statement in 2014 that he is gay—than he is to same-sex-marriage opponents.

**Study 1: Purchasing Intent and RFRA**

A one-way ANOVA indicates that *purchasing intent* differed significantly across the three groups of survey respondents ($F = 10.21; p < 0.01$).\(^{14}\) To further analyze the effects of CEO activism on consumers’ intent to purchase the company’s products, we conducted a series of two-sample t-tests comparing groups of survey respondents. Table 3 reports these results. *Purchase intent* among those primed with Cook’s discrimination framing averaged 3.02, significantly higher than either (a) respondents who answered the unframed question (average 2.70, $t = -4.42, p < 0.01$) or (b) respondents who were primed with Cook’s business philosophy (average 2.87, $t = -2.08, p = 0.04$). Interestingly, the 2.87 average *purchasing intent* among those primed with Cook’s business philosophy was significantly higher than the 2.70 average among respondents to the unframed question ($t = -2.46, p = 0.01$). Together, these results indicate that merely mentioning Tim Cook increased consumers’ intention to purchase Apple products and that Cook’s CEO activism increased it further. That CEO activism increases purchase intent is the opposite of what H4 predicted, suggesting an important difference in the business implications of CEO activism compared to prior research on CSR. Figure 3 illustrates purchase-intent levels associated with the unframed condition, the Cook discrimination framing, and the Cook business-philosophy framing.

Table 4 reports how these framing effects differed between those who supported the legalization of same-sex marriage and those who opposed it. Among same-sex marriage supporters, *purchase intent* averaged 2.47 for those responding to the unframed question but 3.48, significantly higher ($t = -4.50, p < 0.01$), for those responding to Cook’s discrimination-framed statement. However, *purchase intent* among

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\(^{14}\) ANOVA might not be appropriate in the analysis of our data, because Bartlett’s test for homogenous variance across groups indicates that this assumption should be rejected ($\chi^2 = 6.68; p = 0.04$). We therefore also used OLS to regress *purchase intent* on two dummies indicating whether a participant was subjected to the discrimination framing or the business philosophy framing (the unframed group was the omitted category), using White robust standard errors that are robust to heteroscedasticity. The resulting F-statistic of 9.84 ($p<0.01$) yields the same conclusion as ANOVA: that the *purchasing intent* significantly differs across the three groups of respondents.
same-sex marriage supporters primed by Cook’s business-philosophy statement averaged 3.20, which is statistically indistinguishable from the 3.48 average among those primed by the Cook discrimination framing ($t = -1.29, p = 0.20$). We view these results as mixed support for H5a. While it is clear that respondents exposed to Cook’s CEO activism have significantly higher purchase intent, we cannot be certain whether the effect is being driven by his CEO activism or the mere mention of Cook. We note that this subsample test has a small number of respondents, which may be one reason we cannot detect differences between the two Cook conditions.

A different pattern emerged among opponents of same-sex marriage. Purchase intent averaged 2.29 for those primed by Cook’s discrimination statement, which is statistically indistinguishable from the 2.47 average for those responding to the unframed question ($t = 1.05, p = 0.30$). Interestingly, while the 2.66 average for those primed by Cook’s business philosophy was also statistically indistinguishable from those responding to the unframed question ($t = -1.21, p = 0.22$), the difference between the two Cook conditions is statistically significant ($t = -2.09, p = 0.04$). The latter finding indicates that when Apple products are associated with Tim Cook, mentioning his CEO activism decreases purchase intent among same-sex marriage opponents compared to a generic reference to Cook’s business philosophy. Thus CEO activism can backfire by eroding purchasing intent among those who disagree with the CEO’s position, providing some nuanced support for H5b.

In summary, our subsample analyses suggest that CEO activists may have considerably more influence on some audiences than others. However, CEO activism is a double-edged sword that can promote or erode purchasing intent depending on the audience.

**Study 2: Climate Change Policy Support**

Table 5 reports the results of study 2. The respondents in our baseline condition, who were simply asked the question without being primed with any of our framing conditions, exhibited a moderate preference for more government policy. Of those respondents, 27% replied “too much,” 20% “about the right amount,” and 53% “too little.” This closely corresponds to national polling at the time, such as a Gallup poll conducted that same year that asked, “Do you think the U.S. government is doing too much,
too little or about the right amount in terms of protecting the environment?” to which 12% replied “too much,” 29% “about the right amount”, and 57% “too little” (2% had no opinion) (Gallup 2016).15

Table 5 reports that the average climate change policy support among respondents exposed to the unframed question “Do you think the U.S. government is doing too much, too little, or about the right amount in terms of addressing climate change?” was 2.26 (95% confidence interval = 2.21 - 2.32). This average is between “about the right amount” (coded 2) and “too little” (coded 3) but closer to the former. Among all respondents who were exposed to any of the statements in which “CEOs from many S&P 500 companies” referred to climate change posing a threat to “the economy,” “our country,” or “the next generation”, climate change policy support averaged 2.24 (95% confidence interval = 2.21 - 2.27), which is statistically indistinguishable from the unframed group (t-test t=0.73, p=0.46). Moreover, the average level of climate change policy support was statistically indistinguishable between the three CEO conditions. T-tests revealed that neither the “next generation” nor “country” groups’ average levels of climate change policy support differed significantly from the CEO/economy group, which provides no support for H6.

DISCUSSION

This study presents the first analysis of CEO activism, whereby corporate leaders speak out on social or environmental issues that are largely unrelated to their companies’ core businesses. Using a quasi-field experiment that examines the effects of Apple CEO Tim Cook’s statements opposing Indiana’s religious freedom law, we demonstrate that Cook’s views decrease public support for the law, but no more so than identical statements attributed to other business and political leaders or an identical unattributed statement. We also find evidence that CEO activism is particularly effective when the audience already agrees with the business leader on related issues. These results suggest that there is considerable power in how political or social issues are framed (Grewal, Gotlieb, and Marmorstein 1994; Lakoff 2004; Scheufele and Tewksbury 2007) and depending on to whom the messages are targeted.

15 One difference is that Gallup asked about the environment whereas our survey asked about climate change.
Corporate leaders—whose activism often attracts media attention—can use this power to their advantage when advocating in the public domain.

Further, we find that Cook’s contention that the religious freedom law legalizes discrimination against gays positively influenced consumers’ intent to purchase Apple products, particularly among people who supported same-sex marriage. These findings imply that when CEOs take public stands on controversial issues, they can galvanize support for their company among those who share the same viewpoint. In this manner, CEO activism’s primary effect is through signaling which side of a public debate CEOs—and by implication, their companies—are on. At the same time, CEO activism risks alienating consumers who disagree with the CEO’s public stance. This finding is an important lesson for CEOs who are considering weighing in on a public issue. Not only might consumers disagree, but CEO activism could also encourage critics to seize on inconsistencies between their public stands and their companies’ activities.

However, in our second study we find no evidence that a group of unnamed CEOs influence public opinion on climate change policy, irrespective of how the issue is framed, whether using economic, moral, or patriotic rationales. The differing outcomes of Study 1 and 2 suggest that there may be important differences between the impact of activism from well-known individual CEOs like Tim Cook and groups of unnamed CEOs. On one hand, a large number of economically powerful activists could be a boon to a cause, but on the other hand, one publicly identifiable CEO activist might be a more effective advocate.

Finally, the issue at hand is also likely to be crucial. Study 1 and 2 involve different issues, which might be another reason for the divergent results. Even on polarizing issues, the intensity of beliefs on opposing sides may differ dramatically, influencing the effect of CEO activism. Moreover, it would be interesting to explore the impact of politically conservative CEOs taking stands. Most recent examples have involved positions in the United States on the left side of the political spectrum, perhaps in part because of Republican control of the Presidency and Congress, growing Republican control of state legislatures, and a mounting partisan divide. Examining how politically conservative CEO activism is
viewed, particularly by younger consumers, is an important topic for future research. More broadly, further work is required to identify the circumstances under which various CEOs are particularly influential, and how their influence varies by topic.

One key contribution of our study is to generate scholarly insights into a new phenomenon that is drawing considerable attention from the media and practitioners. Although numerous studies have examined corporate campaign contributions (e.g., Ansolabehere, Figueiredo, and Snyder, Jr. 2003), lobbying (e.g., Hillman, Keim, and Schuler 2004), and CSR (e.g., Margolis and Walsh 2003), we know of no research that has explored CEO activism, although one recent study exploring the related phenomenon of corporate social advocacy found that consumers are more likely to buy products and services from firms whose political and social stances they support (Dodd and Supa 2014). Our study focuses on the role of individual leaders and not only examines the influence of CEO activism on purchasing intent, but also compares the influence that business and political leaders’ social statements have on public opinion.

Moreover, while prior academic work has explored the strategic implications of corporate social responsibility (e.g., Lantos 2001; McWilliams, Siegel, and Wright 2006; Marquis and Qian 2013; Flammer and Luo 2017) and how firms develop and deploy nonmarket strategy towards the government and other key stakeholders (e.g., Eesley and Lenox 2006; Mahoney, McGahan and Pitelis 2009; McDonnell and King 2013; McDonnell 2015; McDonnell, King and Soule 2015), our paper is among the first to assess the impact of CEO activism on consumer attitudes.

Further, our focus on CEOs and their decisions to speak out publicly contributes to the literature examining how the personal preferences of C-level executives and board members influence firm behavior. While the bulk of this literature focuses on how CEO beliefs and preferences affect firm strategy and performance (e.g., Hambrick and Mason 1984; Finkelstein and Hambrick 1996; Waldman and Yammarino 1999, Plambeck and Weber 2009; Chen, Crossland, and Luo 2014), our study relates more closely to the few recent articles on the role of CEOs’ political attitudes on business decisions, which find associations between a CEO’s attitude and (a) the firm’s corporate social responsibility practices (Chin, Hambrick, and Trevino 2013; Di Giuli and Kostovetsky 2014) and (b) employees’
tendency to engage in activism (Briscoe, Chin, and Hambrick 2014). Our work supplements this literature by examining the influence of a CEO’s political and social attitudes on citizens’ attitudes and consumers’ purchasing intent. Future research should consider how much of the effects of CEO activism are being driven by the CEO’s personality as opposed to the “power of the office” that comes with serving at the commanding heights of industry.

While our results provide some of the first insights into the phenomenon of CEO activism, much remains unexplored. For example, our first study focused on one famous CEO of a world-renowned company and a single policy issue. Moreover, Cook had already announced he was gay in a *Bloomberg Businessweek* article in 2014, the year before he made his remarks about RFRA, and was the first CEO of a *Fortune* 500 company to do so. Given that opponents of the Indiana law were already framing it as being anti-LGBT, Cook’s statements might have been particularly influential because of his own sexual orientation (Jenni and Loewenstein 1997) and notoriety. Future work that considers multiple named CEOs and multiple policy issues could shed light on the generalizability of our results. Others could also assess the impact of CEO activism on different kinds of stakeholders: not only customers, but also investors, suppliers, and employees. Furthermore, while we measured the impact on public opinion, a larger dataset of CEO activism and candid interviews with those involved in the policymaking process could yield more insight into how CEO activism contributes to a favored policy being enacted or disfavored policy being blocked. While public opinion is clearly one input to legislative decisions, this additional data would provide more insight into the tangible impact of CEO activism.

Furthermore, although CEO activism can have costs as well as benefits, our results suggest that under some conditions the benefits can outweigh the costs for individual CEOs and their companies. Even though we view CEO activism as not intended to be strategic in the commercial sense, our results suggest that such activity should be considered in the context of the firm’s overall strategy. In our case, the increase in purchasing intent for Apple products among respondents strongly supportive of same-sex marriage occurs with no commensurate decline among those opposed to same-sex marriage. However, the benefits and costs of CEO activism will likely vary with the issue, with the nature of the corporate
leader’s involvement, and with the elasticity of demand for the company’s products. Further, CEOs seeking to engage in activism ought to consider the extent to which the values they are espousing align with their own organizational policies and to the preferences of their consumers and other stakeholders. Otherwise, CEO activists may face unexpected backlash.

The extent to which the firm will face backlash from CEO activism might also depend on how strongly linked the individual is to the organization. In media articles describing CEO activism to date, the firm is typically mentioned alongside the CEO (e.g., Apple’s Tim Cook). But this need not always be the case. There might be instances in which CEO activism is attributed solely to the individual. Moreover, there could be differences between positive spillovers and negative backlash in terms of attribution to the individual versus the organization. For example, a CEO might be credited for firm-wide activities but not be commensurately blamed for scandals that arise in lower levels of the organization.

Interestingly, our interviews also indicate variation in the extent to which CEOs inform their board, employees, investors, or other stakeholders before taking a stand. This reveals a potential agency problem, where a CEO could leverage the resources and notoriety of the firm to pursue a personal agenda. It is also another reminder that attribution of CEO activism to the individual versus the firm is dependent on context.

More broadly, scholars could assess CEO activism as a strategic activity under the broad umbrella of nonmarket strategy and compare its influence in achieving various policy outcomes to other tools. For example, it might be especially interesting to contrast CEO activism with traditional advocacy advertising (Keim and Zeithaml 1986) or campaign contributions.

We believe that CEO activism is a fertile area of inquiry, and we hope that future research will investigate when such activism is more likely to arise, whether it serves as a substitute or complement to strategic CSR and nonmarket strategies, and what influence it has on public opinion, public policy, and the company’s various stakeholders.
REFERENCES


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**Figure 2.** Policy support after three alternative framing conditions

Note: This figure reports average levels of *policy support* after each framing condition, along with 95% Agresti-Coull binomial confidence intervals that accommodate the dichotomous nature of this variable.

**Figure 3.** Intent to purchase after three alternative framing conditions

Note: This figure reports average levels of *purchase intent* after each framing condition, along with 95% confidence intervals.
### Table 1. Policy support for RFRA under alternative framings

<table>
<thead>
<tr>
<th>Framing condition</th>
<th>Survey question</th>
<th>Mean RFRA policy support, [95% confidence interval], sample size (N)</th>
<th>Two-sample tests of proportions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unframed</td>
<td>Do you support Indiana's new law protecting religious freedom?</td>
<td>50.0% [45.9 – 54.2%], N = 557</td>
<td>Comparison to Cook condition z = 3.29 p &lt; 0.01</td>
</tr>
<tr>
<td>Cook</td>
<td>Apple CEO Tim Cook recently expressed his concern about Indiana’s new law about religious freedom because he believes the law may allow discrimination against gays and lesbians in that state. Do you support this law?</td>
<td>40.2% [36.1 – 44.2%], N = 549</td>
<td>Comparison to unattributed condition z = -0.11 p = 0.91</td>
</tr>
<tr>
<td>Oesterle</td>
<td>Indiana-based Angie’s List CEO Bill Oesterle recently expressed…</td>
<td>41.1% [37.0 – 45.3%], N = 540</td>
<td></td>
</tr>
<tr>
<td>Rep. mayor</td>
<td>The Republican mayor of Indianapolis recently expressed…</td>
<td>41.5% [37.8 – 45.2%], N = 687</td>
<td></td>
</tr>
<tr>
<td>Mayor</td>
<td>The mayor of Indianapolis recently expressed…</td>
<td>37.7% [33.6 – 41.9%], N = 519</td>
<td></td>
</tr>
<tr>
<td>Unattributed</td>
<td>Indiana recently passed a law about religious freedom, and some believe the law may allow discrimination against gays and lesbians in that state. Do you support this law?</td>
<td>39.9% [35.9 – 44.0%], N = 566</td>
<td></td>
</tr>
</tbody>
</table>

Note: Two-sample tests of proportions were conducted using Stata’s `prtest` command. 95% CI refers to Agresti-Coull binomial confidence intervals, used here to accommodate the dichotomous nature of RFRA policy support.

### Table 2. Policy support under alternative framings, by respondents’ opinion on legalizing same-sex marriage in their state

<table>
<thead>
<tr>
<th>Framing condition</th>
<th>Same-sex-marriage supporters</th>
<th>Same-sex-marriage opponents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean RFRA policy support</td>
<td>Two-sample tests of proportions</td>
</tr>
<tr>
<td></td>
<td>[95% CI], N=sample size</td>
<td></td>
</tr>
<tr>
<td>Unframed</td>
<td>14.3% [5.8 – 29.9%], N = 35</td>
<td>z = 2.32 p = 0.02</td>
</tr>
<tr>
<td>Cook</td>
<td>0.0% [0.0 – 11.8%], N = 35</td>
<td>z = -1.74 p = 0.08</td>
</tr>
<tr>
<td>Unattributed</td>
<td>8.3% [1.2 – 27.0%], N = 24</td>
<td></td>
</tr>
</tbody>
</table>

Note: Two-sample tests of proportions were conducted using Stata’s `prtest` command. 95% CI refers to Agresti-Coull binomial confidence intervals, used here to accommodate the dichotomous nature of RFRA policy support.
### Table 3. Intention to purchase Apple products under alternative framings

<table>
<thead>
<tr>
<th>Framing condition</th>
<th>Framing preceding question: “How likely are you to buy Apple products in the near future?”</th>
<th>Mean purchase intent, [95% CI], N=sample size</th>
<th>Comparison to unframed condition</th>
<th>Comparison between Cook conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unframed (none)</td>
<td>(benchmark)</td>
<td>2.70 [2.60 – 2.80], N = 738</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cook discrimination framing</td>
<td>Apple CEO Tim Cook recently expressed his concern about Indiana’s new law about religious freedom because he believes the law may allow discrimination against gays and lesbians in that state.</td>
<td>3.02 [2.92 – 3.12], N = 727</td>
<td>t = -4.42, p &lt; 0.01</td>
<td></td>
</tr>
<tr>
<td>Cook business-philosophy framing</td>
<td>Apple CEO Tim Cook recently said his management philosophy was to focus on people, strategy, and execution.</td>
<td>2.87 [2.78 – 2.97], N = 711</td>
<td>t = -2.46, p = 0.01</td>
<td>t = -2.09, p = 0.04</td>
</tr>
</tbody>
</table>

### Table 4. Intention to purchase Apple products under alternative framings, by respondents’ opinion on legalizing same-sex marriage in their state

<table>
<thead>
<tr>
<th>Subsample: Same-sex-marriage supporters</th>
<th>Two-sample t-tests</th>
<th>Subsample: Same-sex-marriage opponents</th>
<th>Two-sample t-tests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Framing condition</td>
<td>Mean purchase intent, [95% CI], N=sample size</td>
<td>Two-sample t-tests</td>
<td>Mean purchase intent, [95% CI], N=sample size</td>
</tr>
<tr>
<td>-------------------</td>
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<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Unframed</td>
<td>2.47 [2.13 –2.80], N = 62</td>
<td>(benchmark)</td>
<td>2.47 [2.26 – 2.68], N = 120</td>
</tr>
<tr>
<td>Cook discrimination framing</td>
<td>3.48 [3.18 – 3.78], N=84</td>
<td>t = -4.50, p &lt; 0.01</td>
<td>2.29 [2.03 – 2.55], N = 107</td>
</tr>
<tr>
<td>Cook business-philosophy framing</td>
<td>3.20 [2.88 – 3.51], N = 61</td>
<td>t = -3.20, p &lt; 0.01</td>
<td>2.66 [2.42 – 2.91], N = 98</td>
</tr>
</tbody>
</table>
Table 5. Public support for climate change policy under alternative framings

<table>
<thead>
<tr>
<th>Framing condition</th>
<th>Framing preceding question: “Do you think the U.S. government is doing too much, too little, or about the right amount in terms of addressing climate change?”</th>
<th>Mean climate change policy support, [95% confidence interval], sample size (N)</th>
<th>Two-sample t-tests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unframed</td>
<td>(none)</td>
<td>2.26 [2.21 – 2.32], N = 921</td>
<td>Comparison to unframed condition: t = -0.32, p = 0.75</td>
</tr>
<tr>
<td>CEOs</td>
<td>CEOs from many S&amp;P 500 companies believe that climate change is one of the biggest threats confronting [“our economy” or “our country” or “the next generation”]</td>
<td>2.42 [2.21 – 2.27], N = 2,694</td>
<td>Comparison to CEO/economy condition: t = 0.73, p = 0.46</td>
</tr>
<tr>
<td>CEOs/economy</td>
<td>CEOs from many S&amp;P 500 companies believe that climate change is one of the biggest threats confronting our economy.</td>
<td>2.25 [2.18 – 2.32], N = 565</td>
<td>t = 0.32, p = 0.75 (benchmark)</td>
</tr>
<tr>
<td>CEOs/country</td>
<td>CEOs from many S&amp;P 500 companies believe that climate change is one of the biggest threats confronting our country.</td>
<td>2.30 [2.23 – 2.36], N = 761</td>
<td>t = -0.81, p = 0.42, t = -1.01, p = 0.31</td>
</tr>
<tr>
<td>CEOs/next generation</td>
<td>CEOs from many S&amp;P 500 companies believe that climate change is one of the biggest threats confronting the next generation.</td>
<td>2.20 [2.16 – 2.25], N = 1,368</td>
<td>t = 1.63, p = 0.10, t = 1.03, p = 0.30</td>
</tr>
</tbody>
</table>