1893

LUNDS
UNIVERSITET

To Trump or Not to Trump

Jessica Könnecke, Natalia Lopez, Chris Young, Sebastian Zierke
Management Decision Case

Table of Contents

1. Briefing
2. Background and Case Introduction
3. Discussion I
4. Management Decisions
5. Discussion II

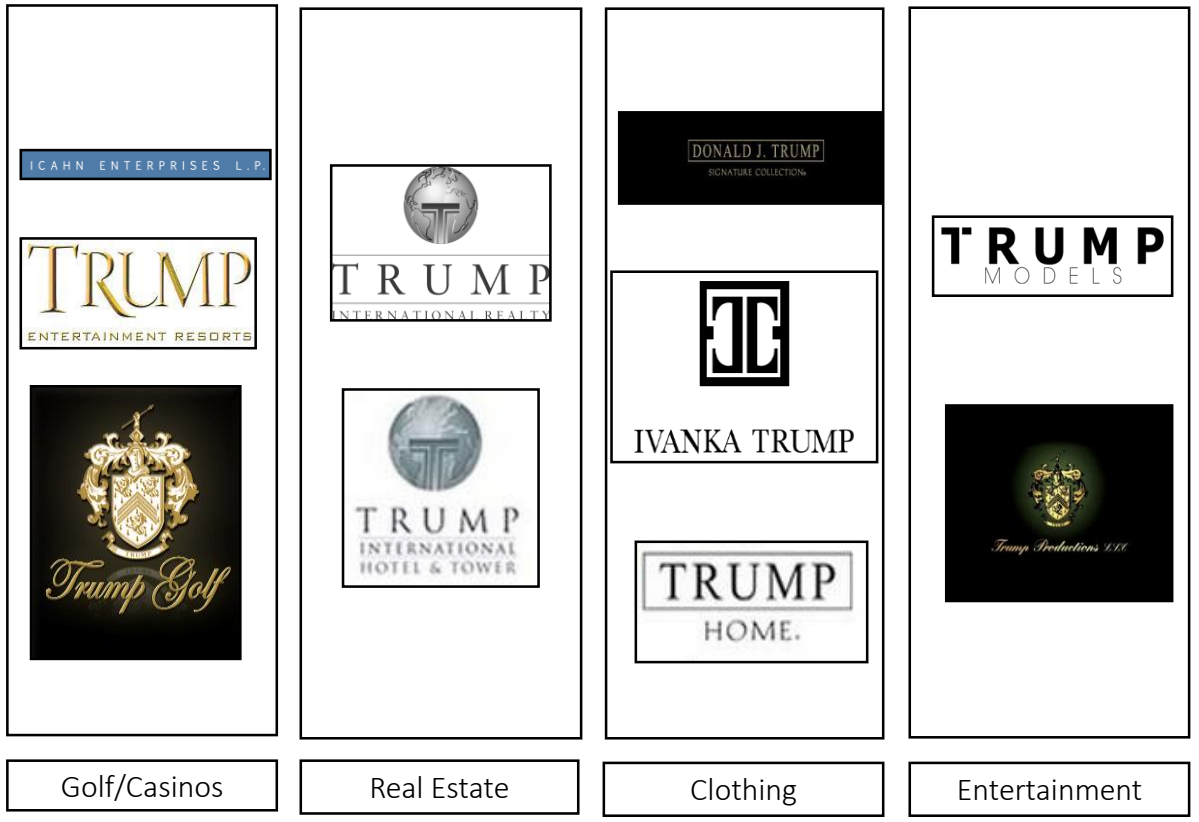
A First Mover Leading in Innovation and Employee Equality

- Founded in 1858 on 6th avenue as a small dry goods store
- First retailer to promote a woman to an executive position in 1865
- Pioneered price quoting
- Thanksgiving Day Parade
- Restructuring program since 2015 to become more lean
- Diversity and breaking of glass ceiling: reflected in their diverse board members which consists of 12 women and 12 men

Trump Organization Brand Architecture

"If your business is not a brand it is a commodity. "

Donald J. Trump



The Presidential Campaign

- June 16, 2015: Donald Trump officially announced that he was running for president in 2016
- The presidential campaign was rife with criticism and controversy
- Proposals included the construction of a wall between Mexico and the United States after characterizing Mexicans as, criminals, drug dealers and rapists

The Presidential Campaign

“Our country is in serious trouble. We don't have victories anymore. We used to have victories, but we don't have them. “

Donald J. Trump

Crisis Situation

- Macy's started to sell the Trump clothing line back in 2004 - substantial profit generator within its sales mix
- Since the political announcements: spillover effects from the political campaign and ideology
- Business and politics have mixed
- Any reaction will lead to a political stance
- Remember: Macy's rich history of embracing minorities and their employment equality values

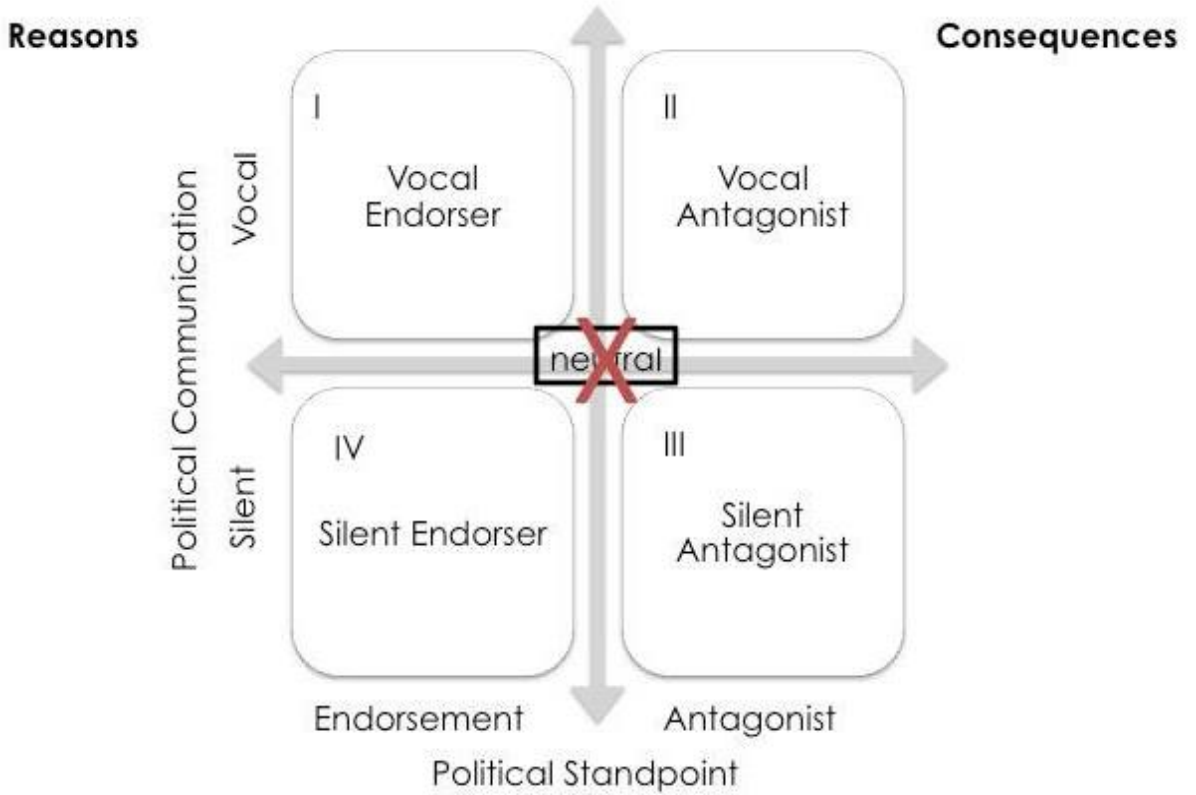
On June 25, 2015, there is a meeting scheduled among Macy´s brand management team. They have to decide whether they should continue to sell Trump's clothing line or not. Please discuss and justify your decision

Discussion I

You are part of Macy's brand management team:

As a vocal antagonist:

Apply the Political Affiliation Matrix (PAM) and give reasons why dropping the Trump clothing line is the right decision. Also, think of possible consequences



Macy’s Reaction

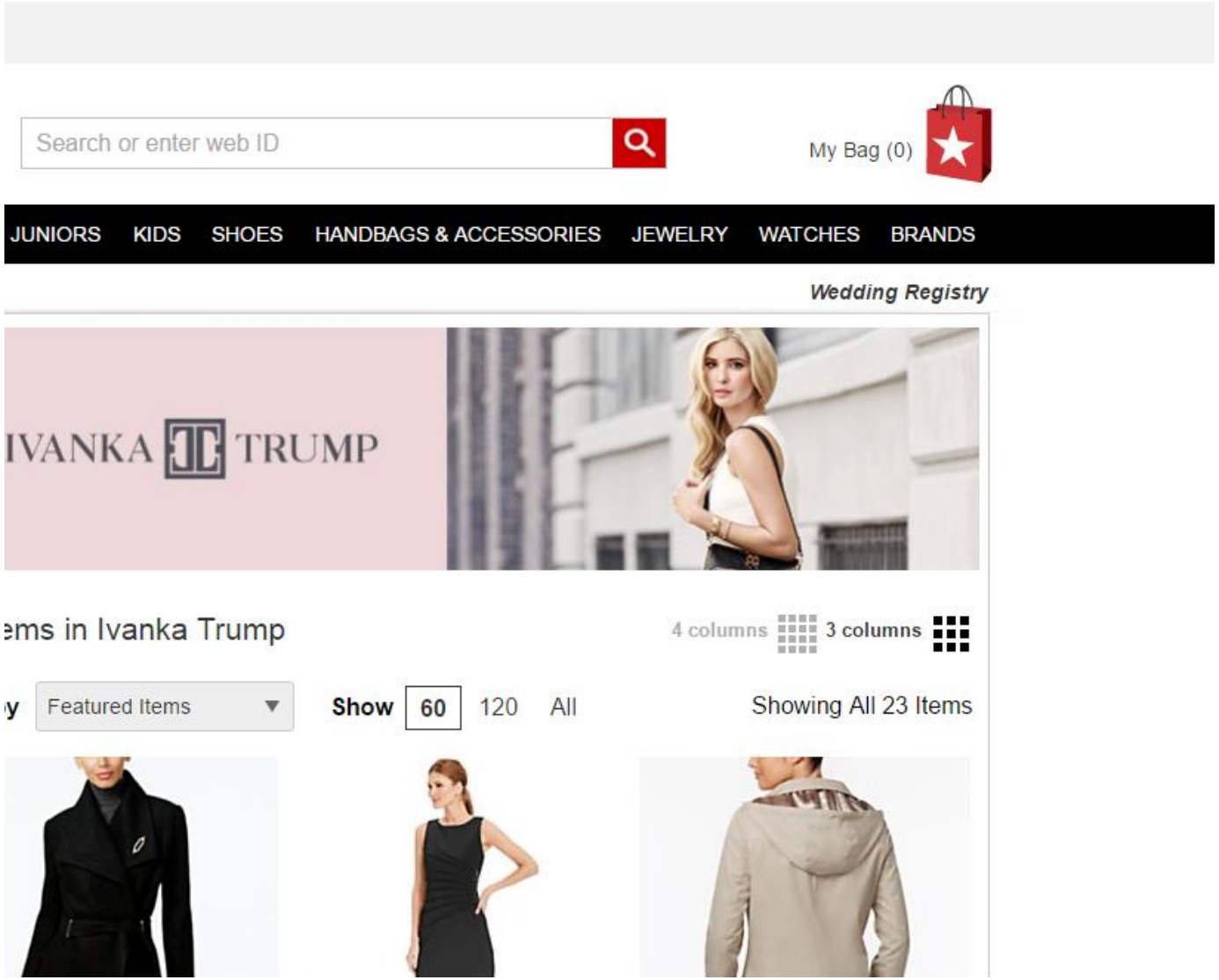
July 1st, 2015: Macy’s decided to drop the Trump collection as a result of the insulting comments Trump made on immigrants

*“We welcome all customers, and respect for the dignity of all people is a cornerstone of our culture. We are disappointed and distressed by recent remarks about immigrants from Mexico. ... In light of statements made by Donald Trump, we have decided to discontinue our business relationship." (*Terry Lundgren CEO Macy’s)

Trump's Reaction & Consequences: #Dump Trump

Macy's and Ivanka Trump

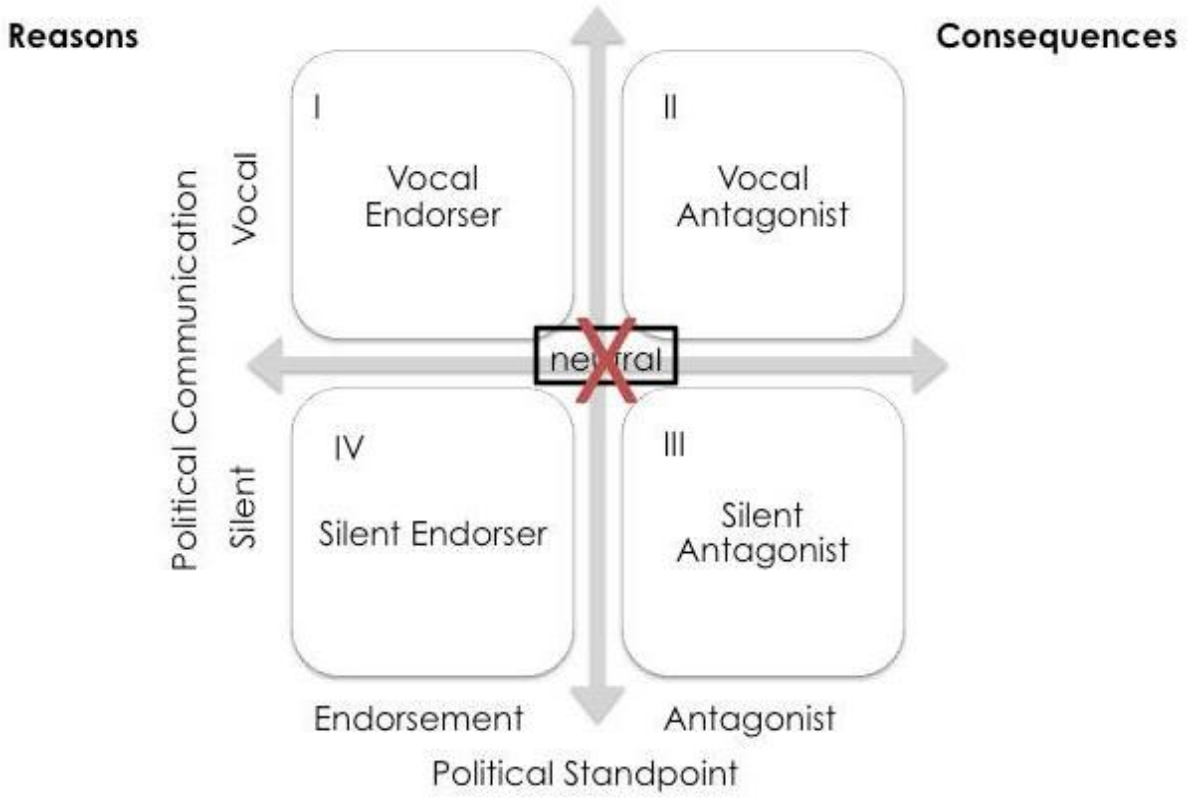
- Ivanka Trump's clothing line is a part of the Trump Organization
- Macy's are still stocking Ivanka Trump's clothing line



Discussion II

You are part of Macy's brand management team:

As silent endorser: *Why is Macy's still carrying the Ivanka Trump clothing line? Think of reasons and consequences*



Consequence: #Grab your wallet movement

Sears

NORDSTROM

- Initiated November 2016
- More than 70 companies have been listed
- Consumer driven
- Social media movement to boycott

“… character is like a tree and reputation like its shadow. The shadow is what we think of it; the tree is the real thing.”

(Abraham Lincoln 1809 - 1865)