

Dick's Sporting Goods Enters the Gun Debate

Revising the Playbook



<https://www.newsweek.com/2019/12/13/guns-dicks-sporting-goods-its-how-we-play-game-excerpt-1473918.html>

T A B L E O F C O N T E N T S

4 Synopsis

What's the play?

4 Surveying the Field

4 The team: Dick's corporate snapshot

5 The competition: Sporting goods + hunting

6 Field conditions: The polarization of American gun culture

7 Play by Play

Timeline of decisions to pull back on gun sales

9 Defensive to Offensive

Dick's Evolving communications strategies

4 Carrying the Ball

Holding firm through public response and business impacts

10 Revising the Playbook

Aligning the decision to pull back on gun sales with brand story

13 Huddling Up

Lingering questions for the company

16 References

Synopsis: What's the Play?

In March 2019, Dick's Sporting Goods—the largest sports retail company in America, with over 700 stores nationwide—announced that it would halt gun sales at 125 stores and sell off its subsidiary hunting and fishing stores Field & Stream. It was the latest in a string of corporate decisions to pull back on gun sales, following an open letter issued by CEO Edward Stack in February 2018. Stack, in his letter, called for gun law reform in the wake of the Parkland school shooting.

Gun rights are one of the most politically divisive issues in America. By publicly wading into the debate, Dick's exposed itself to potential blowback. And indeed, the move stirred controversy across the country and gained international attention. One result was a three-way boycott of Dick's by many pro-gun shoppers, gun manufacturers, the National Shooting Sports Foundation. But positive reactions were widespread for Dick's; a Twitter analysis found that 70% of commenters in the five-day period following Dick's announcement, were supportive. Within days Walmart, L.L. Bean, and Kroger announced similar restrictions on sales to those under age 21. After 2018 declining sales, stock prices and sales recovered and have steadily improved throughout 2019.

This case raises timely questions about how companies take public stands on polarized issues—something consumers increasingly expect but potentially alienates stakeholders. How does a company that has built its brand on appealing to many communicate to its stakeholders and respond to public backlash?

This case investigates how Dick's has evolved its corporate communications strategies related to gun sales and gun reforms. The company has worked retroactively to connect the decision to its brand, taking advantage of the opportunity to redefine its values to stakeholders. But questions remain. As Dick's continues to move toward the total removal of gun sales (it continues to sell guns at over 600 stores), how will consumers respond? Will Dick's be able to turn this experience into a driver of brand loyalty, or has it simply avoided catastrophe?

Surveying the Field

The team: Dick's corporate snapshot

Dick's is the largest omni-channel sporting-goods retailer company in the United States. The Pennsylvania-based company has several subsidiaries including Golf Galaxy, Field & Stream, and Dick's Team Sports HQ. Dick's has been in the gun business since its inception in 1948, when it was founded by Richard "Dick" Stack, father of the present chairman and chief executive officer Ed Stack. In 2019, the Company operated over 733 Dick's Sporting Goods locations across the United States, 27 Field & Stream stores, and over 95 Golf Galaxy locations. Additionally, Dick's has transitioned to a hybrid retail/e-commerce model. In its most recent earnings report, Dick's reported third-quarter sales rose 5.6% year-over-year to \$1.96 billion (\$6.14 billion year-to-date) (Dick's Sporting Goods, 2019b)—out of a \$49 billion

industry, according to IBIS (Sporting Goods Stores Industry in the US, 2019).

Over the last two decades, as Dick's has grown exponentially, it has strategically located stores in "second" cities and suburban areas, and worked to appeal to a broad audience. According to an index developed by Simmons Research, Dick's is more popular among conservative shoppers than liberal ones (Chinni, 2015).

From its earliest days, Dick's has engaged in sponsoring sports teams and has built key portions of its business around serving youth sports leagues. In 2011, Dick's launched the Sports Matter initiative to raise awareness about dramatic declines in access to youth sports opportunities nationwide, especially for underprivileged youth, and to channel funds to programs underserved communities (Dick's Sporting Goods Foundation, 2019).

The company defines its core beliefs and values as follows:

- Our belief: Sports make people better
- Common purpose: Create confidence and excitement by personally equipping all athletes to achieve their dreams
- Core values: Commitment, drive, skill and passion (Dick's Sporting Goods, 2019).

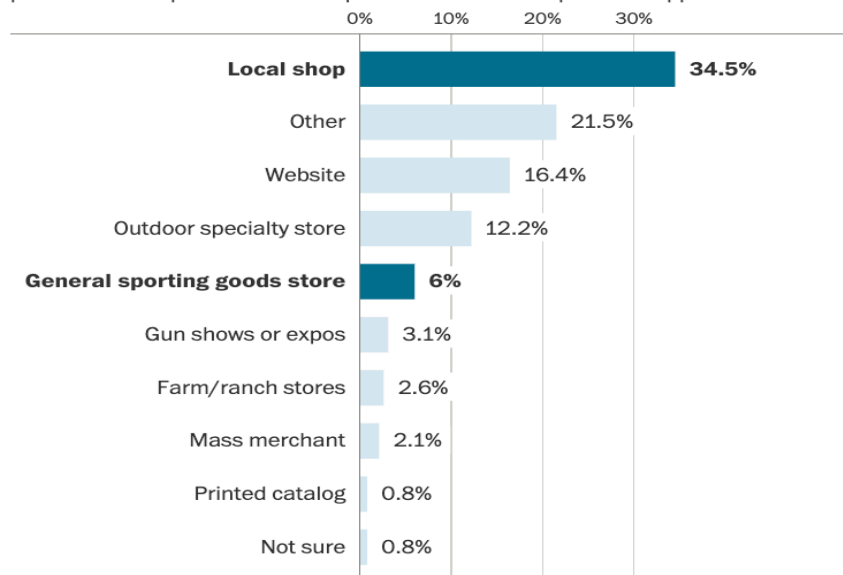
The competition

Dick's has remained a successful sporting goods retailer for the past 70 years, with a focus on sports gear, equipment, apparel, and footwear. It has survived fierce competition and significant shifts in the sporting goods and retail sectors. Today Dick's main retail competitors are e-commerce sites like Amazon and retail stores like Big 5 Sporting Goods, Play It Again Sports, and specialty retailers like REI and Foot Locker. As online shopping has increased, Dick's has also moved aggressively to bolster its e-commerce business and to combine its traditional retail with online options. Today 1 of every 8 dollars spent at Dick's comes from online purchases, a number that continues to increase (Platsky, 2019).

Dick's main competitors for firearms sales include national specialty shops like Cabelas, Bass Pro Shops, Sportsman Warehouse, and local businesses. According to the Washington Post, only 6% of gun buyers purchase

Where are consumers buying guns?

A lot of places, but generally, not at sporting goods stores. More than 1/3 of gun purchases took place at local shops and more than 15 percent happened online.



Source: Southwick Associates

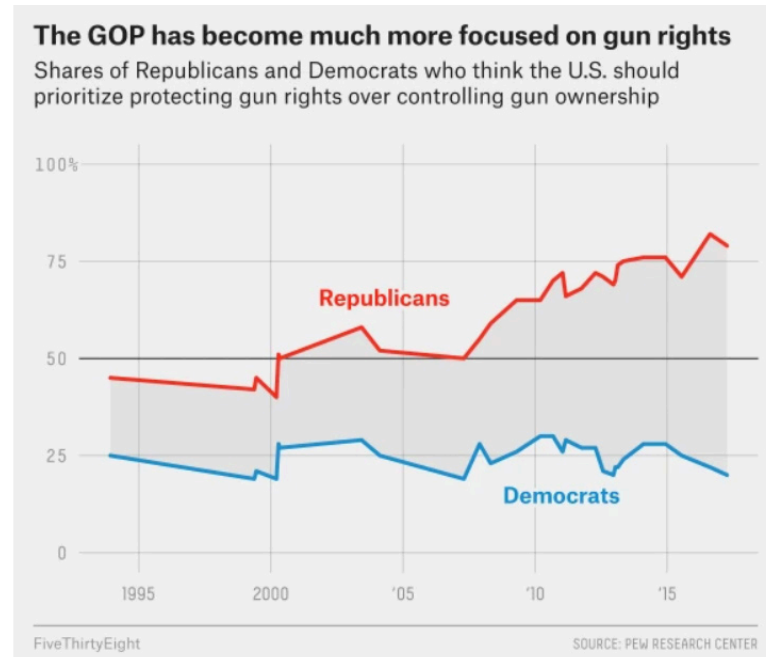
JACOB BOGAGE/THE WASHINGTON POST

<https://www.washingtonpost.com/sports/2019/03/16/dicks-sporting-goods-pulls-guns-shelves-are-firearms-still-sporting-goods/>

guns from general sporting goods stores like Dick's. Nationally, firearms sales have been declining since the election of President Donald Trump (Ballard, 2019); as a result, the overall importance of the hunting business to Dick's corporate business has also diminished in recent years.

Field Conditions: The Polarization of Gun Culture in America

Politically, gun rights are one of the most polarized issues in America. Over the past 10 years, the gap between Democrats and Republicans who feel it is important to protect gun rights has widened significantly, from 27 to 54 points (Enten, 2017).



Source: Five Thirty Eight (Enten, 2017)

Despite common ground across political ideologies on specific policy proposals such as stricter background checks, which 96% of Americans supported in 2017 according to Gallup (Saad, 2017), “gun control” vs. “gun rights” stances continue to divide Americans. McGinty et al. (2016) point out that “when a policy position has evolved into a symbol of political ideology— as gun control surely has— citizens ultimately tend to vote and engage in other political activities ... according to their political identity rather than their specific policy preferences (p. 32). In many regions of the US, gun ownership is deeply tied to cultural identity, symbolizing a broad set of conservative values related to rural life, personal responsibility, and limited governmental controls.

This division is fueled in part by mass media portrayals of the issue and the effects of selective exposure. While public opinion on gun rights and gun control fall along a continuum, media tend to focus on the stark differences and negative language each group uses to describe the other. For example, pro-gun parties describe pro-control parties as, “naïve about firearms; dishonest about gun information; exhibit an irrational fear of guns; greedy for power” (Utter & James, 2000, p.68) whereas pro-control parties say pro-gun parties “overrate the ability of guns to solve interpersonal problems; dishonest about gun information; greedy for profits (Utter & James, 2000, p.68). An increasingly robust body of literature also finds that the proliferation of news sources catering to specific ideological groups mean that some members of the public are primarily exposed to only the arguments about firearm policy that are consistent with their preexisting values and policy preferences (Iyengar and Hahn, 2009; McGinty, 2016; Stroud, 2010).

One of the worst school shootings in American history happened in the midst of this major gun debate: The killing of 20 elementary school children and 6 adults at Sandy

Hook Elementary in Newtown, Connecticut on December 14, 2012. National mourning and widespread condemnation of the shooting led to the proposal of sweeping firearms regulation reforms in the first half of 2013. None of them passed (O’Keefe & Rucker, 2013). In the end, entrenched ideological partisanship in Washington led to a stalemate with no national gun law reforms enacted. In 2015 British journalist Dan Hodges famously tweeted: “In retrospect, Sandy Hook marked the end of the US gun control debate. Once America decided killing children was bearable, it was over” (DPJHodges, 2015).

But in one significant regard, Sandy Hook did deeply influence the national gun debate: The shooting caused widespread changes in school policies nationwide, including the implementation of active shooter crisis plans, training (and sometimes arming) of teachers and school personnel, and regular lockdown drills for all staff and students. School shootings now effectively impact all American school children.

Against this backdrop, on Valentine’s Day 2018, a student entered Marjory Stoneman Douglas High School in Parkland, Florida, and killed 14 of his classmates and 3 staff. The shooting ignited a youth-led movement to enact gun reforms and sparked what some observers (perhaps prematurely) called “...a tectonic shift in our politics on the guns issue” (Parkland attack, 2019). Though no national gun reforms have yet been enacted in the wake of the Parkland shooting, the national conversation around gun violence and schools seems to have shifted. Parkland sparked a “new power” movement around gun violence. “New power” as Heimans and Timms describe, “operates like a current – made by many, open, participatory, peer-driven” (Heimans & Timms, 2018). This movement is being led by the most credible stakeholders—the affected students.

Through sheer moral force of their experience and message, the Parkland students made themselves secondary stakeholders” to many people around the country who were not directly affected by the shooting—notably, to the leadership of Dick’s Sporting Goods (Gaither, Austin, & Collins, 2019). Although Dick’s CEO Ed Stack is a longtime donor to the Republican party and has been a public supporter of the Second Amendment (Fehrman, C., 2018a; Korecki, 2019), he was deeply moved by the Parkland shooting.

Stack writes about learning of the Parkland shooting:

I left the office in a deep state of melancholy. Not only at the day’s news but, perhaps even more, at the realization that it would happen again—that this tragedy was a link in a chain that seemed without end. Somebody has to do something, I thought. This has to stop ... Halfway through the flight, forty-two thousand feet over the Carolinas, I realized that somebody had to be me.” (Stack, 2019, p.2)

Play by Play: Timeline of Dick’s Decisions to Pull Back on Gun Sales

After the Parkland shooting, the leadership of Dick’s decided to publicly revise its stance on gun sales despite the likely alienation of some longtime customers. Dick’s corporate political activism in favor of gun law reform in the US was an unprecedented step for a company that had never taken a public stand on social issues or engaged in issues-based

political advocacy, and which relies on appealing to a broad, conservative-leaning audience.

On February 28, 2018, just two weeks after the Parkland shooting, Stack issued an open letter stating that the company would no longer sell assault-style weapons or any guns to buyers under the age of 21. In the letter, he wrote: "Following all of the rules and laws, we sold a shotgun to the Parkland shooter in November of 2017. It was not the gun, nor type of gun, he used in the shooting. But it could have been." He addressed the letter in part directly to the Parkland students: "We have tremendous respect and admiration for the students organizing and making their voices heard regarding gun violence in schools and elsewhere in our country. We have heard you. The nation has heard you" (Stack, 2018, para. 2-3).

This was not the first time Dick's had pulled back on gun sales. In fact, it was the fourth. In fall 2018, the chain went further and removed all guns from 10 stores where firearms sales had been weak. After initial results showed an increase in sales, they expanded the removal of all gun sales to 125 stores in 2019 (DICK'S FQ1 2020 Earnings Call Transcripts, 2019).

These moves can be seen as part of a long and evolving debate among company leadership about its responsibilities to different stakeholders: its customers (many of them gun buyers), its employees, its shareholders, and society.

Below is a timeline that sketches out how the company has grappled with the moral challenges of being a firearms dealer, and how it has adapted to a changing landscape and public debate around guns.

- October 1988: Dick's quietly removes handguns from stores after teenager burglars in Rochester New York steal handguns and several of the teens end up dead in a drug bust. The sales ban was never publicized. The decision was reversed when the company moved into the Houston market years later, and now about 25% of stores sell handguns.
- September 2001: Dick's temporarily pulls all guns/ammo off shelves for five days out of concern for public reaction to the terrorist attacks. They made no public announcement about the move.
- 2011: Dick's adds modern sporting rifles (eg., AR15s, assault rifles) to Dick's gun departments, citing consumer demand.
- December 2012: After the Sandy Hook school shooting, Dick's suspends sales of all modern sporting rifles from 700 Dick's stores, making no announcement in advance. Gun enthusiasts respond swiftly and critically on social media, calling for boycotts. Dick's is forced to issue a statement a few days later.
- 2013: Dick's introduces Field & Stream specialty stores catering to hunters and fishermen; the company decides those retailers will sell MSRs.
- February 2018: After the Parkland school shooting, Dick's raises the minimum purchase age to 21, and bans MSR sales across all brands (including Field & Stream), and chooses to destroy the guns (\$5 million worth of inventory) instead of selling them. The decision is supported by a proactive communication campaign, including an open letter, appearances on national morning and evening news programs, and an editorial in the Washington Post. The decision sparked widespread public conversation.
- April 2018: Dick's hires a lobbying firm to petition congress for gun reform. According to

- NPR, the company spent less than \$5000 and then retreated from direct lobbying
- October 2018: Dick's ceases all gun sales at 10 stores where sales are weak
 - March 2019: Dick's announces plan to remove all gun sales at 125 stores, sells 8 Field & Stream stores, and announces "strategic review" of its "hunt businesses."
 - September 2019: 145 CEOs, including Ed Stack, sign a letter to Congress asking for a universal background check.

Sources: Dear Members of the Senate, 2019; Selyukh, 2018; Stack 2018b; Stack, 2018c; Stack, 2019a

Defense to Offense: Dick's Evolving Communications Strategies

The five instances of Dick's pullback on gun sales—in 1988, 2001, 2012, 2018, and 2019—have played out against rapid changes in how corporations communicate with their stakeholders. In addition to the widespread changes in communications technologies and channels, such as the advent of social media, "businesses are increasingly dealing with a new type of risk that carries new threats to their reputation and bottom line: controversial social issues. Such crises often center on hot-button topics like social injustice, immigration, gun control and trade wars" (Goodwin & Cody, 2018, para. 1).

In 1998 and 2001, Dick's made no announcements about limiting gun sales, and hardly any public attention was paid to the moves. But in 2012, when Dick's quietly pulled back on sales after Sandy Hook, things were different. "Almost immediately, word spread on social media ... within a day or two, we were sitting on a full-blown public relations crisis," Stack wrote in his memoir. "We were not prepared for the ferocity of these broadsides and huge numbers of people joining the fray...Thousands of our customers let us know, often in really colorful language, that they'd never step into our stores again" (Stack, 2019, p. 247-248). Dick's didn't have a communication plan in place to deal with public blowback, or a definitive story to back their reasons for stepping into the middle of one of the most contentious issues in America.

In 2018, they didn't make the same mistake: Dick's decided to go on the offensive, proactively communicate their decisions, set the narrative frame, and plan for backlash. But this time the stakes were higher: They were not only planning to announce further limitations to gun sales in their own stores, but Stack was also planning to publicly advocate for political action on the issue of gun violence. And internally, Stack had initiated a process to investigate how to "exit the gun business" entirely (Stack, 2019, p. 275).

According to an interview with Dick's president, Lauren Hobart, the Dick's leadership team identified four key audiences they needed to take into account: their customers, stockholders, employees (which numbered nearly 40,000), and "the communities it serves" (Gaither, Austin, & Collins, 2018, p. 184). On the morning of the public announcement, an email was sent to all employees. Stack's open letter was published on Dick's Facebook page and syndicated on news sites around the country, he appeared on two national morning news shows, and on George Stephanopolous' evening news show.

"We weren't expecting it to be a well-received decision by many of our customers," said

Hobart. Dick's understood "there would be a negative sales impact" and expected "polarized reactions" (Gaither, Austin, & Collins, 2018, p. 185).

Carrying the Ball: Holding Firm through Public Response and Business Impacts

How did stakeholders react? Among employees, Dick's reported that 62 team members out of 40,000 quit over a disagreement about the changes. One of those employees, Griffin McCullar, went on national news programs to discuss his decision to leave on the grounds of conflicting beliefs but described the parting as respectful (Former Dick's employee, 2018).

Major gun manufacturers, including Mossberg, Springfield Armory, and MKS Supply, swiftly announced they would stop selling their guns to Dick's. The National Shooting Sports Foundation also voted unanimously to kick Dick's Sporting Goods out of the industry trade group (Baumann, 2018). Conservative media went on the attack: Fox News mentioned the company at least 36 times, and Breitbart ran at least 14 stories on it. The NRA's Institute for Legislative Action characterized the move as a transformation "from a relatively functional purveyor of mainstream sporting goods to a groveling symbol of modern corporate virtue signaling" (Dick's Sporting Goods Loses \$150 million, 2019).

The announcement provoked significant public discussion. Dick's Facebook post of Stack's letter accumulated 425,000 comments (Dick's Sporting Goods, 2018a), and was a trending topic on Twitter the day of the announcement.

What was the overall tone of the reaction? An analysis of 10,000 Twitter posts related to the announcement in the days following found that, on the whole, the social media sentiment on the platform was supportive of the move: "Around 70% of the tweets (n = 2,095) expressed gratitude or positive sentiment. Neutral (14.8%, n = 443) and negative attitudes (15.4%, n = 461) were present in fewer tweets" (Gaither, Austin, & Collins, 2019, p. 188).

On Twitter, 177 of 10,000 tweets in the days following the announcement expressed intention to boycott or cease shopping at Dick's. But more—685—mentioned an intention to shop with Dick's out of gratitude (Gaither, Austin, & Collins, 2019, p. 189).

What about business? Dick's leadership team knew the company might lose customers to a boycott. Before going public with the decision, they undertook an analysis of what the business impact could be. The hunting business was estimated to be worth \$1 billion per year. Dick's net sales in 2017 were \$8.59 billion (Dick's Sporting Goods, 2018b). Very little of that comes from profit on gun sales specifically, where margins are slim; instead, the figure is driven by gun buyers and hunters who make other purchases (such as shoes, coats, sleeping bags, coolers, etc.). The company's Chief Financial Officer estimated that the impact of the announcement would cost Dick's a minimum of \$250,000 in lost sales (Stack, 2019, p. 279).

Initially, the business press treated the decision as a mistake. A Motley Fool analyst wrote, "While the general state of ill-health in the firearms industry has masked just how deeply

the policy mistakes are costing Dick's, we can see that the bad numbers are accelerating" (Dupre, 2018). And indeed, throughout 2018 sales declined. But in 2019 sales recovered.

Although the company had concerns it would "be heading into a crisis," Dick's president Hobart stated that overall "support has been overwhelming" (Gaither, Austin, & Collins, 2019, p. 184). Starting in 2018, the company piloted the complete removal of gun departments in 10 stores in suburban markets where gun sales were already low. The used the reclaimed space to highlight merchandise targeted for those specific markets. Within a year, Dick's reported that those 10 stores were outperforming other stores. In 2019, Dick's expanded the removal of gun departments to 125 of its 700+ stores.

All of these changes were planned or underway prior to the Parkland shooting. However, in two key ways, the decision to enter the gun debate does appear to have explicitly impacted Dick's business strategy. First, in the 125 stores where Dick's decided to remove gun sales entirely, the company used the decision to look deeply and strategically at local/regional sales patterns to tailor the stores' merchandise to the local market and to offer higher-margin products. Second, by putting a very public spotlight on Dick's—a publicly-traded company responsible to its shareholders for the company's financial wellbeing—it increased the pressure on itself to perform financially in the face of expected losses. In general, it appears that the decision to limit gun sales and advocate for reform prompted Dick's to both refine its strategic business approach and redefine its brand story, requiring a shift in corporate communications.

Rewriting the playbook: Aligning the Decision to Pull Back on Gun Sales with Dick's Brand Story

Much has been written recently about the increasing pressure—and risk—that companies face engaging on controversial social issues. "While speaking out may bring significant risk to an organization, staying silent may not be an option or may present a different and even greater set of risks" (Cody & Goodwin, 2018).

Prior to 2018, Dick's Sporting Goods was not a company most Americans would have expected to engage in a public debate on any controversial topic, let alone one as charged as guns. An NPR article about the company noted that "Dick's is not known to go out on a limb. Take its headquarters, which is next to the airport for efficiency – instead of some snazzy downtown office. Its dress code did not officially allow jeans at work until 2017" (Selyukh, 2019). As discussed, Dick's didn't simply change its own policies. Dick's actions "extend beyond what may be more rightly considered corporate social advocacy, defined by Clemensen [2017] as "support for a cause," into calls for others to join the efforts to make substantive change" (Gaithe, Austin, and Collins, 2018, p. 193).

This kind of activism might be expected by consumers from companies that have tied their brand to specific values, but Dick's historically has not positioned itself as a values-led company. Additionally, the controversial issue that Dick's chose to engage in—gun violence—is not directly tied to the company's "common purpose," which is to: "Create confidence and excitement by personally equipping all athletes to achieve their dreams" (Dick's Sporting Goods, 2019a).

The recognition in 2018 that Dick's would need to carefully consider and prepare for the business and communication consequences of their decisions, given this risky scenario, appears to have prompted Dick's to more thoughtfully consider and reframe its values for stakeholders.

To the extent that Dick's has put forward a values orientation in its brand story before now, it has primarily focused on the classic American business story of hard work and personal responsibility.

But between 2018 and 2019, Dick's appears to have put in considerable effort to consolidate the story about how the decision to limit gun sales is consistent with company values, primarily through the creation and release of its first corporate social responsibility report, and the release of a business memoir written by CEO Ed Stack titled, *It's How We Play the Game: Build a Business, Take a Stand, Make a Difference* (2019).

In 2018, Dick's released its first-ever corporate social responsibility report, called the "Purpose Playbook" (Dick's Sporting Goods, 2019a). Dick's hired Porter Novelli/Cone, a "purpose-led" communications agency to craft the report.

One of the key elements of the Dick's brand story that emerges in the report is the importance of youth. Youth sports is important to Dick's business and is also at the center of longtime charitable activities via the Dick's Sporting Goods Foundation's "Sports Matter" initiative. Prior to the Parkland shooting, this initiative was the primary vehicle for Dick's engagement in social responsibility activities. The connection between the issue and the brand's core business is direct, readily apparent, and uncontroversial. By 2018, Dick's was donating \$20 million/year to support low-income youth sports programs (Dick's Sporting Goods, 2019a).

Dick's 2018 CSR report builds on messaging developed in support of the Sports Matter initiative articulating key values around the importance of youth to the brand. But the report goes further to directly connect this historical emphasis on youth with the company's decision to enter the public debate on gun violence:

Our primary source of inspiration continues to be America's youth. Children truly are our nation's most precious resource and we are committed to doing all we can to support them and keep them safe. We envision a time when kids aren't worried about violence in their schools and communities and instead can focus on being kids—spending time with friends and engaging in extracurricular activities. One of the most rewarding ways they can do these things is by engaging in sports. [...] The actions we took were to prioritize safety and to show them, and all youth, that they have our ear and our support (Dick's Sporting Goods, 2019a, p. 3).

A second critical element of Dick's communications strategy to consolidate the story of its "purpose" was the release of Stack's business memoir in October 2019. The book takes the reader on a journey from Dick's founding in 1948, through the building of a national brand, to the Parkland shooting and the decision to limit gun sales. Stack takes pains along the way to explicitly connect elements of Dick's history and values to the book's final chapter on

gun sales. The effect gives readers a sense of inevitability in the decision. The release of the book can be seen as a strategic effort to portray the decision to limit gun sales and engage in corporate activism as consistent with longstanding values, and as emblematic of strong, principled leadership.

Although the book repeatedly emphasizes the fact that Dick's post-Parkland decisions were not the company's first foray into limiting gun sales, it spends less time considering why it was the first public engagement on the issue. One interpretation is that the change in cultural/political landscape set off by Parkland and the gun reform movement initiated by Parkland students, made it safer for CEO Ed Stack to bring long-held personal concerns about Dicks' role as a firearms dealer to light. And provided an opportunity to work through strategic messages in support of a decision to engage publicly on the issue. One such example of strategic framing is the emphasis on Dicks' expertise as a firearms dealer with "inside knowledge" of how gun regulations work—or don't. In an interview with Newsweek, Stack said: "We felt that we, as a major firearms dealer, recognized that the country's gun laws had too many inconsistencies, and we should stand up and say so. Other businesses need to make their own decisions as to what is best for their shareholders, employees, customers, and communities" (Wolf Schizer, 2019, para. 12).

The release of the book led to dozens of interviews and profiles in major business outlets and newspapers, including Forbes, Fortune, Inc., Fast Company, Business Insider, CNBC, Harvard Business Review, Newsweek, The New York Times, USA Today, and many others. The media coverage gave Stack opportunities to continue to consolidate the brand's story around purpose.

All of these efforts combined indicate that Dick's has moved to proactively tell a story about corporate character grounded in leadership and values. In doing so Dick's hopes to a maintain positive corporate reputation—an "intangible asset that allows the company to better manage the expectations and needs of its various stakeholders, creating differentiation and barriers [in regard to] its competitors" (Schreiber, 2017, para. 12)—in the wake of a risky foray into a controversial public debate about guns.

Huddling up: Lingerin Questions for the Company

Dick's relationship with guns is far from settled. Although the company has removed guns entirely from 125 stores, they continue to sell them in over 600 Dick's Sporting Goods locations, as well as its remaining Field & Stream stores. But the company has made public statements indicating a transition out of the gun business altogether.

Every time there's another one of these shootings, we wait and wait and wait until the shooter's name is revealed, and then we go through our records to see if we were the ones who sold the shooter the gun. I said to George Stephanopoulos on Good Morning America, 'I just don't want to be a part of this story anymore. We've got a few things to work through, but I just don't want to be part of this story any longer.' (Saporito, 2019, para. 37)

The company appears to be proceeding cautiously, with its hunting business “under strategic review” (Dick’s Sporting Goods, 2019b). The first stores to remove gun sales were those with the least to lose, in suburban areas where hunting sales were slower to begin with, and where the customer base was less likely to punish Dick’s for the shift. In parts of the US, customer reactions could be much stronger, and in the age of social media, a small local event can have national public relations consequences. It remains to be seen: Will Dick’s customers and other stakeholders— and the public at large—accept such a definitive move?

A December 2018 Accenture survey of 30,000 consumers worldwide found that “62 percent of them want companies to take a stand on current and broadly relevant issues such as sustainability, transparency and fair employment practices. The closer a company’s purpose aligns to their own beliefs, the better” (From me to we, 2018). Similarly, a 2018 Edelman report found that 64% of consumers worldwide are “belief-driven buyers” (up from 51% in 2017) and that the same percent think CEOs should take a lead on change rather than waiting for government action (Brands take a stand, 2018). The Accenture report noted, “US companies that stand for something bigger than what they sell, tune into customers’ beliefs and take decisive action on social issues are more likely to recast their customer relationships and connect with consumers on a deeper level” (From me to we, 2018).

Dick’s appears to have put itself in the vanguard among large brands taking a stand on social issues. Even so, it remains to be seen whether its corporate communication efforts will succeed in making a compelling enough case that gun violence aligns with the brand’s story to “recast customer relationships” and drive engagement, loyalty, and—ultimately—sales.

Will stakeholders expect Dick’s to continue to take a public stand on gun violence, or even on other social issues? Will they punish the company if it does not?

This case raises timely questions about how companies should manage taking public stands on polarized issues—something consumers increasingly expect, but which also has the potential to alienate stakeholders who do not hold shared beliefs about the issue. The question is especially intriguing for companies, like Dick’s, who are taking stances on issues not directly tied to their core business purpose.

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