



SAYS BYE



ADIDAS DROPS PARTNERSHIP WITH YE



With great power comes great responsibility. Celebrities have become modern-day superheroes, and because of the great public trust in celebrity endorsements, they have an undeniable influence on consumer behavior. Celebrities were influencers before 'influencer' became a job title. Brands realized the benefit of working with celebrities, and these partnerships have grown exponentially with the rise of social media and influencer culture. Although celebrity collaborations can be lucrative for some brands, such partnerships also have the potential to become a liability. This became a reality for Adidas when its long-term partnership with Ye, formerly known as Kanye West, came to an end following multiple antisemitic comments made by the star. Adidas faced severe backlash from its internal and external stakeholders due to its initial silence and a significant financial loss after ending the partnership. This case study examines Adidas' crisis management through an ESG lens and uncovers the risks and challenges of celebrity collaborations.





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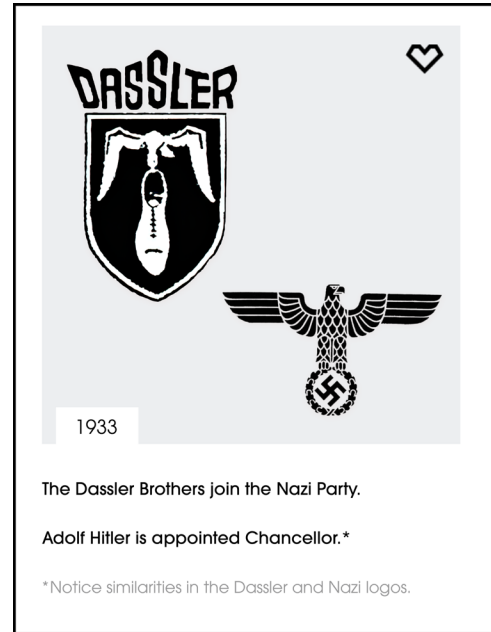
Historical Background on Adidas

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## HISTORICAL BACKGROUND ON ADIDAS

Three monochromatic stripes on crewnecks and sneakers are an iconic symbol of Adidas known worldwide, but few know how this force in the athleisure industry got its start. In 1924 Adolf "Adi" Dassler, the founder of Adidas, originally started a sporting goods company called Gebrüder Dassler, Sportschuhfabrik, or The Dassler Brothers' Sports Shoe Factory, with his brother Rudolf Dassler. They sowed the first sneaker from leftover clothing scraps in the laundry room of their family home in Herzogenaurach, Germany (Schwär, 2018). Adi Dassler had the vision to create a shoe that gave athletes better performance by introducing spikes, now known as cleats. German Olympic track and field coach, Josef Waitzer, noticed and recognized the invention. He became a close friend and had a big influence on the company's success by giving the brothers access to German athletes (World Rugby Shop, 2018).



As Adolf Hitler and the Nazi party started gaining power in Germany, the Dassler brothers saw the growing regime as an opportunity to grow their business, using the political party to "reach the Hitler Youth clubs" (World Rugby Shop, 2018, para. 4).



The brothers' first major induction into the Nazi regime was their involvement in the 1936 Berlin Olympics. At this time, Hitler had just created an "Aryans only" policy in all German athletic organizations, excluding "Jews or individuals with Jewish parents" from German sports facilities and associations (United States Holocaust Memorial Museum, 2021, para. 7). Organizations across the globe, including the American Jewish Congress and the Jewish Labor Committee, initially protested and boycotted these Olympics. However, once the United States decided to participate in the Olympics, the protests failed.



# NOT ALL IS FAIR IN SHOES AND WAR

## Historical Background on Adidas

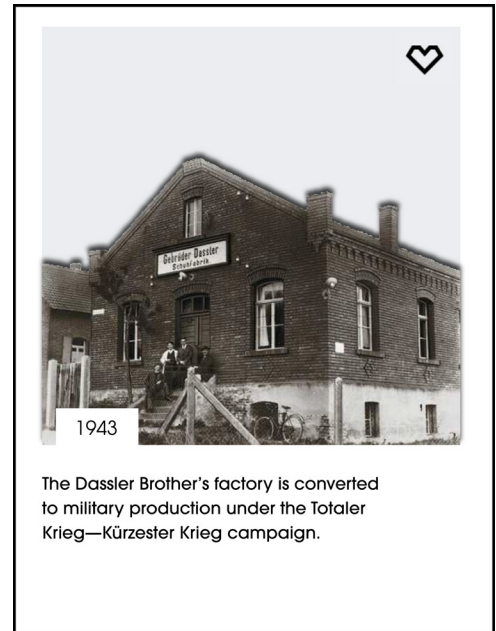
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During the Olympics, the Dassler brothers sponsored Black American Olympic track star, Jesse Owens. Owens wore a pair of Dassler track shoes while competing and “went on to win four gold medals in the 1936 Olympic games” (World Rugby Shop, 2018, para. 5). These victories brought The Dassler Brothers’ Sports Shoe Factory international fame and success, eventually growing the shoe sales to “nearly 200,000 pairs a year” (World Rugby Shop, 2018, para. 6).

World War II severely impacted Germany’s workforce, bringing new challenges and priorities for the Nazi-associated brothers. According to the United States Holocaust Museum (2018), “somewhere between 12 and 13-and-a-half million Germans served in the army between 1933 and 1945” (para. 6). Additionally, the Nazi government led an “extensive propaganda campaign to remove women from all gainful employment” (Popowycz, 2022, para. 7). Due to the labor shortage, factories were forced to shift from their industries to weapon production, including The Sports Shoe Factory, which was “forced to produce munitions in the final years of the war” (Eddy et. al, 2022, para. 15).

While both Dassler brothers were drafted into the war, Adi Dassler returned home after his presence at The Sports Shoe Factory was considered necessary (World Rugby Shop, 2018). When American soldiers invaded Germany in 1945, both brothers faced the consequences of their Nazi alliance. They each testified that the other was more involved in the Nazi party. Adi Dassler and his factory received the supportive testimony of a Jewish friend, so he was able to launch the present-day company after the end of World War II (Eddy et. al, 2022). Rudolf Dassler faced jail time for his work with the Schutzstaffel. Once Rudolf Dassler was released, he moved to another part of Herzogenaurach and started a new sporting goods company, known today as Puma (World Rugby Shop, 2018).





# NOT ALL IS FAIR IN SHOES AND WAR

## Antisemitism in the United States

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### ANTISEMITISM IN THE UNITED STATES

Anti-Defamation League (ADL) research found that antisemitism has been rising in the United States. Over three-quarters of Americans, or 85%, believe at least one anti-Jewish trope. This is an increase of 24% since 2019 (ADL, 2023). Antisemitism in America is reaching record-breaking numbers due to a consistent five-year uptick in the number of antisemitic incidents in America (Hagen, 2022). In 2021, a “total of 2,717 incidents of assault, harassment and vandalism” was reported to the ADL (ADL, 2022, para.2). One of the most violent incidents in recent years includes a 2018 attack on the Pittsburgh Tree of Life synagogue, where a gunman armed with an AR-15 style assault rifle and at least three handguns entered the place of worship shouting antisemitic slurs and opened fire, killing at least 11 worshippers (Robertson et al. 2018).

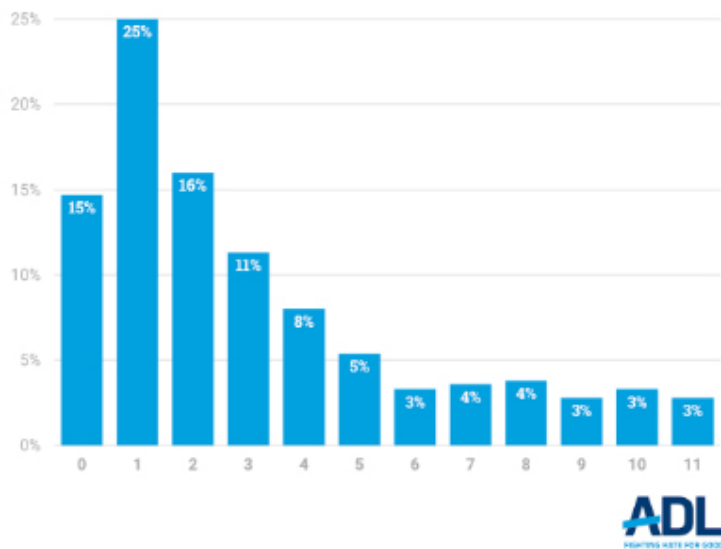
According to a 2020 study, the majority of young people in the United States are misinformed about the Holocaust. For example, 63% of adults under age 40 do not know that 6 million Jewish people were killed in the Holocaust and one in ten people cannot recall hearing the word “Holocaust” in their lives (Ramgopal, 2020). Record-breaking numbers of antisemitic incidents coupled with the lack of Holocaust awareness among millennials and Gen Z provides context for evaluating the broader implications of this case.



63%

Of adults under age 40 do not know that 6 million Jewish people were killed in the Holocaust, according to Gideon Taylor, President of the Conference on Jewish Material Claims Against Germany

#### Number of Anti-Jewish Tropes that Americans Believe to Be at Least Somewhat True





Today Adidas is the second-largest global sporting goods company after Nike, with over 2,500 retail stores in 160 countries worldwide (S&P Rankings, 2022). The company is led by Bjørn Gulden, who started as the Chief Executive Officer of Adidas in 2023 after Rorsted and the Supervisory Board agreed that Rorsted would step down as CEO and leave the company in August 2022 (Adidas, 2022).

Adidas states that the company is united by its Diversity, Equity, and Inclusion (DEI) commitment, often called "the belonging" (Adidas, n.d.). The company defines its mission and values as follows:

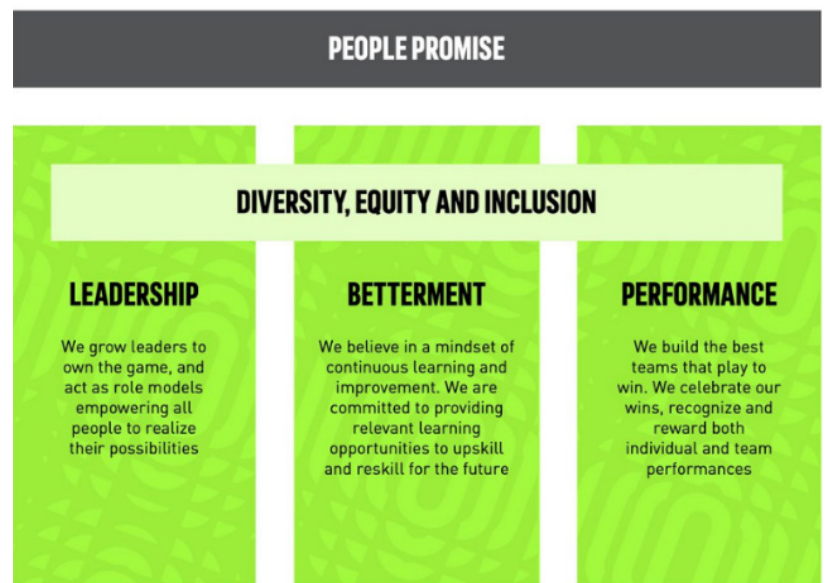
**Mission Statement:** To be the best sports brand in the world.

**Purpose:** Through sport, we have the power to change lives. We will always strive to expand the limits of human possibilities, to include and unite people, and to create a more sustainable world.

**Attitude:** Impossible is Nothing.

**Values:** Leadership, Betterment, Performance (Adidas, n.d.).

S&P Global ranks Adidas' Social profile of the ESG evaluation as 73 points out of 100. Based on its research, S&P concluded that Adidas could implement its purpose "to change lives," stating that Adidas helps promote anti-discrimination campaigns and "powers gender equality and LGBTQ+ inclusion in sports via different programs in addition to annual contributions to community-related projects" (S&P Rankings, 2022, p. 4). The research also concluded that Adidas is relatively open to backlash related to its affiliations (S&P Rankings, 2022).





## THE BEGINNING OF THE PARTNERSHIP

Before the partnership between Ye and Adidas, non-athlete celebrity endorsements had been looked down upon, especially in the sneaker community, where generally only athletes got major deals. For example, Ye claimed that Nike would not give him royalties because he was “not a professional athlete” in a 2013 interview (Belzer, 2013, para. 2). The lack of royalties led to Ye dropping his partnership with Nike after two releases and signing onto the historic deal with Adidas that same year (Peiser & Bogage, 2022).

The YE partnership began when Adidas’ annual sales were down by 1%, and the brand was seeking a new way to reach more customers (Kish & Santana, 2022). Three years into the partnership, Adidas reported an 18% annual sales increase, which more than “doubled Nike’s fiscal-year percentage gain” (Kish & Santana, 2022, para. 4).

By 2015, Ye was debuting “his first Adidas shoe at the 2015 Grammys,” the Yeezy 750 Boost (Johns, 2022, para. 7). In a 2016 press release, after several years of successful collaboration, Adidas and Ye announced a long-term partnership, calling it “the most significant partnership ever created between an athletic brand and a non-athlete.” Eric Liedtke, the Executive Board Member of Adidas Group, called Ye a “true creator who has the ability to see things others don’t” (Adidas, 2016, para. 1, 4).

Yeezy allowed Adidas to see the power of non-athlete celebrity endorsements and collaborations. The company has since partnered with other entertainers, including Pharrell, Bad Bunny, and Rita Ora, as well as luxury houses like Gucci and Balenciaga (Waldow, 2023). The company has since partnered with other entertainers, including Pharrell, Bad Bunny, and Rita Ora, as well as luxury houses like Gucci and Balenciaga (Waldow, 2023).

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## THE END OF THE PARTNERSHIP

Nearly a decade-long collaboration between Adidas and Ye came to a dramatic end in October 2022. Although this partnership was lucrative for both parties, generating an estimated \$2 billion a year in revenue for Adidas (Peiser & Bogage, 2022) and \$220 million annually for Ye (Voytko, 2022), Adidas finally dropped the partnership after Ye made multiple antisemitic statements on social media and doubled down on his comments in national media appearances.

Ye wore a “White Lives Matter” shirt at Paris Fashion Week in early October 2022 (Cartner-Morley, 2022). Adidas initially attempted to resolve the situation privately, but three days after this particular incident, it officially announced that the partnership was under review. (Steitz, 2022). Two days following Adidas’ announcement, on October 8, 2022, Ye tweeted that he would be going “death con 3 on Jewish people,” which is a reference to DEFCON, a U.S. military term for “heightened readiness in the face of a threat” (American Jewish Committee, 2022, para. 19).



One week later, in a since-deleted episode of the podcast *Drink Champs*, which aired on Oct. 16, 2022, Ye stated, “I can say antisemitic things, and Adidas can’t drop me. Now what? Now what?” (Treisman, 2022, para. 5). A range of Adidas stakeholders and members of the public called for Adidas to drop Ye. Still, Adidas remained silent for several weeks following these incidents and continued releasing new merchandise from the collaboration.

Once #BoycottAdidas started trending on Twitter, and Balenciaga, CAA, and Vogue had all dropped collaborations with Ye, Adidas followed suit. Among heightened public scrutiny, Adidas published a press release on Oct. 25, 2022, announcing the end of the partnership with Ye. The press release stated that the company “does not tolerate antisemitism and any other sort of hate speech” and that Adidas had halted production of Yeezy products and had stopped all payments to Ye and his companies immediately (Adidas, 2022, para. 1-2). In the statement, Adidas also confirmed that the end of the partnership would have a “short-term negative impact of up to €250 million on the company’s net income in 2022” (Adidas, 2022, para. 3).

Since Adidas ended the partnership with Ye, he has continued to share antisemitic tropes. For example, he has reportedly posted an image of a swastika depicted inside a Star of David on Twitter. Ye said he sees “good things about Hitler” during his three-hour interview on Alex Jones’ show (Limbong, 2022, para. 2-3).



## STAKEHOLDER RESPONSES

Say What You Need to S-YE: Media Responses

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### SAY WHAT YOU NEED TO S-YE: MEDIA RESPONSES

On October 6, 2022, *Forbes* and CNBC published articles reporting that Adidas was placing its partnership with Ye under review. CNBC’s article “Adidas Says Its Relationship with Kanye West is Under Review” cites that the reason for the review was Ye’s public critiques of the company and its CEO, specifically that Ye was very outspoken about the fact that he thought Adidas was “copying (his) ideas” (Golden, 2022, para. 4). Ye also posted pictures of Adidas’ board members to his social media accounts and called out CEO Kasper Rorsted, even posting a doctored image of a *New York Times* front page falsely claiming that Rorsted had died (Golden, 2022, para. 5).

On October 20, 2022, the ADL called on Adidas to sever the partnership deal (Dellatto, 2022). The ADL posted an open letter to CEO Kasper Rorsted titled, “ADL Letter to Adidas Executives Regarding Kanye West.” In this letter, the ADL wanted Adidas to clarify that “the Adidas company and community has no tolerance whatsoever for antisemitism” and pleaded that Adidas “reconsider supporting the Ye product line” (Greenblatt, 2022, para. 6).

**In light of all of this, we urge Adidas to reconsider supporting the Ye product line and to issue a statement making clear that the Adidas company and community has no tolerance whatsoever for antisemitism. I’d be more than happy to discuss this matter with you at your convenience. We stand ready to work with you in whatever way possible to ensure that antisemitism has no place in Adidas.**

- CEO and National Director of the Anti-Defamation League Jonathan A. Greenblatt in an open letter to Adidas

In Germany, the Central Council of Jews called on Adidas to cut ties with Ye due to his repeated antisemitic remarks. The Council connected the push to not only Adidas’ German roots but the company’s roots in the Nazi Party. The head of the council, Josef Schuster, said, “The historical responsibility of Adidas lays not only in the German roots of the company but also in its entanglement with the Nazi regime” (Eddy et. al, 2022, para. 14). Schuster said that he expected such a company to take a stricter stance on antisemitism, especially since antisemitic statements can lead to prosecution in Germany (Eddy et. al, 2022, para. 15).

*Rolling Stone* magazine posted an article on October 25, 2022, when Adidas officially cut its ties with Ye. The *Rolling Stone* article, titled “Adidas Finally Drops Kanye West,” cites many other brands, including Ye’s talent agency, that had already decided to drop him as a partner, implying that Adidas was delayed in its decision. *Rolling Stone* cited multiple instances where Ye was antisemitic or inappropriate in public, leading to the company’s decision to discontinue the high-profile partnership (Paul, 2022).



## STAKEHOLDER RESPONSES

Employees Felt UnYeezy: Internal Stakeholder Response

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### EMPLOYEES FELT UNYEEZY: INTERNAL STAKEHOLDER RESPONSE

Adidas implemented an immediate hiring freeze following the announcement of the brand discontinuing Yeezy. Rich Efrus, an Adidas spokesperson, stated, "This is not up for discussion. We need our employees' talent and skills within the organization" when asked by *Forbes* if the company would be firing any of its Yeezy employees (Debter, 2022, para. 2). However, some Adidas employees came forward in November of 2022, and claimed that Ye had shown explicit photos and videos to employees during the partnership (Helmore, 2022). Two days after these claims were published in *Rolling Stone*, *The Guardian* posted another article with Adidas' response to the claims. Some employees stated that Adidas had overlooked internal complaints about Ye. Some Adidas staff made allegations in a letter to Adidas leadership, including claims that Adidas "turned (its) moral compass off" and failed to protect its employees from Ye's "years of verbal abuse, vulgar tirades and bullying attacks" (Helmore, 2022, para. 9&13).

For example, Sarah Camhi, the director for trade marketing at Adidas in the United States, was frustrated by the company's inability to drop Ye, despite Adidas' mounting pressure. In a post on LinkedIn, she shared, "Coming off of the Adidas global week of inclusion, I am feeling anything but included. As a member of the Jewish community, I can no longer stay silent on behalf of the brand that employs me. Not saying anything is saying everything" (Eddy et al., 2022).



Sarah Camhi • 3rd+  
Director, Trade Marketing at adidas  
4mo • 🌐

+ Follow ...

Coming off of the adidas global week of inclusion, I am feeling anything but included.

As a member of the Jewish community, I can no longer stay silent on behalf of the brand that employs me. Not saying anything, is saying everything.

It's been 14 days since Kanye started spewing anti-Semitic rhetoric and adidas has remained quiet; both internally to employees as well as externally to our customers.

We have dropped adidas athletes for using steroids and being difficult to work with but are unwilling to denounce hate speech, the perpetuation of dangerous stereotypes and blatant racism by one of our top brand partners.

We need to do better as a brand. We need to do better for our employees and we need to do better for our communities. Until adidas takes a stand, I will not stand with adidas.

#work #community #brand #inclusion #runawayfromhate

👤 Michael J. Asquith and 31,631 others

1,362 comments · 867 reposts

In addition, one of Adidas' largest shareholders, Union Investment, demanded clarity about the claims made by some Adidas employees. Head of ESG (Environmental, Social, and Governance) capital markets and stewardship at Union Investment, Janne Werning, told the *Financial Times*, "Adidas needs to disclose when management and the supervisory board was first informed about the internal allegations" (Storbeck, 2022, para. 4). Following this pressure from Union Investment, Adidas opened an investigation into the claims (Helmore, 2022).

Udi Avshalom, Ye's Jewish ex-colleague, came to his defense in the months following Ye's antisemitic remarks. While Avshalom does not mention Ye by name, the former COO of the Yeezy brand took to Instagram, writing, "I believe with education he will have a more positive (point of view), mental health is NO joke" (Gilholy, 2022). Regarding Ye's mental health, Avshalom is likely referring to Ye's known bipolar disorder diagnosis (Ryu, 2022).

Despite the defenses that Ye's antisemitic comments were the result of his bipolar disorder, some psychologists warn that, while unmanaged mental health can cause people to act out in uncharacteristic ways, "mental illness and bigotry are two distinct problems requiring two distinct solutions" (Ryu, 2022, para. 6).



## SAY WHAT YOU NEED TO S-YE: SOCIAL MEDIA RESPONSES

A rising trend in business and communications is the uptick in social media activism against brands, especially among Gen Z consumers. While Gen Z is certainly not the first generation to care about social issues when it comes to doing business with brands, Gen Z strongly prefers to support brands that have values that align with their own (Clark, 2022, para. 2).

By October 24, 2022, “#BoycottAdidas” had trended on Twitter for multiple days. More than 90,000 people signed a petition via Change.org urging Adidas to cut ties with Ye following his antisemitic remarks (Treisman, 2022, para. 10). Social media users were also making the connection with Adidas and its history with the Nazi party, which, in combination with its silence on Ye’s antisemitism, caused people to become angry with the brand (Treisman, 2022, para. 24). While other brands began publicly dropping Ye as a partner, Adidas stayed silent. Historically, strategic silence may have been a semi-decent strategy to resolve a conflict that could blow over with time. However, young millennials and Gen Z consumers are inclined to hold companies to their stated values, and businesses have a more challenging time remaining silent and neutral during controversial events (Clark, 2022, para. 15&16).



Scan to view **#BoycottAdidas** on Twitter ↑



# STAKEHOLDER RESPONSES

All Eyes on Ye: Celebrities Call for Adidas' Response

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## ALL EYES ON YE: CELEBRITIES CALL FOR ADIDAS' RESPONSE

Public denouncements of Ye's antisemitic comments poured in from his celebrity peers in the entertainment industry, with many calling on Adidas to drop Ye. For example, actresses Kat Dennings and Valerie Berinelli are among the celebrities that mentioned Adidas's Twitter account as the public awaited the company's response to Ye's comments.



Actor Josh Gad, best known for his role as Olaf in Frozen, quote tweeted the clip of Ye on the *Drink Champs* podcast. Gad wrote, "This is not a good person. This is a person (whose) dangerous rhetoric continues to go unchecked. Hey @adidas, is this right? Can he single out a single faith and group of people with hatred and vitriol, and it doesn't matter? Asking for a friend." However, Gad's remark was not the most notable act of protest by a celebrity. Though she had not mentioned Adidas in her statement, Noa Kirel, an Israeli pop singer, donned an outfit with Ye's face along with gold chains, the Star of David, and the Chai symbol at the European MTV Awards. Kirel said she did this as "a fashion item with a message for the whole world, an item that signals that I am Jewish and Israeli. We have been experiencing a lot of antisemitism, especially in light of Kanye West's statements. I am proud to be an Israeli artist who represents Israel in the world" (Spiro, 2022, para. 3). Other celebrities that spoke out against Ye's antisemitic comments include David Schwimmer, Ben Platt, Reese Witherspoon, Florence Pugh, and Ye's ex-in-laws, the Kardashian-Jenner family.



# KEEPING UP WITH THE BOTTOM LINE

## The Fallout of Dropping Yeezy

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### THE FALLOUT OF DROPPING YEEZY

The Yeezy brand was a major success and contributor to Adidas' company growth and improved financial performance in recent years. As previously mentioned, Adidas' annual revenue growth was nearly flat until its Yeezy partnership, which generated an impressive sales increase due to the collaboration. Subsequently, Adidas also saw a boost in reputation in the sneaker and business community (Kish & Santana, 2022).

The dissolution of the partnership had a significant negative financial impact on Adidas and Ye. For example, Adidas's shares fell 5.6% after announcing its decision to end the Yeezy line with Ye. The stock price had been declining since Ye's initial antisemitic tweet, and by the time of the announcement, Adidas's stock had fallen 23% (Sorkin et al., 2022).

Following the decision to end its Yeezy line, Adidas had a surplus of Yeezy inventory with no clear solution on what to do with it. In a profit warning issued on February 9th, 2023, Adidas stated that the risk of not repurposing the inventory could cost the company €1.2 billion in revenue and €500 million in operating profit. If Adidas cannot repurpose the items, the brand expects to write them off, resulting in an additional loss of €500 million in operating profit and €200 million in one-off costs. This route would leave Adidas at a €700 million operating loss for 2023 (Adidas, n.d). Adidas's shares fell 11% following this announcement (Moss, 2023).

Adidas stock price performance



Source: Sentio • By The New York Times

On March 8, 2023, Adidas released its fourth-quarter earning report. According to the *Wall Street Journal*, "In the fourth quarter, revenue growth almost ground to a halt, and the company posted a €482 million loss. Adidas also slashed its dividend almost 80%" (Moss, 2023, para. 2). Adidas reported a net loss of €254 million, which is an 83% decrease from last year's numbers. Despite these losses due to the termination of Yeezy, the current Adidas CEO, Bjørn Gulden, is still hoping to push forward with celebrity collaborations with a "renowned emphasis" (Moss, 2023, para. 16).



## KEEPING UP WITH THE BOTTOM LINE

### The Fallout of Dropping Yeezy

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## THE FALLOUT OF DROPPING YEEZY

Furthermore, Ye was previously announced by news media as a billionaire, with Yeezy accounting for \$1.5 billion of Ye's total net worth. After the end of the Adidas partnership, Forbes reported that Ye's net worth was now estimated to be \$400 million, largely from his other investments, including a 5% stake in his ex-wife Kim Kardashian's shapewear company, Skims (Voytko, 2022).

July 28, 2023, Adidas unveiled its plans to release additional Yeezy inventory with a significant portion being donated to carefully chosen organizations dedicated to the fight against discrimination and hate. This announcement also underscored the brand's ongoing commitment to collaborative efforts with the ADL and Robert Kraft's Foundation for Combating Antisemitism (Adidas, 2023). Two releases of the remaining stock resulted in Adidas generating €750 million in sales. However, the planned third release has been postponed in light of the escalating conflict in the Middle East involving Israel and Palestine (McHugh, 2023).



Scan to view **Adidas' present day stock** ↑

## REPUTATION IMPACT

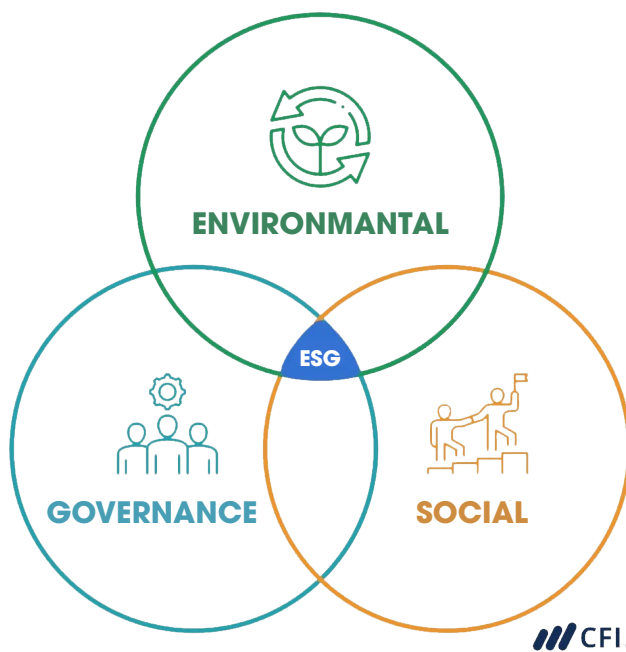
How has Adidas' reputation held up after this crisis? According to a YouGov study reported by Hoang Nguyen, the most reputational damage was done among customers in the United Kingdom. Nguyen states, "37% of Britons who say they "tend to buy" from Adidas believe the company moved too slow(ly) in terminating its partnership with Kanye West," in addition to its overall reputation score falling by 17-points in October 2022 (para. 8). In the United States, however, Adidas is seemingly trending upwards. Word-of-mouth exposure was up 5% amongst 18-34 year-olds and its current customers, two key demographics. This increase in exposure has led to a 6% increase in customer consideration to purchase from the brand.



## BUSINESS COMMUNICATION TAKEAWAYS

The Adidas and Ye case is a prime example of the rising pressure on companies to not only participate in ESG initiatives, but to make it a key part of business models, specifically the social responsibility aspect. According to an article by McKinsey & Company, social-related shareholder proposals increased by 37% in the 2021 shareholder Proxy season (Perez et al., 2022). Shareholders are increasingly proposing and pressuring companies to be more active members on social issues. These shareholders are influenced by their internal code of ethics and by external forces on social media.

As noted in the stakeholder response section of this study, there was significant and sustained pressure from some of Adidas' stakeholders to terminate the partnership. This decision was a huge monetary loss for Adidas and is a notable example of choosing ESG over the company's short-term financial and sustained performance. Whether Adidas dropping Ye is an example of a company holding steadfast to its values or simply trying to appease the social media mob and angry stakeholders, driving forces in today's business and communications society are strong enough to make a company embrace ESG over short-term financial gains in favor of superior longer-term performance.



The Adidas-Ye partnership is just one example of a brand using a celebrity spokesperson. Brands have increasingly opted for celebrity endorsements, especially since brands can see a boost in financial and stock price performance as soon as the news is made public (Olenski, 2022). However, despite the many pros, there are also cons. The most relevant negative to a celebrity spokesperson is that, unlike a fictional spokesperson created by a brand like the Geico Gecko, a brand cannot control what a real-life celebrity says and does outside its branded content. In this case study, the partnership was mutually beneficial until it soured due to Ye's repeated antisemitic words and actions.





## CONCLUSION

Management through an ESG lens has become an increasingly important aspect of the business world and how people choose to invest their time, talent, and treasure. Whether this is positive or negative is a different story as of late, but ESG still holds weight with many investors, consumers, and employees. For instance, according to a study by Capital Group (2022), 89% of investors consider ESG initiatives central to their investment approach. Of these investors, four in ten believe social issues are being overlooked (pp. 9-11). The Social in ESG is considered the second most important pillar of the acronym after the Environmental pillar by consumers (Wiredu, 2022, para. 1). Prosocial behavior has become an expectation among many stakeholders, including a great number of shareholders. Hence, companies now have a choice: stay silent on important social issues or speak up to align actions with their stated mission, purpose, and values.

Adidas' stated brand values encompass being inclusive, trustworthy, and fair (Adidas, n.d.). It would be contradictory to state these brand values while continuing to work with a public figure like Ye, who had become divisive amongst Adidas stakeholders and encouraged hate speech towards a vulnerable group in our society. Since Adidas is headquartered in Germany and has been associated with the Nazi regime, Adidas needed to listen carefully to its stakeholders and "prove it with action."

# THE YE-ND?

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