

Two stories of cancel culture. How value-driven calls to cancel affect the bottom line

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Abstract

Social media has become the environment for value-driven polemics that have been commonly dubbed cancel culture. As a construct, cancel culture has little empirical research especially as it relates to the efficacy of the calls to cancel a business. This research analyzes a successful call to cancel, evidenced in a break in sales for Abercrombie & Fitch, and an unsuccessful call to cancel directed toward Starbucks. The sentiments of tweets for both companies were reduced to a valenced level for the core emotions, using a one-dimensional k-mean clustering, for each fiscal quarter. Correlational and time-series analysis was performed. A successful call to cancel showed a structural break in sales but not in Altman's z-score. The polemic differences in the emotions were strongly correlated to sales for the successful call to cancel but were not present in the unsuccessful case. Likewise, the time-series analysis showed Granger-causality between emotions and the sales for a successful call to cancel. In both the successful and unsuccessful campaigns, individual emotions were ultimately found to be representing two factors present in the 8-emotion model- positive and negative sentiment. This research supports the threshold model of consumer decision-making while calling into question the granular nature of emotions.

Keywords: *Cancel Culture; Theory of Emotion; Sentiment Analysis; Time Series Analysis; decision-making in purchasing*
