

Here Are Some of the Potential Ripple Effects Proposition 22 Could Set Off

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Marketers have long known that the voice of the average person can be a powerful thing. But if 2020 had a textbook case, it might well be a man known to millions of viewers only as Marcell H.

Marcell is one of 55 million Americans that the Bureau of Labor Statistics classifies as a gig worker. Marcell, who works for delivery app DoorDash, lives with his elderly grandparents, both of whom require a great deal of physical assistance. One day, his grandmother fell down at home and called her grandson on his cellphone.

“I was able to clock out of work to go and pick her up off the floor,” he said. “Had I been in a different job, I would have been in trouble, written up or gotten fired for pulling my phone out during work. I wouldn’t have been able to be there for my grandmother.”

Marcell was one of the scores of real-world Californians whose testimonials appeared on the Facebook page for Yes on 22, the political coalition assembled to mass voter support behind a much-watched California ballot measure. Formally known as the App-Based

Drivers as Contractors and Labor Policies Initiative, Prop 22 essentially enshrines the independent status of gig workers by exempting their employers from having to abide by employee minimum wage and benefits requirements under state law.

On Wednesday, the measure notched 58% of the vote, winning easy passage.

For America’s leading ride-sharing and delivery apps, the win wasn’t just good news for their bottom lines; it was a literal return on investment. More than 90% of the \$224 million spent on the marketing effort behind Prop. 22 came from the corporate coffers of Uber, Lyft, DoorDash, Postmates and Instacart’s owner Maplebear, according to the Los Angeles Times. Last month alone, the Facebook component of the campaign rang up a tab of \$3.7 million, more than was spent by either of the presidential campaigns.

Lyft president John Zimmer told the Washington Post the measure’s passage was a “turning point for the future of work in America,” while Uber CEO Dara Khosrowshahi, in an e-mail to drivers, declared that “the future of work is more secure.” Staying in lockstep was a statement to the media from Yes on 22 spokesperson Geoff Vetter, who said “Prop 22 represents the future of work in an increasingly technologically driven economy.”

Vetter’s observation also raises one of the more important business-oriented questions to swirl out of the 2020 election: Will the precedent set by Prop 22 have broader implications for brands and contact workers overall? Many experts believe so, though not all of the implications are positive.



Yes on 22’s marketing efforts depended heavily on the testimonials of ride-sharing drivers.

A possible spur to growth

The foremost likely result is that the passage of 22 will not only open the door for new app-based startup brands but also make it easier for existing startups to access potential funding.

“For people who want to get into [an app-based] business, you suddenly have a legitimized business model,” said Dean Crutchfield, chief growth officer of agency Crutchfield and Partners. “If you’re looking to invest in this market or develop a business that wants to get into this market, this is a massive boost in confidence.”

And with the legitimization of that business model, others point out, the economy will be able to count on the sort of job growth that’s essential in a pandemic-fueled recession.

“This decision will have impacts spread throughout the country,” said Stacy DeBroff, CEO of marketing agency Influence Central. “Unemployed workers want as many options as possible to bring in money to their families. With a precarious economy, the economy in tatters and Covid continuing to surge, gig workers will rise to the forefront of many companies’ staffing choices.”

Branding consultant David J. Deal, who classifies himself as a gig worker, added that the American economy was moving in the contract worker direction before the pandemic and will continue. So Prop 22 will furnish a needed template for both corporations and legislators alike.

“The pandemic has already been forcing people to find their own way and create their own independent businesses,” he said. “This is the way the world is going now, and legislation needs to support those people trying to find a way forward with their lives. I feel as though legislators need to catch up with how the working world has changed.”

Political stances now might be safer to take

Given that Prop 22 represented a touchy political issue in what is already a highly politicized national climate, it’s also conceivable that its passage will embolden brands to take public positions on hot-button issues.

Companies like Uber and Lyft used both a carrot and stick approach in their public push for Prop 22. On one hand, the measure would benefit their contractors by giving them flexibility to work as much or as little as they want. But they also made their share of threats, warning that if Prop 22 failed to pass, the result would likely be layoffs, price hikes or even companies leaving the state.



Despite the support the measure received, an estimated 4.8 million people voted against it.

Now that these brands have stacked their chips on the political felt and won, other brands may feel more comfortable doing the same.

“I do see this ‘victory’ as an affirmation for other companies that are becoming more socially and politically active,” said Denise Lee Yohn, author of the book What Great Brands Do. “I expect we’ll see more brands make public appeals especially in the tech/privacy and monopoly challenges being raised by regulators and citizens groups.”

Yet it’s these very stances that may also prove a liability for the brands going forward, at least so far as their brand images are concerned.

“I do think this will embolden other companies with new business models to really look at ways that they can engage people who want to be part of the gig economy,” said agency Sol Marketing founder Deb Gabor. “One of the things they should be aware of, while they tout this as a victory, is potential consumer backlash. Beware that some consumers may defect, especially the ones who really care about ensuring that gig workers have the full protections that those of us who are employees of companies have.”