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# Brand Activism: Does Courting Controversy Help or Hurt a Brand?

#### Authors

(*Corresponding Author*) Sourjo Mukherjee <sup>audencia business school, france</sup> Assistant Professor of Marketing, Audencia Business School, 8 Route de la Jonelière, 44312 Nantes, France Email: <u>smukherjee@audencia.com</u>

Niek Althuizen essec business school, france

Associate Professor of Marketing, ESSEC Business School, 3 Avenue Bernard Hirsch, 95021 Cergy-Pontoise, France

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#### Brand Activism: Does Courting Controversy Help or Hurt a Brand?

#### Abstract

How do consumers react when brands take a stand on controversial socio-political issues? The results from a series of studies, involving both unknown and well-known brands, show that attitudes towards the brand decreased substantially among consumers who disagreed with a brand's stand, whereas there was no significant effect among consumers who were supportive of the brand's stand (Studies 1-4). This asymmetric effect of brand activism holds not only for brand attitude but also for consumers' behavioral intentions (Study 2) and actual choices (Study 1B). When consumers perceived the relationship between the brand and the source of the stand to be more distant, the negative effect of brand activism was weaker because it allowed consumers to morally decouple the brand from the stand (Study 3). Only when a brand faced public backlash because of its moral stand did we find a marginal increase in brand attitude among the proponents of the stand. However, when the brand subsequently withdrew its stand and apologized, the brand attitude decreased among both the proponents and opponents of the stand (Study 4). We discuss the theoretical and practical implications of the findings and call for further research on brand activism.

Keywords: brand activism; controversial issues; morality; consumer-brand identification

#### **1. Introduction**

In early 2017, public opinion on whether the US had a responsibility to accept Syrian refugees was almost evenly divided – 47% of Americans were in favor, while 49% were against (Pew Research Centre, 2017). It was during such a time, and against the backdrop of the US travel ban controversy as well as the suspension of America's refugee program, that Starbucks announced its intention to hire 10,000 refugees worldwide by 2022. Following this announcement, YouGov's BrandIndex showed a two-thirds decrease in Starbucks' Buzz score (Marzilli, 2017), which tracks positive versus negative word-of-mouth, and Credit Suisse bank warned investors about a negative impact on short-term sales (Moreano, 2017). However, Starbucks claimed that its stand on the issue did not have any substantial impact on the brand (Kell, 2017). When Chick-fil-A had become embroiled in the marriage equality debate in 2012, it had witnessed a wave of support in the form of a "Chick-fil-A Appreciation Day", resulting in a 30% increase in sales compared to a typical day (Norman, 2012); however, it had also experienced fierce public backlash from marriage equality and LGBT activists.

These are only two examples of many brands, such as Patagonia, Target, Nike, and Hobby Lobby, which have recently taken a public stand on divisive social or political issues (see Peters & Silverman, 2016). It is thus not surprising that in 2016, the Marketing Science Institute identified the issue of whether brands should take such stands as one of the *'critical issues emerging in the not-too-distant marketing future'* (Marketing Science Institute 2016, p. 1), and it underscored that it will be important for managers to know whether courting controversy is likely to help or hurt their brand. In this article, we therefore set out to investigate how consumers react to instances of "brand activism", which can be defined as the act of publicly taking a stand on divisive social or political issues by a brand or an individual associated with a brand (Kotler & Sarkar, 2017).

The contentious nature of brand activism sets it apart from corporate social responsibility (CSR) or cause-related marketing (CRM) (Chernev & Blair, 2015; Luo & Bhattacharya, 2009), which typically concern generally-accepted, non-divisive, pro-social issues such as supporting education or disaster relief. As a result, CSR or CRM initiatives are unlikely to elicit a negative response from consumers unless the initiative is perceived as an insincere marketing trick (Wagner, Lutz, & Weitz, 2009; Yoon, Gürhan-Canli, & Schwarz, 2006). However, as the two examples in the first paragraph demonstrate, courting controversy may elicit both positive and negative consumer reactions. Another difference is that CSR and CRM campaigns are usually part of a company's strategic plan (Varadarajan & Menon, 1988), whereas acts of brand activism can be ad hoc or accidental. In the case of Chick-fil-A, for example, the private opinion of the company's CEO, expressed during a radio interview, put the brand at the center of the marriage equality controversy. In the case of Starbucks, the company deliberately decided to take a stand in the ongoing refugee debate. Brand activism thus appears to involve greater uncertainty and risk than CSR or CRM campaigns; however, the potential pay-offs could also be higher.

To inform our theorizing and development of hypotheses regarding the effects of brand activism on consumer attitudes, intentions, and behavior, we draw on prior research in the domain of moral psychology and marketplace morality. In addition to the practical relevance of studying the effects of brand activism, we intend to contribute to the consumer-brand identification literature (Bhattacharya & Sen, 2003; Stokburger-Sauer, Ratneshwar, & Sen, 2012) by investigating the effect of self-brand similarity on consumer attitudes, intentions, and behavior in the moral domain. We also intend to contribute to the marketplace morality literature by examining the role that can be played by different moral reasoning strategies (see Bhattacharjee, Berman, & Reed, 2013; Lee & Kwak, 2016; Tsang, 2002) in shaping consumers' reactions to acts of brand activism.

# 2. Theoretical Background and Hypotheses

#### 2.1 The Asymmetric Effect of Brand Activism

The Oxford Dictionary defines morality as the "principles concerning the distinction between right and wrong or good and bad behavior". To function properly, societies need a shared set of norms and standards of behavior (Copp, 2001). Compliance with such norms and standards (i.e., moral codes such as "do not lie" or "be kind to others") is necessary for an individual to be regarded as a member of society in good standing. Hence, morality constitutes an important part of an individual's identity (Strohminger & Nichols, 2014). We posit that divisive social or political issues can be viewed as open moral questions about which society is yet to reach consensus. According to the moral foundations theory (Graham, Haidt, & Nosek 2009), individuals may arrive at opposing moral judgments concerning such issues due to differences in the emphasis placed on the five moral foundations: care (versus harm), fairness or proportionality (versus cheating), loyalty or in-group (versus betrayal), authority or respect (versus subversion), and sanctity or purity (versus degradation). A brand's stand on a contentious social or political issue thus reflects the emphasis it places on these moral foundations. For example, a brand that opposes marriage equality arguably places greater emphasis on protecting the in-group and purity, whereas a brand that supports hiring refugees arguably places greater emphasis on care and fairness.

Brand activism thus provides consumers with an opportunity to assess the level of selfbrand similarity in the context of moral judgments. That is, it allows consumers to determine whether a brand's moral foundations are aligned with their own. Consumer-brand identification theory (see, for example, Bhattacharya & Sen, 2003; Stokburger-Sauer et al., 2012) posits that higher self-brand similarity should result in stronger self-brand identification and, thus, in more favorable attitudes towards the brand, increased purchase intentions, and higher levels of brand advocacy. While this idea probably holds true in most situations, we argue that the effect of selfbrand similarity on consumer attitudes, intentions, and behavior is likely to be asymmetric in the domain of moral judgments, as explained below.

If consumers disagree with the moral stand taken by the brand, it implies that the consumer and the brand place different emphasis on the aforementioned moral foundations, which would in-turn lead to a low self-brand similarity. Since people tend to consider their own moral beliefs to be superior or sacrosanct, it is unlikely that they will change their position on the issue to align it with a brand's stand. Therefore, consumer-brand disagreement, which indicates low self-brand similarity would lead to lower levels of consumer-brand identification. Prior research has shown that consumer-brand identification is positively correlated with consumer attitudes, intentions, and behavior (Stokburger-Sauer et al., 2012; Tuškej, Golob, & Podnar, 2013). We thus expect that consumer-brand disagreement regarding a divisive social or political issue will negatively influence brand attitudes, intentions, and behavior.

When consumers agree with the stand taken by a brand, it indicates that consumer and the brand share the same moral set of moral foundations, indicating a high self-brand similarity which should also increase consumer-brand identification. However, we do not expect to find a significant effect on consumer attitudes, intentions, and behavior since, in the case of consumerbrand agreement, the brand's moral stand is consistent with the consumer's default moral expectations. In other words, consumers already expect the brand to adhere to, what they perceive as the 'right' moral behavior by adhering to the rules prescribing how members of a society *ought to* relate to one another (Turiel, 1983) due to their obligations towards other members of society (Gilligan & Wiggins, 1987). Higgins (1998) argues that acting morally is a core element of one's responsibilities and the kind of person (or brand) one should or ought to be. In terms of Higgins' (1998) regulatory focus theory, one could argue that one's moral foundations drive self-regulation through the motivating force of 'ought to' desired end states. We thus expect that consumers who agree with a stand are unlikely to reward a brand for doing what they consider to be expected or "ought to" social behavior.

**H1:** The effect of brand activism on consumer attitudes, intentions, and behavior is asymmetric, that is, negative in the case of disagreement with a brand's stand and no effect in the case of agreement.

**H2:** The level of consumer-brand identification mediates the negative effect of consumer-brand disagreement on consumer attitudes, intentions, and behavior.

#### 2.2 Mitigating Negative Effects of Brand Activism

To investigate how marketers could attempt to mitigate the hypothesized negative effect of brand activism, it is vital to first understand how moral judgments regarding controversial issues are incorporated in the formation of consumers' attitudes towards a brand. Haidt's (2001) social intuitionist theory suggests that moral judgments are generally driven by quick, automatic, intuitive processes, which is supported by evidence from neurological, behavioral, developmental, and evolutionary studies (see Huebner, Dwyer, & Hauser, 2009). However, whether such quick, intuitive moral judgments regarding a controversial issue will be reflexively transferred to the consumer's attitude towards a brand is an open question. Prior research has shown that brand transgressions do not always have a negative impact on brand evaluations (Aaker, Fournier, & Brasel, 2004; Schmalz & Orth, 2012), which suggests that, under certain circumstances, an initially negative response towards wrongdoing may be suppressed or dismissed when forming an attitude towards a brand. Since a brand's stand on a controversial issue is generally not diagnostic of product performance or intrinsic product quality, we propose that the decision of whether to punish a brand that has taken a perceived immoral stand can be thought of as a moral dilemma that is likely to elicit a deliberate moral reasoning process (see Haidt, 2003). In the next sections, we briefly discuss three deliberate moral reasoning strategies that may play a role in the attitude formation process in the case of consumer-brand disagreement regarding a brand's stand.

#### 2.2.1 Moral Rationalization

Moral rationalization concerns "an individual's ability to reinterpret [...] immoral actions as, in fact, moral" (Tsang, 2002, p. 1). According to Tsang (2002), the question of whether an individual will try to rationalize a brand's perceived immoral stand depends on the extent to which the issue is morally relevant as well as the cost-benefit ratio of acting morally. First, as controversial social or political issues, such as immigration, health care, climate change,

and social justice, are often the focus of intense debate in societies, it will be difficult for consumers to ignore a brand's stand or dismiss the moral relevance of the brand's actions. In the case of consumer-brand disagreement, the stand becomes even more relevant because it violates one's own moral foundations. Second, for most consumer products, a fair number of alternative brands are available in the market, which reduces the psychological and economic costs of switching brands<sup>1</sup>. Thus, given the relevance of acting morally and the relatively low cost of admonishing a brand, we expect that it is unlikely that consumers will opt to morally rationalize such a stand in the case of consumer-brand disagreement.

#### 2.2.2 Moral Coupling or Moral Decoupling: The Role of the Source of a Brand's Moral Stand

Moral coupling concerns integrating the moral judgments of a brand's stand with judgments of the brand's performance or intrinsic quality (Lee & Kwak, 2016) whereas moral decoupling concerns the separation of these two judgments (Bhattacharjee et al., 2013). In the case of consumer disagreement with the brand's stand, moral coupling will negatively influence consumer attitudes, intentions, and behavior, as consumers will consider the perceived immoral stand as an integral attribute of the brand. Moral coupling represents the "morally purest" path for consumers, as it demonstrates consistency between one's moral beliefs and consumption decisions; by contrast, moral rationalization and moral decoupling are focused on finding ways to justify inconsistencies between the two. We therefore expect moral coupling to be the consumer's default strategy.

<sup>&</sup>lt;sup>1</sup> Please refer to section 4.3 (Limitations and Suggestions for Further Research) for a discussion on how this may change if the consumers have a strong prior attachment to the brand (thereby increasing the psychological cost) or cannot afford to switch brands due high economic costs.

Moral decoupling and rationalization can shield a brand from negative consequences in the case of consumer-brand disagreement. Research has shown that moral decoupling is easier for consumers to justify than rationalization (Bhattacharjee et al., 2013); however, moral decoupling is only feasible if consumers are able to separate the perceived immoral stand from the brand (Haberstroh et al., 2017). If the brand and the source of the stand is very closely related, for example, in case of statements published on the brand's official website or via the brand's spokesperson, it will difficult for consumers to attribute the stand to any other entity but the brand. In that case, consumers are likely to follow a moral coupling strategy. If the relationship between the brand and the source of the stand is more distant, such as the CEO of Chick-fil-A voicing his private opinion, it will give consumers the opportunity to attribute the stand to an entity other than the brand. In other words, if the relationship between the brand and the source of the stand is perceived to be more distant, it will enable consumers to apply a moral decoupling strategy.<sup>2</sup> We therefore expect that the negative effect of brand activism on consumer attitudes, intentions, and behavior will be weaker when the relationship between the brand and the source of the stand is more distant due to the greater likelihood of consumers engaging in moral decoupling.

**H3:** The source of a brand's stand moderates the negative effect of consumer-brand disagreement on attitude towards the brand, such that when the relationship between the brand and the source of the stand is more distant, it reduces the negative effect of consumer-brand disagreement.

<sup>&</sup>lt;sup>2</sup> This assumes that the consumer's initial attitude towards the brand is positive or neutral. If it is negative, then there will be no reason to follow a moral decoupling strategy.

**H4**: The source of a brand's stand influences the consumer's moral reasoning strategy, such that, when the relationship between the brand and the source of the stand is more distant, it increases the use of moral decoupling.

#### 2.3 The Influence of Public Backlash and Issuing an Apology on the Effect of Brand Activism

Recent years have seen the rise of organized consumer mobilization campaigns, such as "GrabYourWallet" in the US, which calls for a boycott of companies that do business with the Trump family and the National Rifle Association (NRA). Similarly, right-wing organizations and social media activists regularly single out and criticize companies that oppose the Trump family or the NRA. Hence, it is probably safe to say that taking a stand on divisive socio-political issues can elicit strong and consequential reactions and actions from various stakeholders.

If a brand faces fierce criticism, protests, or a boycott as a result of its stand, this public backlash not only represents a direct threat to the brand's image and reputation but also to the moral foundations of consumers who agree with the brand's stand. While the mere existence of a controversy implies the presence of an opposing group (i.e., the out-group), public backlash makes this more salient. Research has shown that when people face external threats to their selfidentity, a common line of defense is to engage in "in-group favoritism" (Henderson-King, Henderson-King, Zhermer, Posokhova, & Chiker, 1997; Nail, McGregor, Drinkwater, Steele, & Thompson, 2009). Thus, consumer-brand agreement regarding the stand, or self-brand similarity and consumer-brand identification in general, is likely to motivate consumers to come to the defense of the brand (i.e., the in-group) when it faces public backlash. We therefore expect that those consumers will reward the brand for speaking out in defense of their shared moral principles.

However, under pressure, brands may be inclined to withdraw their stand and issue an apology. For example, Pepsi recently retracted a controversial commercial featuring Kendall Jenner at a protest after public outcry, and H&M issued an apology for its "Coolest Monkey in the Jungle" sweatshirt. In-group/ out-group distinctions may help predict how consumers will react to retractions and apologies for a brand's stand. As mentioned above, if consumers disagree with the stand taken by the brand, it should lead to a decrease in consumer-brand identification and a consideration of the brand as part of the out-group. When the brand is considered to be a part of the out-group, a retraction and apology will be seen as an attempt to backtrack or distance the brand from its moral foundations and identity. Because initial identity-based judgments tend to be sticky and persevere in the face of corrective actions (see Bolton & Reed, 2004), we propose that a retraction and apology for a stand is unlikely to reduce the negative effect of initial consumer-brand disagreement. When the brand is considered to be a part of the in-group (i.e., in the case of consumer-brand agreement), a retraction and apology for the stand is likely to be seen as a betrayal of its moral foundations when the in-group is under threat. Hence, we expect that if the brand retracts the stand and apologizes, consumers who agreed with the stand will also punish the brand.

**H5:** In the case of consumer-brand agreement regarding the brand's stand, public backlash has a positive effect on consumers' attitudes towards the brand.

**H6:** In the case of both consumer-brand agreement and disagreement regarding the brand's stand, a retraction and apology for the stand in response to public backlash has a negative effect on consumers' attitudes towards the brand.

# **3. Empirical Studies**

#### 3.1 Overview of the Studies

We conducted five studies to test our hypotheses. In Study 1A, we examined the hypothesized asymmetric effect of brand activism on consumer attitudes (H1) and the mediating role of consumer-brand identification (H2). In Study 1B, we sought to replicate the asymmetric effect of brand activism for both an unknown brand and a well-known brand and for consumer attitudes as well as actual choices. The goal of Study 2 was to compare the effect of brand activism with the effect of general (non-moral) product-related information on attitudes and behavioral intentions and to replicate the mediating role of consumer-brand identification (H2). In Study 3, we investigated the moderating role of the source of the brand's stand (H3) and how this influenced moral reasoning (H4). Study 4 examined the effects of public backlash and a retraction of and apology for a stand (H5 and H6).

In the empirical studies, we used the following controversial socio-political issues: immigration (Studies 1A, 1B, and 3), abortion rights (Study 2), and freedom of speech (Study 4). Using an abridged version of Graham, Haidt, and Nosek's (2009) 'moral relevance' scale (see Web Appendix W1), we conducted a survey on Amazon MTurk (N = 40) to pretest the moral relevance of these issues. For all three issues, the participants rated the moral foundations of care and fairness as highly relevant for deciding what is the right or wrong stand on the issue. Thus, consumer-brand agreement and consumer-brand disagreement regarding a brand's stand, respectively, represent compliance with, or a violation of, these two moral foundations. Table 1 shows the mean scores.

#### [Insert Table 1 about here]

# 3.2 Study 1A

#### 3.2.1 Study Design, Participants, and Procedure

Study 1A concerned a single-factor (brand's stand: supporting the issue, opposing the issue, and no information) between-subjects online experiment. One hundred and fifty-four US participants from Amazon MTurk (61% male;  $M_{age} = 36$ , SD = 11.7, range: 19 to 51 years) participated in exchange for a small monetary reward. To manipulate the brand's stand, we chose the controversial issue of the mass deportation of illegal immigrants. The participants were randomly assigned to the experimental conditions. They were first shown two print advertisements of an unknown brand of pencils (see Web Appendix W2). The participants who were assigned to the control group were asked to indicate their attitude towards the brand based only on these two ads. The other participants first read a text describing the brand's stand on the issue (see Appendix), either opposing or supporting it. Finally, the participants reported their level of consumer-brand identification, their personal opinion on the issue, the degree of moral anger they experienced after reading about the brand's stand, and they provided some basic socio-demographic information.

#### 3.2.2 Measurements

Attitude towards the brand. The participants indicated their attitude towards the brand on a three-item, seven-point, semantic differential scale (items: Good-Bad, Pleasant-Unpleasant, and Like-Dislike). We averaged the individual item scores to obtain a single measure of a participant's attitude towards the brand (M = 4.9, SD = 1.7;  $\alpha$  = .97).

*Consumer-brand agreement.* At the end of the survey, we asked the participants to indicate their level of agreement with the statement that "all illegal immigrants should be asked to leave a country irrespective of how long they have been there" (scale: 1 = "definitely no" to 4 = "definitely yes"). Based on the answer to this question, we divided the participants into two groups. If their response was "definitely yes" or "probably yes", they were considered to be supportive of the mass deportation of illegal immigrants. If their response was "definitely no" or "probably no", they were marked as opposed to it. We then matched their personal viewpoint with the brand's stand to create the following two groups: consumer-brand agreement (45 respondents) and consumer-brand disagreement (56 respondents). The control group, in which no information about the brand's stand was given, consisted of 53 respondents. There were no significant differences between these three groups regarding their support for the mass deportation of illegal immigrants (F(2, 151) = 0.51, p = .60; M<sub>agreement</sub> = 2.4, SD = 1.2 versus M<sub>disagreement</sub> = 2.2, SD = 1.1 versus M<sub>control</sub> = 2.3, SD = 1.0).

*Consumer-brand identification.* The level of consumer-brand identification was measured using a single-item, eight-point scale adapted from Lam et al. (2013), which involves a "Venn diagram"-based pictorial scale where participants have to indicate the level of overlap between their identity and the brand's identity (M = 3.8, SD = 2.1) (see Web Appendix W2).

*Moral Anger.* As a control variable, participants were given a list of various emotions and were asked to report to what extent they experienced these emotions when reading about the brand's stand. Of particular interest was the extent to which participants experienced moral anger, which was measured by means of three items (i.e., angry, infuriated, and outraged; scale: 1 = not at all to 7 = very much) (Gutierrez & Giner-Sorolla, 2007; Russell & Giner-Sorolla, 2011). We averaged the item scores to obtain a single measure of moral anger (M = 2.7, SD = 1.8;  $\alpha = .94$ )

# 3.2.3 Analyses and Results

Attitude towards the brand. A one-way ANOVA revealed a significant difference between among the three groups in terms of their attitude towards the brand (F(2, 151) = 30.5, p< .01). Figure 1 shows that the attitude towards the brand for the consumer-brand disagreement group (M<sub>disagreement</sub> = 3.6) was significantly lower than for both the consumer-brand agreement group (M<sub>agreement</sub> = 5.6, p < .01) and the control group (M<sub>control</sub> = 5.6, p < .01). The difference in attitude between the consumer-brand agreement group and the control group was not significant (p = .98). Thus, we may conclude that brand activism negatively influenced brand attitude in the case of consumer-brand disagreement whereas there was no significant effect in the case of consumer-brand agreement, which is in line with H1.

#### [Insert Figure 1 about here]

The mediating role of consumer-brand identification. To test whether consumer-brand identification mediated the negative effect of brand activism on consumer attitudes (H2), we

conducted a mediation analysis in PROCESS (Model 4, see Hayes, 2013). The control group served as the baseline comparison. First, the total effect of consumer-brand disagreement on brand attitude was negative ( $\beta = -1.67$ , SE = 0.31, t = -5.35, *p* < .01), whereas the total effect of consumer-brand agreement was not significant ( $\beta = 0.16$ , SE = 0.31, t = 0.51, *p* = .61), which is in line with H1. Second, consumer-brand identification significantly mediated the negative effect of consumer-brand disagreement on brand attitude (indirect effect:  $\beta = -0.55$ , bootstrap SE = 0.21, bootstrap 95% CI: -0.97 to -0.14), which is in line with H2. Finally, the direct effect of consumer-brand disagreement on brand attitude remained significantly negative ( $\beta = -1.12$ , SE = 0.25, t = -4.41, p < .01) indicating partial mediation. Even when we control for the mediating effect moral anger (indirect effect:  $\beta = -0.39$ , bootstrap SE = 0.13, bootstrap 95% CI: -0.68 to -0.17), consumer-brand identification still mediates the negative effect of consumer-brand agreement on attitude towards the brand (indirect effect:  $\beta = -0.56$ , bootstrap SE = 0.19, bootstrap 95% CI: -0.96 to -0.19).

# 3.2.4 Discussion

The results of this first study provide support for our main hypothesis (H1) regarding the asymmetric effect of brand activism on consumer attitudes, i.e., a negative effect in the case of consumer-brand disagreement and no significant effect in the case of consumer-brand agreement. Consumer-brand identification was found to (partially) mediate this negative effect of consumer-brand disagreement on consumer attitudes, which provides support for H2. However, we must note that the evidence for the mediation effect is not conclusive given that brand attitude can also be shown to statistically mediate the effect of consumer-brand disagreement on consumer-brand

identification, making it difficult discern the order of the effects. We discuss this in detail in section 4.3 (Limitations and Suggestions for Further Research).

In this study, we used a brand that was unknown to the participants to rule out any confounding effect of consumer's prior beliefs about the brand. In Study 1B, we investigated whether the asymmetric effect of brand activism also holds for a well-known brand and for consumers' actual brand choices. Furthermore, the experimental manipulation, i.e., the brand's stand, may have influenced the participants' personal opinions on the issue, which the participants were asked to report at the end of the survey. Although we did not find significant differences between the experimental groups in terms of their personal support for the mass deportation of illegal immigrants, Study 1B employed a two-part design to temporally separate the brand measures from the measure of the participants' opinions on the issue.

#### 3.3 Study 1B

# 3.3.1 Study Design, Participants, and Procedure

Study 1B involved a 2 (brand familiarity: unknown versus well-known brand) X 3 (attitude towards the brand: pre-treatment versus post-treatment) mixed design. The study was carried out in two phases with students from a French business school who participated in exchange for course credits. In the first phase, one hundred and twenty students completed a "brand evaluation and social value" survey. This survey first asked a set of questions about ten brands from different product categories, comprising a measure of brand familiarity (1 = "not familiar at all" to 5 = "extremely familiar)", brand attitude (measured on the same scale as in Study 1A), past experience of using the brand's products, and the aesthetic appeal of the brand

logo. Next, the participants were asked whether they supported or opposed a given stand on a number of social and political issues. For the second phase, we selected two brands from the same product category that differed significantly in terms of brand familiarity, namely, BIC and CAMLIN pens ( $M_{high} = 3.3$  vs  $M_{low} = 1.6$ , t(119) = 8.5, p < .01). We selected the issue of implementing a refugee ban since the participants were almost equally divided on the issue (58 in favor versus 62 against).

After two weeks, the participants were invited to take part in a second survey. One hundred and fifteen students (96%) completed both surveys (39% male;  $M_{age} = 24$ , SD = 2.0, range: 21 to 31 years). In the second survey, the participants were asked to proofread a marketing blog post by identifying all consecutively repeated words (see Web Appendix W3). The blog post contained information about the brand's origin, its products, and its advocacy for a refugee ban. We randomly assigned the participants to either the relatively unknown brand (CAMLIN) or the well-known brand (BIC). After proofreading the blog post, the participants indicated their attitude towards the brand. They were then told that they would receive a pen as a token of appreciation for their participation. The participants had to indicate whether they would prefer to receive a pen from the focal brand of the study (i.e., BIC or CAMLIN, depending on the experimental condition) or from a different brand of similar price and quality. Finally, the participants reported some socio-demographic information and were given instructions as to how to collect the pen from the research assistant.

#### 3.3.2 Measurements

Attitude towards the brand. We measured brand attitude using the same scale as in Study 1A. The pre-treatment measure of the attitude towards the brand was obtained from the first survey (BIC: M<sub>PreAttitude</sub> = 3.8, SD = 0.9;  $\alpha$  = .94 and CAMLIN: M<sub>PreAttitude</sub> = 3.3, SD = 0.7;  $\alpha$  = .94), and the post-treatment measure was obtained from the second survey (BIC: M<sub>PostAttitude</sub> = 3.0, SD = 1.1;  $\alpha$  = .95 and CAMLIN: M<sub>PostAttitude</sub> = 2.6, SD = 1.1;  $\alpha$  = .95).

*Consumer-brand agreement.* In the blog post that the participants were asked to proofread in the second survey, the focal brand was portrayed as being strongly opposed to illegal immigration and in favor of a refugee ban (see Appendix W3). Based on the participants' support for, or opposition to, a refugee ban, as reported in the first survey, we assigned them to either the consumer-brand agreement group (55 respondents) or the disagreement group (60 respondents).

#### 3.3.3 Analyses and Results

Attitude towards the brand. We ran a mixed ANOVA with consumer-brand disagreement (versus agreement) and brand familiarity as between-subject factors and brand attitude as a repeated measure. The results revealed a significant effect of consumer-brand disagreement on brand attitude (F(1, 111) = 19.3, p < .01). That is, after exposing the participants to the brand's stand in the blog post, the attitude towards the brand decreased significantly for the consumer-brand disagreement group (M<sub>PostAttitude</sub> = 2.4 versus M<sub>PreAttitude</sub> = 3.6, p < .01) whereas there was no significant change in brand attitude for the consumer-brand agreement group (M<sub>PostAttitude</sub> = 3.2 versus M<sub>PreAttitude</sub> = 3.5, p = .20). It should be noted here that, before exposure to the brand's stand, there was no significant difference in brand attitude between the two groups (p = .31).

There were no significant interaction effects with brand familiarity (p's > .61). Thus, irrespective of whether the brand was relatively unknown or well-known, consumer-brand disagreement led to a negative change in brand attitude, whereas consumer-brand agreement had

no significant effect. The asymmetric effect of brand activism on consumer attitudes was thus replicated for both an unknown and a well-known brand, providing further support for H1.

Brand choice. We ran a logistic regression with consumer-brand disagreement (versus agreement) and brand familiarity as the independent variables and the participants' choice of an alternative brand over the study's focal brand as the dependent variable ( $\chi^2(3) = 14.8, p < .01$ , Nagelkerke R<sup>2</sup> = .16). The results show that participants who disagreed with the brand's stand were more likely to choose to receive a pen from an alternative brand ( $\beta = 1.2$ , Wald = 4.8, p = .03). Brand familiarity did not significantly influence brand choice (Wald = 0.5, p = .46), and there was also no significant interaction with consumer-brand disagreement (vs. agreement) (Wald = 0.3, p = .61). Thus, irrespective of brand familiarity, brand activism negatively influenced both consumer attitudes and brand choice for those who disagreed with the brand's stand.

#### 3.3.4 Discussion

Study 1B demonstrated the robustness of the asymmetric effect of brand activism by replicating the effect for a relatively unknown brand and by extending it to a well-known brand. Moreover, consumer-brand disagreement regarding the stand negatively influenced not only consumer attitudes but also brand choice. To reduce demand effects, we measured pre-treatment brand attitude and the participants' positions on the controversial issue in an ostensibly unrelated study conducted two weeks before the main experiment. In the next experiment (Study 2), we compared the effect of brand activism with the effect of providing consumers with general (non-moral) product-related information to affirm that it is moral judgment that drives the asymmetric

effect. In Study 2, we also tried to replicate the mediating role of consumer-brand identification in the negative effect of brand activism on consumer attitudes (as found in Study 1A).

#### 3.4 Study 2

#### 3.4.1 Study Design, Participants, and Procedure

Study 2 concerned a 2 (information type: brand activism versus general (non-moral) product-related information) X 2 (information valence: positive versus negative) X 2 (brand attitude: pre-treatment versus post-treatment) mixed design. One hundred and ninety-seven participants from Prolific's online panel (63% male;  $M_{age} = 29$ , SD = 9.4, range: 18 to 67 years) completed the study in exchange for a small monetary reward. For this study, we used the controversial issue of abortion rights. Prolific's pre-screening feature was used to ensure that people with opposing viewpoints on this issue were equally represented in the sample (i.e., 52% self-identified as "pro-choice" and 48% self-identified as "pro-life"). The participants were unaware that their participation in the study was contingent upon their stand on abortion rights.

A well-known pizza chain was used as the focal brand (see Web Appendix W4). The participants were first shown the logo of the brand and were asked to indicate their attitude towards the brand (using the same scale as in the previous studies). Next, they were asked to proofread a blog post by identifying consecutively repeated words. The first three paragraphs of the blog were similar across conditions and contained information about the company's origin and menu offerings. The last paragraph contained either information about the brand's stand on the issue of abortion rights or general (non-moral) product-related information (positive or negative) (see Appendix). In the brand activism conditions, the brand was portrayed as being

"pro-life" (i.e., anti-abortion). Given that approximately half of the sample was "pro-life" and the other half "pro-choice", the brand's stand on the issue thus concerned either a match with the participants' viewpoints (positive information condition) or a mismatch (negative information condition). In the general (non-moral) product-related information conditions, the brand was said to have either improved the quality of their packaging to deliver better products at the expense of their own profit margins (positive information condition) or reduced the quality of their packaging for their food items to increase profit margins at the expense of the consumption experience (negative information condition). The participants were randomly assigned to the conditions.

After proofreading the blog post, the participants were again asked to indicate their attitude towards the brand. This question was among a set of filler questions that asked for the participants' evaluation of the grammar, vocabulary, writing structure, and informational value of the blog post, as well as the extent to which it had enhanced their knowledge of the brand. The participants were then shown a news article about the brand winning a "Best Pizza Restaurant Chain Award" and were asked if they would be willing to share the link on social media (with a specific hashtag). They were told that if they agreed to share the story, they would be paid a bonus of approximately 12% of the base payment for their participation in the study. The participants were informed that the link to the story would appear at the end of the survey and the bonus would be paid after verification that the post has indeed been shared. Next, the participants reported the extent to which they identified with the brand and provided some basic socio-demographic information. The participants were finally debriefed and informed that, irrespective of their earlier answer, they were not required to share the link and would still receive the bonus (i.e., if they had agreed to share the story).

#### 3.4.2 Measurements

The attitude towards the brand ( $M_{PreAttitude} = 4.0$ , SD = 1.0;  $\alpha = .94$  and  $M_{PostAttitude} = 3.8$ , SD = 1.0;  $\alpha = .94$ ) and the level of consumer-brand identification (M = 3.7, SD = 1.8) were measured using the same scales as in the previous studies.

#### 3.4.3 Analyses and Results

Attitude towards the brand. We ran a mixed ANOVA with information type (i.e., brand activism versus general (non-moral) product-related information) and information valence (i.e., positive versus negative) as between-subject factors and brand attitude as a repeated measure. The results revealed a significant interaction between information type, information valence, and brand attitude (F(1, 193) = 12.3, p < .01).<sup>3</sup> Figure 2 shows the estimated marginal means to obtain a better understanding of the nature of this interaction effect. For the brand activism conditions, there was a significant decrease in brand attitude in the case of consumer-brand disagreement (negative information condition) (M<sub>PostAttitude</sub> = 3.4 vs M<sub>PreAttitude</sub> = 4.0, p < .01) but no significant change in brand attitude in the case of consumer-brand agreement (positive information) (M<sub>PostAttitude</sub> = 4.1, p = 0.25). These results provide further evidence for the asymmetric effect of brand activism (H1). For the general (non-moral) product-related information conditions, there was no significant change in brand attitude, there was no significant change in brand attitude.

<sup>&</sup>lt;sup>3</sup> There was also a significant interaction between information valence and brand attitude (F(1, 193) = 14.7, p < .01), such that there was a significant decrease in brand attitude across the negative information conditions (M<sub>PostAttitude</sub> = 3.5 versus M<sub>PreAttitude</sub> = 3.9, p < .01). However, as Figure 2 shows, this is largely driven by the brand activism (negative information) condition.

irrespective of whether the information was positive ( $M_{PostAttitude} = 4.0$  versus  $M_{PreAttitude} = 4.0$ , p = .65) or negative ( $M_{PostAttitude} = 3.7$  versus  $M_{PreAttitude} = 3.7$ , p = .44). Thus, unlike brand activism, the provided general (non-moral) product-related information did not significantly change consumer attitudes towards a well-known brand.

#### [Insert Figure 2 about here]

Behavioral intentions. We ran a binary logistic regression model with information type and information valence as the independent variables and the participants' willingness to share the positive news story about the brand on social media as the dependent variable ( $\chi^2(3) = 11.5$ , p < .01, Nagelkerke R<sup>2</sup> = 0.08). There was a significant interaction effect between information type and information valence ( $\beta = -2.1$ , Wald = 9.5, p < 0.01). To test for differences in the proportion of participants who were willing to share the story, we conducted separate z-tests for the brand activism and general (non-moral) product-related information conditions. In the case of brand activism, the proportion of participants who were willing to share the positive story about the brand was significantly lower in the consumer-brand disagreement (negative information) condition than in the consumer-brand agreement (positive information) condition (z = 3.1, p <.01). In the case of general (non-moral) product-related information condition of (z = 3.1, p <.01). In the case of general (non-moral) product-related information of condition (z = 3.1, p <.01). In the case of general (non-moral) product-related information of condition (z = 3.1, p <.01). In the case of general (non-moral) product-related information (z = 1.4, p = .17).

*The mediating role of consumer-brand identification.* As in Study 1A, we tested whether consumer-brand identification mediated the negative effect of brand activism on consumer attitudes (H2). We ran a mediation analysis in PROCESS (Model 4, see Hayes 2013) only for the

brand activism conditions (N = 97), with the change in brand attitude as the dependent variable (M = -0.3, SD = 0.9). First, the total effect of consumer-brand disagreement on the change in brand attitude was significantly negative ( $\beta$  = -0.76, SE = 0.16, t = -4.91, *p* < .01). Second, consumer-brand identification significantly mediated the negative effect of consumer-brand disagreement on the change in brand attitude (indirect effect:  $\beta$  = -0.37, bootstrap SE = 0.12, bootstrap 95% CI: -0.64 to -0.17). Finally, the direct effect of consumer-brand disagreement on the change in brand attitude remained significant ( $\beta$  = -0.39, SE = 0.17, t = -2.23, *p* = 0.03), indicating partial mediation.<sup>4</sup>

#### 3.4.4 Discussion

Besides replicating the asymmetric effect of brand activism (H1) as well as the mediating role of consumer-brand identification (H2), Study 2 provided important additional insights. The effect of brand activism was different from the effect of general (non-moral) product-related information. That is, a single piece of general (non-moral) product-related information (positive or negative) did not significantly change consumer attitudes toward a well-known brand, whereas one act of brand activism did have a significant negative effect on consumer attitudes and behavioral intentions in the case of consumer-brand disagreement regarding the brand's stand. Interestingly, the participants who disagreed with the brand's stand were willing to forego a financial bonus by refusing to share a positive news story about the brand on social media. This was not the case for the participants who were exposed to negative general (non-moral) product-related information. In Study 3, we investigated whether the source of the stand moderated the

<sup>&</sup>lt;sup>4</sup> As in Study 1A, change in attitude towards the brand also statistically mediates the negative effect of consumer-brand disagreement on consumer-brand identification.

effect of brand activism on consumer attitudes and whether it influenced consumers' moral reasoning strategy (H3 and H4).

#### 3.5 Study 3

#### 3.5.1 Study Design, Participants, and Procedure

Study 3 concerned a 2 (brand's stand: supporting the issue versus opposing the issue) x 3 (source of the stand: brand spokesperson versus CEO as a private person versus brand ambassador as a private person) between-subjects online experiment. We also included a control condition in which the participants were not given any information about the brand's stand. A pre-test with Amazon MTurk participants (N = 61) confirmed that the brand spokesperson as the source of the stand was perceived to be most closely related to the brand (M = 5.7, SD = 1.3) followed by the CEO as a private citizen (M = 5.4, SD = 1.4) and the brand ambassador as a private citizen (M = 4.8, SD = 1.5) (paired sample t-tests, p's < .005, scale: 1 = not at all related to 7 = closely related). The difference between the CEO and the spokesperson was in the right direction but not significant (p = .21).

Two hundred and ten US participants from Amazon's MTurk (55% female;  $M_{age} = 41$ , SD = 12.4, range: 21 to 74 years) completed the study in exchange for a small monetary reward. Similar to Study 1A, we used the issue of the mass deportation of illegal immigrants. The participants were pre-screened to ensure that half of the respondents self-identified as conservatives (who are more likely to support the issue) whereas the other half self-identified as liberals (who are more likely to oppose the issue). The participants were randomly assigned to the conditions.

On the first screen, the participants were shown an advertisement for an unnamed chocolate brand (see Web Appendix W5). Next, the participants were asked to read a comment that was supportive of the mass deportation of illegal immigrants (see Appendix). The participants were told that the comment was made by either (1) the official spokesperson of the brand; (2) the CEO of the company but as a private citizen; or (3) a brand ambassador but as a private citizen. The participants were then asked about their attitude towards the brand using the same scale as in the previous studies (M = 5.0, SD = 1.8;  $\alpha$  = .98). To understand their reasoning, we asked the participants to briefly describe the rationale for their attitude towards the brand. Finally, the participants reported their personal opinion on the issue and some socio-demographic information.

#### 3.5.2 Measurements

*Consumer-brand agreement.* We matched the participants' MTurk-registered political ideology (i.e., conservative versus liberal) with the condition to which they were assigned (i.e., supporting versus opposing the mass deportation of illegal immigrants) to create the consumerbrand agreement and disagreement groups. An independent samples t-test confirmed that selfidentified conservatives, on average, were more supportive of the mass deportation of illegal immigrants than self-identified liberals ( $M_{conservatives} = 2.7$  versus  $M_{liberals} = 1.6$ , t(208) = 9.36, p <.01, scale: 1 = "definitely no" to 4 = "definitely yes"). There were no significant differences among the consumer-brand agreement, consumer-brand disagreement, and control groups in the terms of the level of support for the mass deportation of illegal immigrants (F(2, 207) = 0.02, p =.98;  $M_{agreement} = 2.2$ , SD = 1.1 versus  $M_{disagreement} = 2.1$ , SD = 1.1 versus  $M_{control} = 2.1$ , SD = 1.1).

# 3.5.3 Analyses and Results

Attitude towards the brand. A two-way ANOVA revealed that the attitude towards the brand in the consumer-brand disagreement group ( $M_{disagreement} = 4.3$ ) was significantly lower than that in both the consumer-brand agreement group ( $M_{agreement} = 5.5$ , p < .01) and the control group ( $M_{control} = 5.8$ , p < .01) (F(1, 203) = 25.46, p < .01). The difference in brand attitude between the consumer-brand agreement group and the control group was not significant (p = .48). These results are in line with H1. As hypothesized (H3), there was a significant interaction between consumer-brand disagreement (versus agreement) and the source of the stand (F(2, 203) = 4.0, p = .02). Figure 3 shows that, for the consumer-brand disagreement group, the attitude towards the brand was significantly lower when the comments were made by the brand spokesperson (M = 3.5) than when the comments were made as a private citizen by either the CEO (M = 4.5, p = .02) or the brand ambassador (M = 4.9, p < .01). The difference in brand attitude between the CEO and the brand ambassador was not significant (p = .31). In the case of consumer-brand agreement (see left-hand side of Figure 3), the source of the stand did not play a significant role for brand attitude (p's > .5).

#### [Insert Figure 3 about here]

*Moral Reasoning Strategy*. Two doctoral students, who were blind to the study's purpose and experimental treatments, were given brief definitions of the three moral reasoning strategies discussed in the theory section, namely, moral rationalization, moral coupling, and moral decoupling (see Web Appendix W5). They were then asked to independently identify the moral reasoning strategy that was used by the 90 participants in the consumer-brand disagreement group based on the provided rationale for their attitude towards the brand. If a response did not involve one of the three moral reasoning strategies or was deemed irrelevant for explaining the participant's attitude, it was categorized as "other". To assess the level of inter-rater agreement, we calculated Cohen's kappa (Altman, 1990), which was .78, indicating a high level of initial agreement. Disagreements, which existed for 13% of the responses, were finally resolved through discussion.

# [Insert Table 2 about here]

Table 2 shows the frequency with which the participants followed a particular moral reasoning strategy in the case of consumer-brand disagreement. Only a small fraction of the total sample engaged in moral rationalization (i.e., 5 out of 90 respondents). When the comments were made by the brand's spokesperson, most participants followed a moral coupling reasoning strategy. When the source of the stand concerned private comments made by the company's CEO or a brand ambassador, an increasing number of participants (from 20% to approximately 60%, see Table 2) opted for a moral decoupling strategy. These findings provide support for H4 by showing that when the relationship between the brand and the source of the stand is more distant, the likelihood that consumers will use a moral decoupling strategy increases.

# 3.5.4 Discussion

We again replicated the asymmetric effect of brand activism on consumer attitudes (H1), showing a negative effect in the case of consumer-brand disagreement and no significant effect in the case of consumer-brand agreement. However, the negative effect of consumer-brand disagreement was less pronounced when the source of the stand concerned private comments made either by the CEO of the company or a brand ambassador because the participants were more likely to apply a moral decoupling strategy. In fact, when a brand ambassador was said to have made the comments privately, the difference in brand attitude between the consumer-brand agreement and consumer-brand disagreement group was no longer significant ( $M_{agreement} = 5.4$ versus  $M_{disagreement} = 4.9$ , p = .30). We may thus conclude that the source of the stand can mitigate the negative effect of brand activism (H3) due to the application of different moral reasoning strategies (H4). Study 4 tested the effects of public backlash and a retraction and apology on consumer attitudes (H5 and H6).

3.6 Study 4

#### 3.6.1 Study Design, Participants, and Procedure

Study 4 involved a 2 (brand's stand: supporting the issue versus opposing the issue) X 3 (public reaction to brand activism: backlash versus backlash and apology versus no reaction) X 2 (brand attitude: pre-treatment versus post-treatment) mixed design. Three hundred and four US participants from Amazon's MTurk (55% male;  $M_{age} = 37$ , SD = 11.3, range: 19 to 71 years) completed the study in exchange for a small monetary reward. The controversial issue concerned freedom of speech.

The participants were first shown an advertisement for an unknown soft drink brand (see Web Appendix W6) and were then asked about their attitude towards the brand, using the same scale as in the previous studies ( $M_{PreAttitude} = 5.0$ , SD = 1.5;  $\alpha = .96$ ;  $M_{PostAttitude} = 3.9$ , SD = 1.8;  $\alpha = .98$ ). Next, they read a statement describing the brand's stand on absolute freedom of speech (see Web Appendix W6). The participants in the "no reaction" condition proceeded directly to

the post-measurement of brand attitude whereas the others were first told that the company faced fierce public backlash as a result of its statement. The participants in the "backlash and apology" condition were told that the brand had subsequently retracted its statement and publicly apologized (see Appendix). Finally, we asked the participants for their opinion on the issue as well as some socio-demographic information.

#### 3.6.2 Measurements

*Consumer-brand agreement.* We divided the participants into two groups based on the extent to which they agreed with the stand taken by the brand (scale: 1 = "definitely no" to 4 = "definitely yes"). If the response was "definitely yes" or "probably yes", the participants were assigned to the consumer-brand agreement group (151 respondents). If the response was "definitely no" or "probably no", the participants were assigned to the consumer-brand disagreement group (153 respondents). There was no significant difference between the consumer-brand agreement and disagreement group in terms of their personal support for absolute freedom of speech (t(302) = -1.6, p = 0.11; M<sub>agreement</sub> = 3.0, SD = 0.9 versus M<sub>disagreement</sub> = 3.1, SD = 0.8).

#### 3.6.3 Analyses and Results

We ran a mixed ANOVA with consumer-brand disagreement (versus agreement) and the public reaction to brand activism as between-subject factors and the attitude towards the brand as the repeated measure. As hypothesized (H5), there was a significant interaction between these variables (F(2, 298) = 4.7, p = .01). Figure 4 shows the change in attitude per condition to obtain a better understanding of the nature of this interaction. In the control condition (no public

reaction), there was a significant decrease in the attitude towards the brand for the participants who disagreed with the brand's stand (M<sub>PostAttitude</sub> = 2.7 vs M<sub>PreAttitude</sub> = 4.7, p < .01); however, there was no significant effect for the participants who agreed with the brand's stand (M<sub>PostAttitude</sub> = 5.2 vs M<sub>PreAttitude</sub> = 4.9, p = .22), which again replicates the asymmetric effect of brand activism (H1). When the brand was said to face fierce public backlash, there was a marginally significant increase in brand attitude for the participants who agreed with the brand's stand (M<sub>PostAttitude</sub> = 5.3 vs M<sub>PreAttitude</sub> = 4.9, p = .09). However, when the brand subsequently retracted the stand and apologized, it led to a decrease in brand attitude for the participants who agreed with the brand's stand (M<sub>PostAttitude</sub> = 4.5 vs M<sub>PreAttitude</sub> = 5.3, p < .01). Initial consumer-brand disagreement resulted in a significant decrease in brand attitude regardless of public backlash (M<sub>PostAttitude</sub> = 2.8 vs M<sub>PreAttitude</sub> = 5.2, p < .01) and a subsequent retraction and apology from the brand (M<sub>PostAttitude</sub> = 2.8 vs M<sub>PreAttitude</sub> = 4.9, p < .01).

# [Insert Figure 4 about here]

#### 3.6.4 Discussion

This study provided support for our hypotheses (H5 and H6) that public reaction can moderate the effect of brand activism on consumer attitudes. In the case of consumer-brand disagreement regarding the stand, the change in attitude toward the brand was negative regardless of public backlash or subsequent corrective actions. However, in the case of consumer-brand agreement regarding the stand, public reaction was relevant. In all previous studies, taking a stand with which the consumers agreed did not result in significant changes in brand attitude. Nevertheless, in this study, the consumers were inclined to reward the brand for taking a stand when it faced public backlash. In the theory section, we argued that this result is likely due to in-group favoritism in response to an external threat to the shared moral foundations of the brand and the consumer. When the brand subsequently retracted its stand and apologized, consumers who agreed with the stand did penalize the brand, arguably because they felt betrayed by a member of the in-group.

# 4. Conclusions and General Discussion

In 2016, the Pew Research Centre reported that Americans were more polarized ideologically than at any time in the past two decades (Pew Research Centre, 2016). A similar trend has been observed in other parts of the world. Against this backdrop, where opposing groups have increasingly negative views of each other, it is essential to understand how such partisan divides may affect brands that take a stand on divisive socio-political issues. In this article, we therefore sought to investigate the effects of brand activism on consumer attitudes, intentions, and behavior.

# 4.1 Theoretical Contributions

#### 4.1.1 The Asymmetric Effect of Brand Activism

When a brand takes a stand on a divisive social or political issue, it provides consumers with a unique opportunity to assess whether its moral foundations are aligned with their own, that is, to assess the level of self-brand similarity in the domain of moral judgments. Prior research regarding consumer-brand identification has generally argued for, and empirically demonstrated, a positive relationship between self-brand similarity and marketing outcomes, that is, the higher the similarity, the more positive the marketing outcomes (Escalas, 2004; Graeff, 1996; Sirgy, Lee, Johar, & Tidwell, 2008; Stokburger-Sauer et al., 2012). In this article, we argued and empirically demonstrated that brand activism, which we defined as the act of taking a stand on controversial social or political issues for which society has yet to reach consensus, has an asymmetric effect on consumer attitudes, intentions, and behavior (H1). In a series of five studies, we consistently find that consumer-brand disagreement regarding the brand's stand leads to a decrease in brand attitude whereas there is generally no significant effect on brand attitude in the case of consumer-brand agreement. Consumer-brand identification partially mediated this negative effect of brand activism on consumer attitudes (H2). When the participants disagreed with the brand's stand, it negatively influenced their level of consumer-brand identification, arguably because they realized that the brand does not share the same moral foundations. In sum, we contribute to the literature on consumer-brand identification (Bhattacharya & Sen, 2003) by showing that, in the moral domain, the effect of consumer-brand identification on consumer attitudes and behavior is asymmetric.

We found a negative effect of brand activism on consumer attitudes, intentions, and behavior irrespective of whether consumer-brand disagreement was measured indirectly, by comparing the brand's stand with the participants' self-reported opinion on the issue (Studies 1A, 1B, and 2) or their political ideology (Study 3) or directly via their self-reported level of agreement with the brand's stand (Study 4). This negative effect was also observed across controversial issues such as immigration (Studies 1A, 1B, and 3), abortion rights (Study 2), and freedom of speech (Study 4), and across product categories such as pens (Studies 1A and 1B), pizza (Study 2), chocolate (Study 3), and soft drinks (Study 4). Brand activism not only

influenced consumer attitudes but also behavioral intentions (Study 2) and actual brand choices (Study 1B). The participants were even willing to forgo a financial bonus by refusing to share a positive story about the brand on social media if the brand had taken a perceived immoral stand (Study 2). The asymmetric effect of brand activism was replicated for both unknown and well-known brands.

To demonstrate that morality drives the asymmetric effect of brand activism, we compared the effect of brand activism to the effect of general (non-moral) product-related information (Study 2). The results showed that a single piece of general product-related information (negative or positive) did not significantly change consumer attitudes and intentions for a well-known brand. However, a single act of brand activism did have a significant negative effect in the case of consumer-brand disagreement regarding the stand. However, when the participants agreed with the stand, it did not enhance consumer attitudes, arguably because the stand was seen as part of generally expected or "ought to" social behavior. In sum, in our empirical studies, courting controversy mainly did hurt the brand as it negatively influenced attitudes, intention, and behavior for those who disagreed with the stand whereas there was no significant reward from those who agreed with the stand.

#### 4.1.2 Dealing with Consumer-Brand Disagreement: Moral Judgment and Reasoning Strategies

Our findings also contribute to the literature on marketplace morality by showing how moral reasoning strategies influence consumer attitudes towards a brand that takes a stand on a divisive social or political issue. Prior research has shown that consumers may apply different moral reasoning strategies to form their attitude towards the brand. In the case of consumerbrand disagreement regarding the stand, in Study 3, we found that this result depends on the source of the stand. Moral decoupling, by attributing the perceived immoral stand to the source of the stand rather than the brand, mitigated the negative effect of consumer-brand disagreement on the attitude towards the brand. For example, one participant wrote the following: "If the product is good, it's good. What a person says makes them look bad as a person. It doesn't mean the chocolate is bad too." However, when the source of the stand was inseparable from the brand, such as an official statement from the brand's spokesperson, the participants were more likely to follow a moral coupling strategy. For example, one participant wrote the following: "Being a spokesman, it was most likely the position of the company that was being relayed rather than just an off-hand comment by someone who was not speaking for the company. That makes it the company's policy, and they are responsible for it." In this case, it is difficult to dissociate the stand from the brand by means of moral decoupling, and consumer-brand disagreement regarding the stand will thus have a more negative effect on brand attitude.

The employment of different moral reasoning strategies, depending on the source of the stand, implies that the brand attitude formation process is not driven simply by automatic, intuitive, affective reactions to the brand's stand. In other words, the decision as to whether to punish a brand for a perceived immoral stand constitutes a moral dilemma for consumers (Haidt, 2003), which evokes a deliberate moral reasoning process to determine whether one's initial affective moral judgment of the stand will be incorporated in one's attitude towards the brand.

### 4.1.3. Brand Activism and Corporate Social Responsibility

In the past, marketing scholars and practitioners have predominantly focused on brands engaging with generally-accepted, non-controversial, pro-social issues that generally produce positive marketing outcomes such as reducing poverty or providing education. Concerning CSR activities, Eabrasu (2012) notes that there seems be consensus on the meaning of the term 'doing good' for society. However, every social or political issue can be placed on a continuum ranging from non-controversial to highly controversial (Eabrasu, 2012). Non-controversial issues do not give the consumer a unique insight into the moral foundations or moral identity of a brand as compared to a brand taking a stand on a divisive social or political issue. While prior CSR research has not specifically considered the effects of courting controversy, the positive effects of CSR activities have been reported for companies operating in controversial industries, such as alcohol, tobacco, gambling, and military equipment (Cai, Jo, & Pan, 2012; Jo & Na, 2012). Following the recent trends in marketing practice of brands taking a stand, we studied issues for which public opinion is highly polarized and observed predominantly negative effects. Thus, regardless of whether brand activism is fundamentally distinct from CSR or simply occupies a different position on the aforementioned continuum, this article offers valuable new insights.

### 4.2 Managerial Implications

Brands that take a stand on contentious socio-political issues may view this approach as an opportunity to engage consumers by showing that their moral foundations are closely aligned (Klara, 2017; Oster, 2018; Steimer, 2017). However, based on the results of our studies, this approach seems fraught with risk. We consistently found little upside to taking the '*right*' stand on a controversial issue whereas taking the '*wrong*' stand can hurt a brand severely. The only instance in which we found a (marginally significant) boost in brand attitude among the proponents of a stand was when the brand was said to face public backlash because of its stand. Our findings further suggest that, once embroiled in a controversy, retracting the stand and issuing an apology is unlikely to lessen the negative effect among those who opposed the brand's stand. In fact, retraction and apology were also found to elicit a negative reaction from those who supported the brand's stand. Companies are thus advised to tread carefully when engaging in brand activism. While the intention of effectuating change in society is a noble pursuit, it does not seem be an effective marketing strategy, at least not in the short term.

If companies nonetheless decide to become involved in brand activism, there are some tactical options that help mitigate the negative effect on consumer attitudes, intentions, and behavior. One option is to use a source that is perceived to be not closely related to the brand. In the case of consumer-brand disagreement, this approach will enable consumers to separate the perceived immoral stand from the brand (via moral decoupling). For example, in an interview Bernie Marcus, who is the co-founder of Home Depot, made some derogatory comments regarding democrats (Manchester, 2018), which led to a call to boycott the brand. Our results suggest that if Marcus had been identified in news headlines as the former CEO instead of the co-founder, or if the company itself had publicized a statement highlighting this fact, it might have lessened the negative effect on the brand. Thus, instead of the brand being the face of controversy, companies could encourage a brand ambassador or other key figures associated with the brand to speak out on the issue, which may mitigate the negative effect on brand attitude among consumers who disagree with the stand. A second option is to highlight in marketing communications the public backlash that the brand is encountering as a result of its stand on a controversial issue, such as fierce criticism, protests, or a boycott, which may increase brand attitude among consumers who agree with the brand's stand. If a company engages in brand activism, it should fully embrace it, because a retraction and apology are not well perceived, regardless of whether consumers agree or disagree with the stand.

#### 4.3 Limitations and Suggestions for Further Research

Our findings raise several interesting avenues for further research. First, in this paper, we did not hypothesize or find any fundamental differences between conservatives and liberals in terms of their reaction to brand activism. However, in a recent research commentary, Jost, Langer, and Singh (2017) mentioned that an analysis of survey data showed that, in the US and many European countries, liberals were more likely than conservatives to boycott a product for ideological reasons. Given that liberals and conservatives place different emphasis on basic moral foundations such as care and authority, differences in reaction to brand activism are to be expected. Further research could explore if and how consumers' political ideology moderates the effect of brand activism. Second, as mentioned in the introduction, brand activism does not always concern a planned course of action. It can also be ad-hoc or accidental. Given the importance of agentic intentionality in the moral domain (Barrett et al., 2016; Guglielmo & Malle, 2010), it would be interesting to study how consumers' perception of the brand's involvement in the controversy, that is, whether such acts are deliberate or accidental, influences brand attitude and behavior.<sup>5</sup>

Third, as mentioned in our discussion of the different moral reasoning strategies, the costbenefit ratio of acting morally is a key determinant of whether an individual will engage in moral rationalization. If consumers are strongly attached to a brand, the psychological cost of boycotting the brand will be high. This may result in attempts to rationalize the brand's perceived immoral stand, which - if successful - should result in no change in brand attitude,

<sup>&</sup>lt;sup>5</sup> We thank an anonymous reviewer for suggesting this interesting avenue for further research.

intentions, or behavior. Alternatively, because consumers have higher expectations from their favorite brands, taking a perceived immoral stand may result in stronger negative reactions towards the brand. Further research could study the influence of prior brand attachment on the effects of brand activism. In a similar vein, for some product categories, the economic costs of switching to another brand may be high, and it would be interesting to study how consumers use different moral reasoning strategies to cope with this phenomenon.<sup>6</sup> Finally, we had found that consumer-brand identification only partially mediated the negative effect of brand activism. Further research might identify other psychological mechanisms that mediate the effect of brand activism on attitudes, intentions, and behavior. Moreover, as mentioned in study 1A and study 2, brand attitude can also be statistically shown to partially mediate the effect of consumer-brand disagreement on consumer-brand identification. Therefore, these studies can only be said to provide suggestive evidence of our hypothesized mediation effect (H2) and more research is needed to definitively identity the true order of these effects.

In this article, we investigated the short-term effects of a single act of brand activism on consumer attitudes, intentions, and behavior and found little evidence of positive effects. However, regularly engaging with controversial issues in an ideologically consistent way may strengthen the distinctiveness and coherence of a brand's identity, which can enhance consumer-brand identification (Bhattacharya & Sen, 2003). Thus, it is possible that brand activism positively influences consumer attitudes, intentions, and behavior in the long term. We examined brand activism from the consumers' viewpoint; however, it would also be interesting to study it from a managerial perspective to obtain a better understanding of why brands decide to take a

<sup>&</sup>lt;sup>6</sup> We thank an anonymous reviewer for suggesting this interesting avenue for further research.

stand on controversial socio-political issues in spite of the high risks associated with it. We hope that our article will stimulate further research on the phenomenon of brand activism.

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## Table 1

Pre-test: Moral Relevance Scores of the Socio-Political Issues Used in the Empirical Studies

	Care	Fairness	Loyalty	Authority	Purity
Immigration (Studies 1A, 1B, 3)	3.85*	3.98*	2.41	2.53	2.71
Abortion Rights (Study 2)	3.74*	3.69*	2.36	2.31	2.74
Freedom of Speech (Study 4)	3.68*	3.96*	2.26	2.45	2.71

N = 40

\* Indicates a score significantly higher than the mid-point of the scale at the 5% level

## Table 2

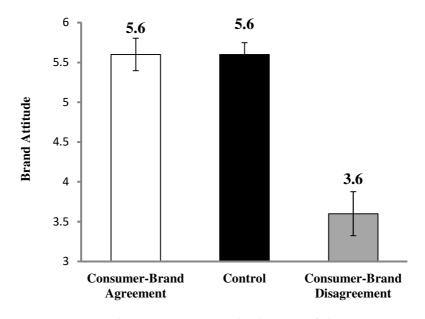
# Study 3: Frequency Moral Reasoning Strategies in the Case of Consumer-Brand Disagreement

	Moral	Moral	Moral	Other	N
Source of the Stand:	Rationalization	Coupling	Decoupling		
Brand Spokesperson (official comments)	3 (10%)	20 (67%)	6 (20%)	1 (3%)	30
Company CEO (private comments)	2 (7%)	9 (31%)	17 (59%)	1 (3%)	29
Brand Ambassador (private comments)	0 (0%)	7 (23%)	19 (61%)	5 (16%)	31

 $\overline{N} = 90$  (participants in the consumer-brand disagreement condition only)

## Figure 1

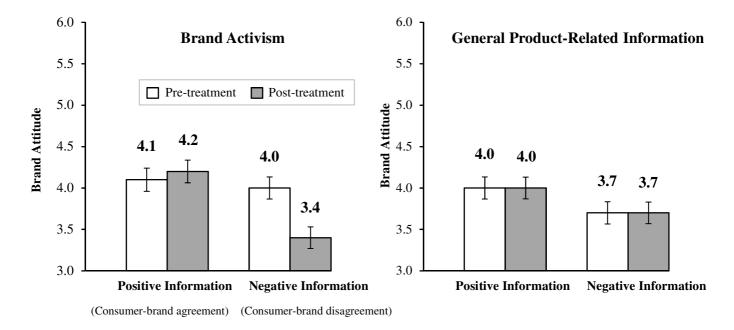
## Study 1A: The Asymmetric Effect of Brand Activism on Brand Attitude



NOTE. — Error bars represent standard errors of the mean.

## Figure 2

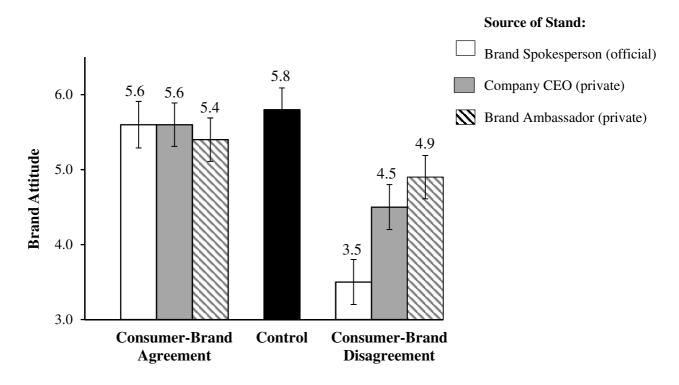
# Study 2: Effect of Brand Activism versus General (Non-Moral) Product-Related Information



NOTE. — Error bars represent standard errors of the mean.

## Figure 3

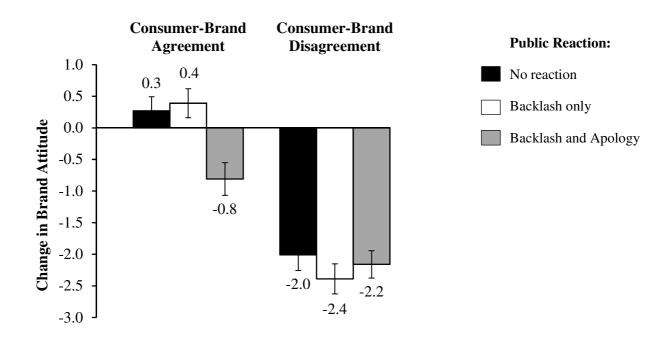
## Study 3: The Influence of the Source of the Stand on the Effect of Brand Activism



NOTE. — Error bars represent standard errors of the mean.

Figure 4

## Study 4: The Influence of Public Reaction on the Effect of Brand Activism



NOTE. — Error bars represent standard errors of the mean.

#### Appendix

# Study 1A and 3 – Manipulation of the Brand's Stand on the Mass Deportation of Illegal Immigrants:

*Supporting.* During a press conference last week, in response to a question about immigrant workers, a spokesperson of the brand said: "As a company, we believe that all illegal immigrants have to be asked to leave our country irrespective of how long they have been living here. They violated the law of the land. There should be no amnesty. The rightful citizens of our country have been badly affected for far too long by such illegal immigration."

*Opposing.* During a press conference last week, in response to a question about immigrant workers, a spokesperson of the brand said: "As a company, we believe that all illegal immigrants cannot be asked to leave the country without considering how long they have already been living here. This is a matter of compassion. There should be some solution. This country has been benefited in many ways by the contributions of such illegal immigrants."

#### Study 2 – Manipulation of Information Type and Information Valence:

*Positive, non-moral, general information.* According to reports, Brand X has increased the quality of the paper used to make their pizza delivery box. This will increase the company's operational expenses and reduce profit margin. But, the new box has much better heat and flavor retention, ensuring that pizzas do not get cold and lose their flavor during delivery. So, your pizzas will be tastier.

*Negative, non-moral, general information.* According to reports, Brand X has reduced the quality of the paper used to make their pizza delivery box. This will decrease the company's

operational expenses and increase profit margin. But, the new box has much poorer heat and flavor retention which will result in pizzas getting cold and loosing flavor during delivery. So, your pizzas will be less tasty.

*Brand Activism.* According to reports, Brand X has been socially active and voiced their opinion regarding contemporary issues. For example, the company has been known for taking a strong pro-life stand in the reproductive rights debate. The company's profits has been used to make financial contributions to multiple anti-abortion groups that actively oppose planned parenthood.

### Study 4 – Manipulation of Public Reaction to the Brand's Stand

*Backlash.* The company faced a lot of criticism after publishing the statement. Some social media users accused the company of stifling free speech. Many people posted that they will stop buying Brand X's drinks. There were protests in front of the company's headquarters. A number of groups called for a complete boycott of the brand's products.

*Apology.* In the face of this backlash, the brand took down the post from their social media account. A spokesperson of the brand X said, "We deeply regret publishing the statement. We have withdrawn the statement that was made. We sincerely apologize to everybody who was offended by it."