Brand Activism: Should your brand take a stand on controversial social issues?

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Abstract
Brands increasingly take a stand on controversial social issues. Is it worth the risk to polarize consumers? To investigate this, we conduct 2 studies, a between-subject experiment followed by a social media field study. These studies are undertaken to understand what is the underlying process that explains consumers' responses to social causes in general and to controversial social cause (CSC) advertising in particular. In addition, the studies provide insight into the effectiveness of controversial and non-controversial social cause (non-CSC) advertising, in terms of consumers' responses, such as attitudes, intensions and behaviors. We propose, test and find support for a conceptual framework in which moral emotions mediate consumers' responses and the importance of a social cause moderates them. Moreover, CSC ads elicit divergent moral emotions: positive for cause supporters and negative for cause opposers. This investigation also identifies a duality of moral emotions associated with non-CSC ads. The results suggest that managers can use social cause ads (CSC and non-CSC) to boost ad attitudes, positive WOM and buycott behavior. However, only CSC advertising increases social media reach and engagement. Further, while reactions (emojis) and shares are predominantly positive, comments are predominantly negative. Overall, the results suggest that CSC opposers may not pose as great a threat to brands as is feared, because boycott intentions are lower than buycott intentions that not always translate to actual behavior. Contrary to negativity bias, boycott is never greater than buycott, and under some circumstances buycott is greater than boycott behavior.

Key Words
Brand Activism, Corporate Sociopolitical Activism, Brand Societal Activism, Controversial Social Causes, Moral Consumption

Introduction and Objectives

We observe brands supporting a wide variety of social causes that promotes consumer's dialogue on societal challenges. "Brand activism emerges as a values-driven agenda for companies that care about the future of society and the planet's health. The underlying force for progress is a sense of justice and fairness for all" (Kotler & Sarkar, 2017, p. 3). Social causes can be controversial or not. A non-CSC like fighting cancer is considered a worthy cause by most people and summons widespread support; while a CSC is divisive and may generate a bivalent response, people divided amongst supporters and opposers, generating many pro and against discussions about the cause itself and the brand taking a stand on it. Some examples of brands are taking a stand on CSC that polarize consumer's positions are Doritos 'Rainbow chips in support of LGBT teens and Nike's campaign featuring Colin Kaepernick -former 49er quarterback who kneeled down during the national anthem in protest of racial oppression in the United States. Even though what is controversial may change amongst cultures and evolve with time, there are always controversial social issues. For example, women studying engineering is now controversial in very few countries, and male-to-woman transgender persons competing in women's sports just recently emerged as a new controversial social issue. Understanding the effects of brands taking a stand on CSC is new in the literature and it is necessary to compare it with non-CSC and with no social causes advertising. This study identifies and tests the underlying process of social cause advertising in general and CSC in particular. It also examines and compares consumer attitudes, intentions, and behavior towards these different types of ads or social media posts.

Research Questions

Are consumer responses different for social cause than for non-social cause ads? Are there different responses between CSC and non-CSC ads? Can those differences be explained by the presence of moral emotions? What is more effective, CSC or non-CSC, in terms of consumers' responses such as attitude towards ad, word of mouth, social media engagement, boycott/buycott?

Literature Review

Brands advocating CSC are starting to gain scholars' attention. Hydock et al. (2020) find that even though negativity bias suggest CSC is more likely to repel consumers opposing the brand's stand than to attract new consumers who support it -potentially hurting a large-share brand- it may help small-share brands that don't have many consumers to lose and many to gain. Studying intentions in response to the mentioned Nike's Kaepernick campaign, Kim et al. (2020) find that Positive WOM intentions increase if individuals perceive it to be based on company values and altruistic concern. On the other hand, perceived motives based on ego-driven, brand image or stakeholders' pressure produce less favorable attitudes and stronger negative WOM intentions. Neureiter & Bhattacharya (2021) find that whether a company ends up damaged or fortified by supporting a CSC depends on the kind of issue as well as the political beliefs of its core consumer base. They argue that the impact of consumer activism is mostly driven by the level of polarization of society and the political makeup of their core consumer base. In highly polarized environments, one side of the political spectrum boycott and the other side of the political spectrum buycott. The net outcome will depend on the position of the core consumers' base. Anyhow, despite their demographic differences by political viewpoints, age, income, education, and gender there is an overall level of agreement that corporations should engage in addressing important social issues, which is noteworthy given that the U.S. population skews conservative (Austin et al., 2019). In their analysis of firm value by studying the stock market reaction to 293 CSC events initiated by 149 firms across 39 industries, Bhagwat et al. (2020) find that while investors are generally wary of CSC considering it a risky marketing strategy, they reward activism when it closely aligns with stakeholders, especially with consumers. Quarterly and annual sales growth were positive and significant for CSC events that have a low level of deviation from consumers' ideology. CSC also have positive effects on brand loyalty (Park & Jiang, 2020).

Conceptual Framework – Research Model

A consumer exposed to a social cause marketing campaign will recognize a moral dimension in it. According to the Theory of Marketing Ethics or H-V Model (Hunt & Vitell, 1986, 2006), a purely cognitive model, when a situation has ethical content, an ethical judgement will be followed by coherent intentions and behavior. Nevertheless, (Gigerenzer, 2010) suggests that much of moral behavior is based on heuristics that include emotions. Following Haidt's social intuitionist theory (Haidt, 2001, 2003), and Mukherjee & Althuizen (2020) idea that when consumers consider punishing a brand that has taken a perceived immoral stand can be thought of as a moral dilemma, we propose that the presence of moral emotions mediate consumers' responses to social causes campaigns, not only for cause opposition but also for cause support. Also, it has been established that consumers' personal affinity influences their support of a company's CSR actions (Sen & Bhattacharya, 2001). Therefore, cause importance should have a moderating effect on consumer's moral emotions and responses. Considering the combined mediation effect of moral emotions and the moderation effect of cause importance, we propose a moderated mediation model as a theoretical model of the underlying process that explains the potential effect of social causes (non-CSC and CSC advertising) on consumers' responses

(Appendix 1, Figure 1). In CSC, a social cause that complies with a consumer's socially constructed value system will be perceived as morally legitimate and produce support or a pro-cause position. Those social causes that do not comply with a consumer's socially constructed value system will be perceived as morally illegitimate and produce opposition or an against-cause position.

Study 1

Study 1 is a nested between-subject experiment (Study design and stimuli material produced by an advertising agency in appendix 2 and 3). We perform extensive pretesting to choose equally likable brands and comparable social causes (similarly controversial or non-controversial and comparably important/likable)[1]. Selected non-CSC are all perceived positively and are equally likeable. The controversial vs non-controversial effect is obtained, with only neutral to pro positions on non-CSC and individuals reasonably split between both pro and against positions for the selected CSC. We use CVS/Walgreens and Visa/Mastercard as equally likable brands. Questionnaires were pretested and all scales obtained α above 0.7. Data was collected using Amazon Mechanical Turk amongst US residents. Participants were exposed to one ad that represented one experimental condition and responded to a full questionnaire. After responding all questions, subjects were told they will participate in a gift card raffle and were asked to select between a gift card for the brand in the ad and one for the competitor's brand giving them the chance to act upon consumer position on cause and execute buycott/boycott. Gift cards ($25/$30/$40/$50) had different/same value to reflect cost/no cost to execute buycott/boycott. The experiment sample (774) is evenly distributed by gender with 380 females (49.1%), 389 males (50.3%) and 5 Other (0.6%). The sample is also reasonably distributed by age, income, education, political inclination, and religion importance.

Study 1 Findings and Discussion

Both CSC and non-CSC ads elicit moral emotions while non-social cause ads don't. Moral emotions mediate consumers' responses to social cause ads and the perception of cause importance moderates those moral emotions and consumers' responses. The stronger the moral emotions and the higher the perceived cause importance, the stronger are consumers' responses. Moral emotions are divergent for CSC, positive amongst cause supporters and negative amongst cause opposers. There is a duality of moral emotions, both positive and negative, for non-CSC ads, resulting in stronger moral emotions. Social causes significantly affect buycott and boycott behavior (brand choice) and willingness to sacrifice money. Boycott behavior is never stronger than buycott behavior, and at no cost, buycott is stronger. Buycotters do not always need the cause to be important to them to show support, while opposers do in order to boycott.

These results extend the previous literature by providing a broader picture and a more comprehensive understanding of consumers' reactions to brand activism. This is accomplished by investigating a wider set of consumer responses, and by comparing CSC with non-CSC advertising in addition to no-social causes as is the standard in previous studies. They uncover the underlying process creating a theoretical framework that explains consumer responses to social causes (CSC and non-CSC). Interestingly, it finds some results contrary to a negativity bias

1 Pretested brands: Coca-Cola and Pepsi, Nike and Adidas, Visa and Mastercard, CVS and Walgreens. Pretested CSC: same-sex marriage, breast feeding in public, homo-parental adoption, banning assault weapons and dreamers receiving a green card. Pretested non-CSC: eating healthy, skin cancer screening, pet adoption, ending child abuse and housing solutions for veterans. Most questions used 7-point semantic differential.

(Baumeister et al., 2001), such as buycott behavior being higher than boycott behavior under some circumstances and social media predominant positive reactions (emojis and shares) to CSC.

Study 2

Study 2 is a social media field study analyzing Facebook's Walmart and Starbucks CSC Pride and Black Lives Matter, vs non-CSC Feeding America and vs branding campaigns. Manual processing and social media monitoring software are used to examine consumers' interactions with each post and important social media metrics such as consumer engagement (measured as likes, favorable comments, unfavorable comments, and shares), WOM or viralization (reach) and brand sentiment.

Study 2 Findings and Discussion

As can be seen in the Frequencies Table (Appendix 4) CSC increases social media reach by at least 10 times. CSC can generate about three times the positive engagement than no social cause (branding) and non-CSC which show a similar pattern than the former. However, a CSC ad can multiply negative comments tenfold. Nevertheless, positive reactions (emojis) and shares predominate over negative ones. Pride behaved as a CSC for Walmart but as a non-CSC for Starbucks presumably due to its long tradition supporting LGBTQ community and its more liberal consumers' base. Hydock et al., 2020 find that CSC authenticity and values alignment with brand and consumers play a big role on CSC results for a brand, but Starbucks' Pride findings may suggest that too good of an alignment may result in a diminished controversy capacity. This is excellent news for a brand supporting a cause dear to its values since it will mainly elicit positive results. Not very good news if the brand is after social media engagement, reach and impact

Theoretical and Managerial Implications

An important theoretical contribution of this thesis is the development of a theoretical framework that identifies and tests an underlying process that explains consumer responses to both social causes (CSC and non-CSC). Contrary to a negativity bias, under some circumstances buycott behavior is higher than boycott behavior, and in social media positive reactions (emojis) and shares predominate over negative ones. This has important theoretical implications since it presents some limitations to a negativity bias. Similar to prior research (Sheeran, 2002) the results show that consumer intentions and behaviors diverge, both in Study 1 (buycott/boycott in experiment) and between the experiment and the field study (WOM). This supports the need for more field studies and suggest perhaps more coupling of experiments with field research.

Should managers consider engaging in brand activism? Study 1 results suggest that managers can use social cause advertising (CSC and non-CSC) to increase attitudes towards ad, positive WOM and buycott intentions and behaviors. Social causes ads can be powerful, they affect behavior in a way consistent with consumers' morals: they encourage people to put their money where their mouth is. If a brand's objective is to generate more sales, buycott behavior is stronger than boycott behavior if there is no associated cost to do it. Study 2 results suggest that CSC is worth it if the goal is to increase social media reach and engagement -which is mostly positive- and if the brand is not afraid to deal with an increase in the number of negative comments. Even though the number of negative comments on CSC posts is substantial, they stay mostly confined within the post. And since reactions (emojis) and shares are predominantly positive, what is being spread about the brand is mostly positive. Of course, it would be wise to select a controversial

social cause perceived as legitimate: consistent with the brand's values that also reflect the values of the majority of its customers. If there are more cause supporters than cause opposers in the brand's consumer base, it seems to be a sure bet. Take a stand on a CSC to stand out!

Limitations & Future Research

These studies only measure short term effects, it would be interesting to measure the effect of longer-term social cause campaigns. We used causes of similar levels of importance and controversy to reduce conformity and desirability bias; however, future research could measure the effects of causes of varying levels. It also would be interesting to investigate how corporate CSC activities affect brands in multi-brand firms and how a specific brand's CSC activities affect other brands in the firm and the corporation. Finally, all research was conducted in the US. It will be interesting to see if cultural differences impact consumer responses to social cause ads.

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Appendixes
Appendix 1

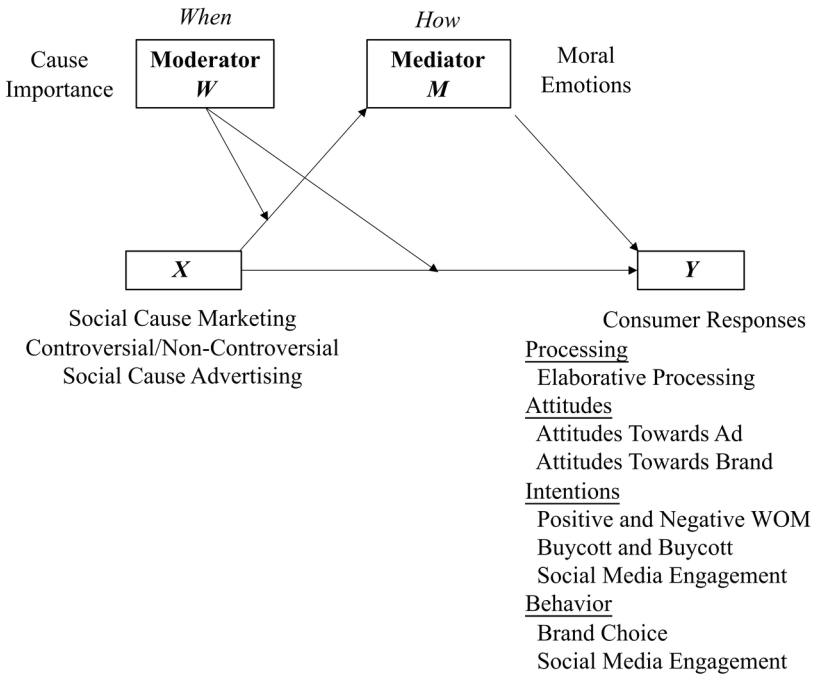
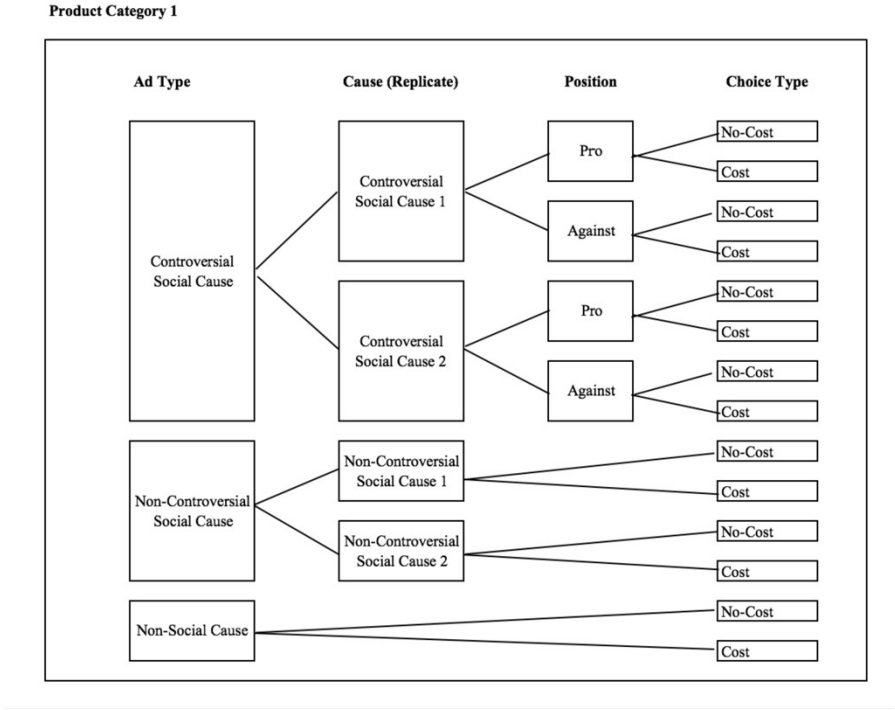


Figure 1

Appendix 2



Appendix 3

Brands: CVS/Walgreens, Visa/Mastercard

	Type	Count	Percent
Same Sex Marriage	CSC	231	29.8%
Dream Act	CSC	193	24.9%
Child Abuse	No-CSC	115	14.9%
Veterans Housing	No-CSC	116	15.0%
Control	Control	119	15.4%

Appendix 4. Study 2 Frequency Table

Engagement (Emoji +2*Comment+3*Share)

Post	Type	Total	Index	Positive	%	Index	Negative	%	Index	Neutral	%	Index
Starbucks												
Pride	CSC	4,192	24	3,252	78%	21	802	19%	79	137	3%	15
Black Lives Matter	CSC	107,738	612	57,709	54%	368	38,524	36%	3,782	11,505	11%	1,254
Average Controversial	CSC	55,965	318	31,514	56%	201	18,654	33%	1,831	5,797	10%	632
Feeding America	Non-CSC	6,485	37	5,331	82%	34	1,139	18%	112	15	0%	2
Average Branding Control	No-Cause	17,601	100	15,665	89%	100	1,019	6%	100	917	5%	100
Walmart												
Pride	CSC	16,108	262	10,871	67%	214	3,932	24%	550	1,305	8%	365
Black Lives Matter	CSC	41,673	677	17,993	43%	354	20,984	50%	2,935	2,696	6%	753
Average Controversial	CSC	28,891	470	14,429	50%	284	12,457	43%	1,742	2,004	7%	560
Feeding America	Non-CSC	2,591	42	2,199	85%	43	382	15%	53	9	0%	3
Average Branding Control	No-Cause	6,153	100	5,080	83%	100	715	12%	100	358	6%	100

Emojis

Post	Type	Total	Index	Positive	%	Index	Negative	%	Index	Neutral	%	Index
Starbucks												
Pride	CSC	2,252	25	2,202	98%	25	25	1%	163	25	1%	18
Black Lives Matter	CSC	23,881	268	18,572	78%	268	1,230	5%	8,039	4,079	17%	2,871
Average Controversial	CSC	13,067	146	10,387	79%	146	628	5%	4,101	2,052	16%	1,444
Feeding America	Non-CSC	3,976	45	3,945	99%	45	16	0%	105	15	0%	11
Average Branding Control	No-Cause	8,920	100	8,763	98%	100	15	0%	100	142	2%	100
Walmart												
Pride	CSC	7,872	196	6,789	86%	196	339	4%	3,000	744	9%	388
Black Lives Matter	CSC	9,473	236	6,815	72%	236	675	7%	5,973	1,983	21%	1,035
Average Controversial	CSC	8,673	216	6,802	78%	216	507	6%	4,487	1,364	16%	712
Feeding America	Non-CSC	1,268	32	1,259	99%	32	4	0%	35	5	0%	3
Average Branding Control	No-Cause	4,009	100	3,806	95%	100	11	0%	100	192	5%	100

Shares

Post	Type	Total	Index	Positive	%	Index	Negative	%	Index	Neutral	%	Index
Starbucks												
Pride	CSC	148	14	140	94%	13	4	3%	81	4	3%	30
Black Lives Matter	CSC	10,619	992	8,093	76%	770	832	8%	15,953	1,693	16%	12,171
Average Controversial	CSC	5,384	503	4,187	78%	398	399	7%	7,644	798	15%	5,733
Feeding America	Non-CSC	377	35	377	100%	36	-	0%	-	-	0%	-
Average Branding Control	No-Cause	1,071	100	1,052	98%	100	5	0%	100	14	1%	100
Walmart												
Pride	CSC	612	215	570	93%	205	23	4%	626	19	3%	626
Black Lives Matter	CSC	1,400	493	1,204	86%	434	43	3%	1,162	154	11%	4,996
Average Controversial	CSC	1,006	354	885	88%	319	33	3%	891	88	9%	2,851
Feeding America	Non-CSC	269	95	269	100%	97	-	0%	-	-	0%	-
Average Branding Control	No-Cause	284	100	277	98%	100	4	1%	100	3	1%	100

Comments

Post	Type	Total	Index	Positive	%	Index	Negative	%	Index	Neutral	%	Index
Starbucks												
Pride	CSC	748	27	316	42%	17	382	51%	77	50	7%	14
Black Lives Matter	CSC	26,000	951	7,429	29%	397	17,398	67%	3,523	1,173	5%	320
Average Controversial	CSC	13,374	489	4,283	32%	229	8,415	63%	1,704	676	5%	184
Feeding America	Non-CSC	689	25	128	19%	7	561	81%	114	-	0%	-
Average Branding Control	No-Cause	2,734	100	1,873	69%	100	494	18%	100	367	13%	100
Walmart												
Pride	CSC	3,200	495	1,187	37%	537	1,762	55%	509	252	8%	321
Black Lives Matter	CSC	14,000	2,167	3,784	27%	1711	10,090	72%	2,913	126	1%	161
Average Controversial	CSC	8,600	1,331	2,485	29%	1124	5,926	69%	1,711	189	2%	241
Feeding America	Non-CSC	258	40	67	26%	30	189	73%	55	2	1%	3
Average Branding Control	No-Cause	646	100	221	34%	100	346	54%	100	79	12%	100