POLARIZING BRAND COMMUNICATION AND CUSTOMER RESPONSE

by

Ellen Keim

Submitted in partial fulfillment of the

requirements for Departmental Honors in

the Department of Marketing

Texas Christian University

Fort Worth, Texas

May 8, 2017

POLARIZING BRAND COMMUNICATION AND CUSTOMER RESPONSE

Project Approved:

Supervising Professor: William Moncrief, Ph.D.

Department of Marketing

Yashoda Bhagwat, Ph.D.

Department of Marketing

ABSTRACT

Brands are becoming more humanized and releasing statements or taking controversial actions. Since this is a new phenomenon, there is little information about how consumers respond to these brand actions. It has yet to be determined if these actions are good for a brand or detrimental. Primary research was conducted through a two-part experiment distributed on Qualtrics. Three main statistical analysis tests were conducted on IBM's SPSS to draw conclusions – paired sample t-tests, correlations, and two-way ANOVAs. Polarizing statements from brands were found to have a negative impact on consumer affinity for a brand. Consumers would generally prefer brands to not make statements on socially charged issues.

Introduction

Gay marriage. Abortion. Gun rights. Political affiliation. Bathroom laws. Birth control. Public health insurance. Black Lives Matter. Are these topics eliciting a response? While the majority of the general public has an opinion on these hot topics and polarizing issues, statements on the issue can offend people with opposite viewpoints. It is accepted that everyone is entitled to have an opinion and others should respect that, but this does not mean that people will not be antagonized by making these statements. However, it has become unclear who "everyone" applies to. Can "everyone" be extended to include businesses? The line for what is acceptable has been blurred due to the fact that businesses are partaking in taking a stance.

Controversial campaigns appeal to people's desire to do good and provoke them to act. In the past, these strategies are used by non-profit or political organizations. However, brands are now starting to get involved with this kind of marketing ("What we know"). More and more companies are expressing viewpoints that used to be reserved to individuals. Businesses have become more than places consumers buy goods and services from, they have taken on human characteristics. These characteristics include social responsibility, Going Green, volunteer work, charity donations, etc. Businesses are becoming humanized. However, it is uncertain if this entitles them to have a voice and enables them to take a stance on hot topic issues. Some consumers fully support businesses using their power and influence to create positive change, but there are just as many consumers that think business should stick to exclusively selling products and services. It is ambiguous at best if brands taking stances on controversial topics is appropriate. More importantly if it is appropriate, how does it influence consumers and their spending? People and organizations are divided on the answers to these questions. This thesis

explores whether brands should take a stance on polarizing issues and how customer perception and spending is affected after a public declaration.

Merriam-Webster Dictionary defines polarize as, "to cause (people, opinions, etc.) to separate into opposing groups". The definition means that anything that is polarizing naturally causes groups to form and oppose each other. Inherently, this should elicit negative responses. It is generic human nature to desire harmony and avoid conflict. Can something fundamentally negative be positive for business?

There have been numerous studies conducted on the customer response to brands making polarizing statements. The Global Strategy Group's 2014 Annual Study ("Business & Politics") generally agrees that companies need to consider their target audience, their product or service category, and brand image in order to avoid negative public responses. However, the initial and long term financial consequences have not been thoroughly studied. Not every customer is willing, or able, to make public stances in person, over social media, or to other networks, but every consumer has the power to vote with their spending dollars. How is the less vocal majority getting their say about these statements? In the age of social media, businesses may forget that not every consumer is willing to go public about their opinions. Some prefer a quiet standoff and voting with how, and where, they spend their money. The consumer response to brands making polarizing statements is what needs to be uncovered through research.

While every person sees issues differently, and responds to them differently, there needs to be a general consensus about how the public feels about brands having opinions. It needs to be determined if speaking out is good for a brand since it creates temporary buzz, or if it will alienate a larger portion of consumers. Also, if there are certain issues that are less taboo than

others, and therefore "safer" to talk about. These are some of the issues that are explored through this research.

Literature Review

Humanized brands are a relatively new development in the business world. Companies traditionally focus on selling products and services, but that is changing. Among other things, brands are now participating in conversations about hot topic social issues. Existing research pertaining to the consumer response to brands making polarizing statements has been centered around a few areas including creating buzz, brand image, target audience, level of arousal, word of mouth, ensuring there is careful planning, and figurehead influence.

Creating Buzz

Most topics of conversation center on scandals, major changes, or controversy of some sort. The same principle applies to brands – they are discussed more regularly if something big happens. Discussing companies in normal conversations happens if a consumer has had an overwhelming positive or negative experience or if the firm is featured in the news. Just like in the consumer setting, brands will only be featured if they do something good or bad – such as donating to charity or, on the other hand, breaking the law and consumer trust (Kennedy). A potential reason that brands make polarizing statements is to create buzz around the brand. However, brands may indirectly create buzz by making statements about causes deemed worthy or brands may want to use influence to create change. After these statements are released, the public will have a response to them.

Given the fact that it is becoming increasingly difficult to garner organic media attention, companies are looking to do something that gains awareness, but is not excessively expensive or

have too negative of a backlash. Jonah Berger, a professor at the Wharton School, reminds us that controversy serves two purposes. The first purpose is that controversy makes conversations, and brands, more interesting to talk about. If everyone has the same opinions, it is boring and conversations are not as stimulating. On the other hand, controversy makes people feel uncomfortable (Berger). When companies are considering using controversy, in the form of polarizing statements, to create buzz they need to remember that it is a double-edged sword. While the statement may be enticing one consumer, they may have offended another consumer in the process.

Brand Image

Every brand exhibits a unique image. There are family oriented brands like ABC, or trendy and hip brands like Adidas. Each brand holds a different perception in the consumers' mind. Perception is entirely in the mind of the consumer and it is continually changing. Brand statements, opinions of others, news sources, social media, and many other factors influence the perception of a brand to the consumer. Perception is no longer just controlled by the brand; internet users are now able to influence brand perceptions. Mintel Trend, *Influentials,* supports the belief that brands are no longer in complete control of information about the company ("Attitudes toward Charities"). Consumers can take an active role in cocreation of brand image by giving opinions, recommendations, general perceptions, and thoughts about the actions of a brand to their social networks that influences consumer perception.

Across these overall brand categories, people have different expectations for what is appropriate and acceptable and what is not. Consumers have come to expect certain qualities from certain brands. When Starbucks made a statement about supporting Gay Rights, most

people were not surprised. Starbucks is known as a controversial brand and continually works to be perceived as inclusive. However, if that same statement would have come from Johnson & Johnson there would have been much greater implications. Johnson & Johnson is a family brand that stays away from controversy and unpopular opinions in order to cultivate the comforting brand presence. Consumers give some brands more flexibility to be controversial over other brands due to the market position that the company holds in their mind.

In general, "brands need to understand their identity beyond the product or service they sell. What are the brand's values, and how might those values translate to social issues? … chiming into the discussion may be appropriate when it aligns with a brand's identity" (Overmyer). Polarizing statements should not be made impulsively. Any statement or action that could be considered polarizing needs to be a thought out and deliberate strategic move. In addition, many different perspectives and responses need to be considered. These different perceptions of a brand will influence how consumers will respond to the polarizing issues raised by brands. It is important to consider that consumers across all income levels are affiliating themselves with companies that share their values. The Mintel Trend, *Buydeology*, explores this phenomenon of consumers factoring in, not only the price of the product, but the values and image of brand and what it stands for ("The Affluent").

Target Audience

Whether a brand is positioned to make a polarizing statement comes down to the target market of a company, especially the brand loyalists. In general, Millennials are more accepting of social and political change ("Marketing to Millennials"). However, the opinions of Generation Xers are commonly overlooked because it is smaller in overall numbers, but it is a lucrative

market ("Marketing to Generation X"). When it comes to target audience, not just demographic information needs to be considered, but psychographics and other factors that reveals personal information about an audience. For example, their stances on important issues and who they consider to be their heroes or enemies (Kennedy). Releasing statements that fit the core customers of a business is less off putting, and generates less backlash, than a statement that contradicts the primary consumers. However, "taking a stance may actually increase brand loyalty as fans will see it as a sign of authenticity" ("The Ethical Consumer").

All individuals are unique. They have different opinions, views, and reactions to issues and comments. A study conducted by Forbes found that Americans are willing to take a stand with their spending. When consumers share the opinions of companies, 8.1% of individuals are more likely to purchase from that company. On the other hand, 8.4% of consumers are less likely to purchase from a company that has opposing viewpoints (Dodd). Consumers are not shy to vote with their dollars. However, business is no longer about just selling products and services. Fifty-six percent of Americans agree that companies need to speak up and take a stand about their political beliefs, even if it is controversial. In addition, 89% of Americans believe that brands have the power to influence social change ("Business & Politics"). Although the country is split on whether or not brands should take a stance, the vast majority believe that brands influence others. If companies have something positive to say, they should voice it to create social change.

Arousal

When people are exposed to arousing information, it causes them to experience more extreme emotions and may cause them to express their feelings. In his book, *Contagious*, Jonah Berger defines arousal as, "a state of activation and readiness for action. The heart beats faster

and blood pressure rises" (Berger 108). A range of emotions cause people to become aroused. People most commonly associate arousal with positive emotions, however, the scope of arousal is not that narrow. Arousal also applies to negative emotions. These feelings are categorized by strength, as well as direction. Strength dictates the drive people have to share information. The categories for arousal are high positive, low positive, high negative, and low negative. High positive emotions include excitement and amusement and high negative relate to anger and anxiety. If someone has just been to a comedy show, they will want to share the highlights. If someone has just had an airline lose their bag, they will want to vent. On the other hand, a low positive emotion is contentment and a low negative emotion is sadness. When someone is relaxing on the couch or just finished watching a sad movie, they are less likely to want to talk about it. It does not spark their need to share (Berger).

Regardless of what is said, polarizing statements will create two sides. Simply put, one group of people will agree with an issue and the other side will disagree. In some circumstances, people will be neutral about a statement. This is not of concern since neutrality does not generate arousal. When consumers agree with a statement they may experience awe, excitement, or amusement and when they disagree, they may experience anger or anxiety. Excluding neutrality, these are all actions that drive sharing amongst networks. Both sides generate word of mouth about the statement, and therefore, the brand. More importantly, word of mouth is amplified online on social media, which is very important in the digital age. While it is undetermined how extensively people will share or how intensely they will react, it will get people talking. Consumers may talk with their friends and family, or if they feel strongly enough, they will voice their opinions to their social networks online. Social media enables social sharing and allows people to connect to others that share their beliefs. This information sharing and connection

allows individuals to share information and coordinate their efforts (Berger 119). This can harm or hurt a brand depending on the stance the movement has – do they support the company and statement or if they oppose it.

Word of Mouth

Word of mouth is the kind of earned media marketers strive for, regardless of whether this be in person word of mouth, or the modernized word of mouth of social sharing on social media outlets. Both sources are considered very important. While companies are constantly trying to get attention and recognition of consumers in an effort to get them to buy, friends are not that way. Peer reviews and recommendations are incredibly powerful in today's markets ("Hybrid Advice"). When friends talk about brands and make recommendations, for or against a product or service, consumers see this as being reputable. If a consumer tells a friend that a book is a must read, he or she will strongly consider buying the book. However, if an advertisement tells someone a book is a must read, he or she will most likely give small credence or ignore that statement and write it off as an advertisement. Word of mouth is one of the most powerful kinds of advertisements because it is repeatable and comes from someone people believe. "Consumers can act as a brand's public relations piece. Consumers still wield strong influence" ("Mobile Apps"). Brands need to do everything possible to cultivate word of mouth.

There are two general types of word of mouth – immediate word of mouth and ongoing word of mouth. Immediate word of mouth is when people pass along the details of an experience soon after it happens. Ongoing word of mouth conversations take place weeks or months after the event (Berger 68-69). While immediate word of mouth happens right after an event, it rarely gets talked about after a few days have passed. This is what brands are cultivating when making

polarizing statements. In theory, the polarizing statement is talked about for a few days – generating buzz, media attention, and conversation, but does not get mentioned weeks or months later. Although consumer response, the conversations, and general attention may not be positive, it keeps the brand at the top of people's minds. However, these statements and actions will not be talked about and will not the first thing that comes to consumers' minds long term when they think of the brand. Ongoing word of mouth and extended consumer response is not the purpose of polarizing statements.

Careful Planning

It is important to remember that no public statement should be released without careful consideration and planning in case of backlash, especially when dealing with hot button issues. However, there are ways to go about creating buzz in a safer manner. For example, Dan Kennedy suggests using the "Trump Technique". This technique entails picking fights with a villain to effectively use controversy with as little risk as possible. The decreased risk stems from attacking broadly and knowing the brand target market and brand loyalists well (Kennedy). In addition, there are some topics that are an exception to the rule when dealing with issues to take a potentially controversial stance on. There are issues that are considered less taboo and are more accepted by the general population, which causes less backlash. Recently, same sex marriage has become one of those exceptions (Snyder). Companies that rarely speak out about social issues are speaking out to support the marriage equality campaign (Marzilli). Diversifying the risk of backlash is not always possible, so brands need to be ready and able to defend their decisions when called for (Overmyer). Regardless of the consumer response, it is important for

company to stand its ground on an issue and be able to articulate the reasons for the statements.

In the case of Starbucks and the "Race Together" campaign (addressing the now infamous Ferguson, Missouri shooting), major public backlash ensued, even from brand loyalists. Backlash was so extreme that the Senior Vice President of Global Communications of Starbucks temporarily deactivated his Twitter account because he felt personally attacked. Despite the reaction, Starbucks said they would move forward with the campaign because the statement is worth more than the temporary discomfort (Baertlei).

Corporate Social Responsibility

Another way companies try to gain attention and recognition is through corporate social responsibility (CSR). However, the days of a company simply throwing money or volunteer time are over. Consumers want CSR to be connected to the business, and issues they care about, to make a difference. Seventy-five percent of American consumers believe that buying products that were produced in the United States is considered socially responsible ("Attitudes toward CSR"). In addition, consumers want to see how the products they are buying are providing jobs and impacting the lives of other US citizens and continuing to manufacture products domestically.

On the other hand, there is a generational difference when it comes to what consumers think is socially responsible. Older generations appreciate CSR initiatives directed at the economy and economic responsibility. Millennials tend to associate CSR with social and environmental issues. Regardless of the view of CSR, the majority of both consumer groups believe that companies have a responsibility to give back to the community or economy in some

way ("Attitudes toward CSR"). From a consumer perspective, profit should come second to being considered a good company. The "people over profits" perspective is honorable, but a business still needs to make money. CSR has become necessary for business to be considered ethical ("The Ethical Consumer").

Figurehead Influence

The practice of using a brand figurehead (founder, CEO, CFO, CMO, etc.) to communicate for the company as a whole creates a clearer, more authentic way to communicate the company's beliefs to consumers. However, brands can become synonymous with their founders and figureheads. Mark Zuckerberg and Facebook, Steve Jobs and Apple, Jack Ma and Alibaba are all examples of famous figureheads and companies. The actions of these individuals, whether personal or business related, also become associated with the company ("How a Figurehead").

When it comes to polarizing topics, the personal opinions of figureheads become attributed to the business. Figureheads must be careful and deliberate when expressing their personal feelings about controversial issues, due to the fact that these statements can and will be bound with the company image and can potentially create damage to a brand. After a figurehead declares a personal view, conversation about the brand can become dominated by the controversial topic ("How a Figurehead").

After all the research conducted throughout the literature review, there are still knowledge gaps. It still has yet to be uncovered how the general consumer feels about brands making polarizing statements. The best way to uncover these gaps would not be through further

review of secondary information, in part because there is limited information about this subject matter to be found. It needs to be discovered and explored through primary data collection.

Methodology and Results

In an effort to gauge the consumer response to brands making polarizing statements, experimental research was conducted with participating business majors enrolled in Marketing Management or Business Ethics at Texas Christian University. The experiment was conducted through a two-part experiment in a survey method that was administered through Qualtrics. Part one was administered approximately one week before part two. Overall, the research was testing consumer attitudes and future buying behaviors when exposed to firm behavior. The dependent variable in the experiment was to determine the attitudes towards firms. Satisfaction and affinity with/for a specified firm was measured, along with willingness to give a recommendation, the buying behavior and relationship between the brand and the consumer, and the consumers' willingness to buy and recommend. The manipulation came in when a polarizing subject that pertains to a brand was introduced.

Part one of the experiment began with introducing two brands, Under Armour and Nike. The respondent's overall feelings pertaining to the brands were measured through a series of likeability questions. In order to classify participant reactions and responses, respondents were then asked to define their own partisan beliefs and opinions on seven relevant social issues – stance on gay and lesbian marriage, gun laws, government funding of Planned Parenthood, immigration policy, racial issues, and stance on government handouts to the underprivileged. However, for the purpose of this study, the Planned Parenthood opinion was the only important

factor. The others were presented to mask the true purpose of the study. If the participant would have known the purpose, it could have biased the results of the experiment.

The manipulation was introduced in part two of the experiment. There were three false articles written about Under Armour donations and each participant was assigned one version – one that was more liberal in tone, one that dealt with conservative politics, and one that was neutral corporate social responsibility. The controversial articles pertained to Under Armour and Planned Parenthood. One article said that the company was doubling its donation to Planned Parenthood, one said it was removing its donation from Planned Parenthood, and the neutral article said that Under Armour was donating money to lung cancer research. The three statements are given in Appendix A. After being presented with one of the articles, the respondent was asked to answer a series of questions to determine how the article influenced him or her, and his or her buying decisions, after being presented with this knowledge.

The primary research question being answered is how do consumers respond when brands make statements about polarizing issues? Four dependent variables were studied: loyalty, satisfaction, overall opinion, and likeliness to recommend Under Armour to a friend. These four variables were chosen because they encompass multiple elements of affinity for a brand. Respondents were asked questions pertaining to these four variables in part one of the experiment. In part two, after the manipulation was introduced, the respondents were asked the exact same questions to see how their answers would change in reaction to the manipulation.

All questions were in 7-point likert scale format. The data points ranged from extremely negative to extremely positive with a labeled neutral point in between the two. The other four options, between the extremes and negatives, were not explicitly labeled. However, they implied

an in-between option. Either slightly positive/negative or simply positive/negative. The questionnaire is included in Appendix B.

All analysis was conducted using IBM's SPSS software system. The three main tests were done to draw conclusions from the data – paired sample t-tests, correlations, and two-way ANOVA tests. There were four sets of data, including, total data from all respondents, respondents that saw the double donation article, respondents that saw the withdraw donation article, and respondents that saw the neutral donation article. Tests were run on all sets of data. The sample size for the entire experiment was 152 respondents, 53 males and 99 females. One hundred twenty-one students were between the ages of 19 and 20, 29 respondents were between 21 and 22, and two respondents were older than 22. Of that, 50 people were given the double donation article, 51 saw the withdraw donation article, and 53 were exposed to the neutral article. Although there were originally more respondents, students that did not complete both part one and part two of the experiment were removed from the sample size.

Paired Sample T-Tests

Paired sample t-tests were conducted to see if there was statistically significant evidence that the mean of the variables differed between the two parts of the experiment. These tests suggest whether there was a change in the respondent before and after the manipulation. An alpha of 0.05 was used to gauge significance. The paired sample t-tests were conducted on all data sets for the before and after of each of the four dependent variables, 16 total t-tests were completed. Of the 16 completed tests, five were found to show a statistically significant difference from part one to part two.

Significance was found if the participant was exposed to any manipulation (total data set), a double donation, and a neutral donation. For total data, loyalty and likeliness to recommend Under Armour to a friend was impacted. The significance was 0.002 and 0.046 respectively. When exposed to the double donation article, respondents showed a change in loyalty to Under Armour with a significance of 0.009. Both loyalty and likeliness to recommend Under Armour to a friend was impacted for the neutral donation article. The two significances were 0.049 for loyalty and 0.025 for likeliness to recommend. All results are reported in Table 1 Paired Sample T-Tests in Appendix C, statistically significant findings reported below.

Data Set	Dependent Variable	Mean Part 1	Mean Part 2	Significance
Total Data	Loyalty	3.72	3.43	0.002
	Likeliness to Recommend	4.58	4.38	0.046
Double Donation	Loyalty	3.76	3.37	0.009
Neutral Donation	Loyalty	3.85	3.50	0.049
	Likeliness to Recommend	4.48	4.15	0.025

If Under Armour releases any statement about donations to any cause, loyalty to the company and likeliness to recommend goes down. In addition, if Under Armour doubles the donation to Planned Parenthood, loyalty to the company goes down. Interestingly enough, if the company says that it is donating to lung cancer research, a corporate social responsibility initiative, both loyalty and likeliness to recommend decrease.

Correlations

Correlations were the second test conducted. They were conducted to see the relationship between variables within the data subsets – double donation, withdraw donation, and neutral donation. Within each subset, partisan affiliation was correlated with each of the dependent variables. 12 total correlations were run, however, only two correlations proved to show a statistically significant difference.

Both significant correlations were found within the double donation data subset: partisan affiliation and overall opinion are correlated and partisan affiliation and likeliness to recommend are correlated. Overall opinion and likeliness to recommend are both negatively correlated with partisan affiliation. The Pearson Correlation's were -0.348 and -0.285 respectively. These correlations show a moderately weak negative relationship between variables. The other 10 correlations showed no statistically significant relationship between partisan affiliation and the various dependent variables. All results are reported in Table 2 Correlations in Appendix C, statistically significant findings reported below.

Data Set	Variables	Pearson Correlation	Significance
Double Donation	Partisan Affiliation and Overall Opinion of Under Armour	-0.348	0.014
	Partisan Affiliation and Likeliness to Recommend	-0.285	0.047

Statistically significant correlations were only found within the double donation condition and data set. Partisan affiliation and overall opinion of the company are negatively correlated. This means that when a respondent noted that they were more conservative, his or her overall opinion of Under Armour decreased, or vice versa. Further, partisan affiliation and likeliness to recommend are also negatively correlated. As a respondent noted that they were more liberal, his or her likeliness to recommend the company went up, or vice versa.

Two-Way ANOVA

Finally, two-way ANOVA tests were run to see the interaction between two independent variables and one of the four dependent variables. These tests were conducted on the total data set only. The two constant independent variables were either if the respondent saw the double donation article or the withdraw donation article. The other independent variable changed between the respondent's partisan affiliation and his or her view on Planned Parenthood being funded by the government. The dependent variables changed between loyalty, satisfaction, overall opinion, and likeliness to recommend. There were 16 two-way ANOVA tests were run. Of these tests, four found statistical significance at an alpha of 0.05.

Interaction was found only when respondents were exposed to the double donation article. There was significance with both Planned Parenthood views and partisan affiliation independent variables. There was interaction between double donation, Planned Parenthood views, and loyalty – the significance was found to be 0.008. When double donation and partisan affiliation were the independent variables, there was interaction between the independent variables and loyalty, overall opinion, and likeliness to recommend. Although loyalty was found to be only marginally significant, with a significance value of 0.087. Overall opinion had a

significance of 0.002 and likeliness to recommend was 0.030. All results are reported in Table 3 Two-Way ANOVA in Appendix C, statistically significant findings reported below.

Independent Variables	Dependent Variable	Significance
Double Donation and Planned Parenthood	Loyalty	0.008
Double Donation and Partisan Affiliation	Loyalty	0.087 (marginally significant)
	Overall Opinion of Under Armour	0.002
	Likeliness to Recommend	0.030

Once the respondent was introduced to the double donation article statistically significant results were found. When the combination of independent variables was isolated, there was a negative impact on loyalty, overall opinion, and likeliness to recommend the company. For example, if a respondent saw the double donation article and indicated that he or she was more conservative, the loyalty to Under Armour would go down. This holds true for the results in the double donation and partisan affiliation as well.

Discussion

As a whole, Texas Christian University is considered to be more conservative than most other colleges throughout the nation. The results of this experiment held true to that ideology with 112 participants (74%) responding that they are slightly conservative to extremely conservative. Staying in line with political ideology, the government funding Planned Parenthood would go against the dominantly conservative ideology of the school. However,

TCU students were more supportive of the funding of Planned Parenthood than traditional conservatives. Nearly 50% (48.3%) of students said they were neutral or supportive of the government funding Planned Parenthood.

Across all tests, there were no statistically significant relationships found when respondents were presented with the withdrawing donation from Planned Parenthood article. Conversely, there was always a relationship when respondents thought that Under Armour doubled their donation to Planned Parenthood. When students saw that the donation was doubled, their loyalty to the company, overall opinion of the company, and likeliness to recommend the company all went down. Yet, satisfaction with the company remained unchanged.

The results suggest that consumers care about, and react to, companies making statements supporting a controversial topic, but not when they speak or act out against it. Although students had lower loyalty, lower overall opinion, and are less likely to recommend Under Armour, they did not become more or less satisfied with the company. Overall, students had a worse view of the Under Armour brand, but the supportive controversial statements made no change with how satisfied they are with the products the company sells. This suggests that people do not like to see companies giving money and voice to polarizing issues, and it is not good for the brand, but it does not change their personal satisfaction.

Since TCU is dominantly conservative, it was not surprising to see the lessened support that students gave to Under Armour after learning about increasing the donation to Planned Parenthood. This would be the expected outcome. Respondents supported Under Amour less after finding out the company doubled the donation. However, due to this conservative ideology,

it was surprising that students did not have a reaction to companies taking away donation and support to Planned Parenthood. The expectation is that affinity to the company would go up, but that is not the response that was found. The TCU student body could be becoming less conservative than previously thought, or have a more positive view of Planned Parenthood and the services that this controversial organization offers. Though this could also be due to the issue of college students being fiscally conservative and socially liberal.

It was also interesting that students reacted somewhat negatively to Under Armour donating to lung cancer research – a corporate social responsibility move. The paired sample t-tests showed that consumer loyalty and the likeliness to recommend the company went down when exposed to the neutral donation article. These outcomes suggest that consumers are tired of companies mindlessly donating to corporate social responsibility initiatives as an advertising tactic.

The main limitation of this study was the use of random sampling in a limited group. The sample was taken from business students at Texas Christian University. That alone provides little diversity to be able to apply the outcomes of this study to the population. In addition, the student body of TCU is fairly homogenous, further limiting the application of the outcomes

Further steps could be taken to expand on the findings of this study. The next study would be to determine how people would recommend a company to a friend. In the age of social media, people are able to share information and recommendations with many more people in an infinitely larger space. Finding out who consumers share information on controversial brands with, how they share it, on what (if any) platform they share it, and what information they are more likely to share (the products, the brand, and/or brand activity). It would also be beneficial

to see the differences in generations. While college students are less likely to support a controversial organization, how would an older generation react? In addition, it would be interesting to see how an older generation would share their opinions.

Implications

The information discovered by this experiment can be applied to situations beyond the academic world. The most beneficial recipient of this information are companies. In such a saturated, competitive environment, brands are looking for any way to stand out and gain consumer attention. This study gives guidelines for companies to follow about making controversial statements and what consumer reactions to expect.

Pertaining to donations, this study sets up how a company should spend its charity dollars and community outreach time. Consumers have grown tired of companies throwing money at a popular charity, especially one that is unrelated to the core of the business. The practice of corporate social responsibility is too common place and can actually have a negative effect on a brand. Consumers crave brands that use their money and position in society to further a cause and is connected to something they care about.

Marketing managers can use this information when deciding how to create a new advertising campaign. This study gives guidelines on how to approach communication on, and about, controversial subjects. Depending on the brand, the marketing communication might want to be edgy and polarizing to garner the attention of consumers. Using this study and background research, managers can determine how to be polarizing in a safer way and sets out guidelines on what to expect for the behavior of consumers.

It can be useful to keep in mind that, although some people define themselves within the confines of a particular political party, they may not identify with every part of it. Social issues are especially variant for millennials. Just because a business attracts mostly conservative customers, it does not necessarily mean that the business should stray away from using more liberal leaning politics within the confines of brand communication. The communication should be be professional, cater to multiple viewpoints, and not be too radical. Using controversial topics that are becoming more commonplace and less taboo is also a way to make use of polarizing statements without alienating too many people.

Conclusion

Humanized brands are a new development in the business world – companies no longer strictly sell products and services. Among other things, brands are now participating in conversations about hot topic social issues. Brands wanting to use controversy to garner attention should consider some general strategies. Although controversy can be used to stimulate conversations, it also makes people feel uncomfortable. Brands need to keep in mind that what is stimulating to one person is offensive to another. The perception of a brand within the minds of the consumer gives businesses more or less flexibility to comment on hot issues. The brand needs to understand their full identity to determine what is appropriate behavior. In addition, statements should never be made impulsively, any statement or action that could be considered polarizing needs to be a deliberate strategic move.

The consumers that are considered brand loyalists, along with other members of the target audience, need to be considered when debating making a controversial statement. Some demographics give more flexibility and appreciate brands standing up for issues, but other

customer groups do not. Further, some audiences are willing to change their spending habits to prove a point and show dissatisfaction with a brand's actions. The level and direction of arousal of a statement determines whether or not people will share information with their friends. If a statement does not inspire consumers to share or stimulate action and a purchase, the statement is ineffective. Immediate word of mouth is the type of endorsement polarizing topics are useful for. A brand should not expect ongoing word of mouth and extended consumer response from releasing a polarizing statement.

Brands partaking in controversial actions can expect to see an decrease in loyalty, overall opinion, and consumer likeliness to recommend a brand to a friend. While consumers tend to be thought about in a consumer group with specific characteristics, there is great variation within the groups. Although someone may support one political party, their personal beliefs on a controversial issue may not align with his or her partisan affiliation. These variations in consumer behavior impact brand communication decisions.

Polarizing topics disrupts harmony, inspires conflict, and distaste for a brand. Controversial statements are not a positive tactic for brands to gain attention in the market place because it alienates a group of consumers and causes their affinity for a brand to be lower. As a whole, brands should expect a negative consumer response when using polarizing statements and actions.

Bibliography

"The Affluent and High Net Worth Premium Brand and the Luxury Consumer." *Mintel Reports.*
    Mintel Group Ltd., Dec. 2016. Web. 25 Mar. 2017.

"Attitudes toward Charities and Non-profits." *Mintel Reports.* Mintel Group Ltd., Oct. 2016.
    Web. 24 Mar. 2017.

"Attitudes toward CSR." *Mintel Reports.* Mintel Group Ltd., Sept. 2012. Web. 24 Mar. 2017.

Baertlei, Lisa, and Bill Rigby. "Starbucks 'Race Together' Campaign Brews Backlash." *The
    Huffington Post*. TheHuffingtonPost.com, 18 Mar. 2015. Web. 02 Oct. 2016.

Berger, Jonah. *Contagious: Why Things Catch On.* New York: Crown, 2008. Print.

Berger, Jonah. "Is Controversy Good For Business?" *Jonah Berger*. Web. 02 Oct.
    2016.

"Brands That Do: Building Behavior Brands." WARC, 2016. Web. 27 Apr. 2017.

"Business & Politics: Do They Mix?" *Journal (American Water Works Association)* 103.3
    (2014): *Global Strategy Group*. 2014. Web. 02 Oct. 2016.

Carufel, By Richard. "PR Debate: Should Brands Take Social/Political Stances? New Study
    from Field Agent Takes a Deep Dive into Benefits and Risks." *Bulldog Reporter*. 03 Aug.
    2015. Web. 02 Oct. 2016.

Dodd, Melissa D. "Brands Take a Stand: When Speaking Up About Controversial Issues
    Hurts Or Helps Business." *Forbes*. 12 Mar. 2015. Web. 02 Oct. 2016.

"The Ethical Consumer." *Mintel Reports.* Mintel Group Ltd., July 2015. Web. 24 Mar. 2017.

"How a Figurehead Can Influence Brand Fortunes." *Mintel Reports.* Mintel Group Ltd., 30 Jan.
    2017. Web. 25 Mar. 2017.

"How Intel marketing remade the brand." WARC, February 2017. Web. 27 Apr. 2017.

"How to build a challenger brand." WARC, July 2016. Web. 20 Apr. 2017.

"How to build a luxury brand." WARC, March 2017. Web. 20 Apr. 2017.

"Hybrid Advice: The Best of Both Worlds." *Mintel Reports.* Mintel Group Ltd., 21 Dec. 2016.
    Web. 24 Mar. 2017.

Kennedy, Dan S. "Build Your Brand by Cultivating Controversy." *Entrepreneur*. 18 Mar.
2014. Web. 02 Oct. 2016.

"Loyalty is the key driver of brand growth." WARC, September 2016. Web. 20 Apr. 2017.

"Marketing to Generation X." *Mintel Reports.* Mintel Group Ltd., June 2016.
Web. 20 Apr. 2017.

"Marketing to Millennials." *Mintel Reports.* Mintel Group Ltd., May 2016.
Web. 20 Apr. 2017.

Marzilli, Ted. "Higher Democrat Perception for LGBT Brands." *Forbes*. 10 Sept. 2012. Web.
02 Oct. 2016.

"Mobile Apps." *Mintel Reports.* Mintel Group Ltd., Oct. 2016. Web. 26 Mar. 2017.

Overmyer, Krystal. "Cause Marketing: When Brands Take a Stand on Social Issues." *The
Content Standard by Skyword*. 21 May 2016. Web. 02 Oct. 2016.

"People Powered Brands: How Companies Can Inspire Consumer Action." WARC, 2016. Web.
27 Apr. 2017.

Snyder, Brendan. "LGBT Advertising: How Brands Are Taking a Stance on Issues." *Think
with Google*. Mar. 2015. Web. 02 Oct. 2016.

"What we know about activist campaigns." WARC, July 2016. Web. 20 Apr. 2017.

"What we know about brand purpose." WARC, December 2016. Web. 01 Apr. 2017.

"What we know about brand trust." WARC, December 2016. Web. 13 Apr. 2017.

Appendix A

Double Donation

In lieu of the inauguration of President Donald Trump, Under Armour has doubled its donations to Planned Parenthood beginning in March. Under Armour believes that Planned Parenthood is an essential business for women's health and has taken it upon themselves to keep it affordable for those who need the services they provide. Under Armour is prepared to speak up and fight against President Trump if he tries to repeal the ruling of Roe vs Wade.

Withdraw Donation

In lieu of the inauguration of President Donald Trump, Under Armour has withdrawn its donations to Planned Parenthood beginning in March. Under Armour believes that it needs to follow the actions of the new President to begin to heal the nation to become unified once again. Under Armour fully supports President Trump's views on Planned Parenthood, anti-abortion stance, and plans to back him if he tries to repeal the ruling of Roe vs Wade.

Neutral (Corporate Social Responsibility) Donation

In an effort to raise awareness and money for research, Under Armour has decided to donate 50% of profits to lung cancer research for the month of March. Lung cancer research is very underfunded to do a large majority of people who believe that lung cancer is caused solely from smoking – which is not the case.

Appendix B

Part 1

We're conducting research on consumers' attitudes toward competing brands. The answers to these questions will allow us draw conclusions in order to advise brands in the future. The survey should only take 15 minutes, and your responses are completely anonymous. You may only take the survey once. All questions require a response. We appreciate your input!

Q1 Are you familiar with the brand Nike?

○ Yes (1)
○ No (2)

Q2 Have you ever purchased from Nike?

○ Yes (1)
○ No (2)

Q3 How frequently have you purchased from Nike in the past year?

○ Once a year (1)
○ Once every 6 months (2)
○ Every 3-5 months (3)
○ Every 1-2 months (4)
○ More than once a month (5)
○ I have never purchased from Nike (6)

Q4 How was your last experience with Nike products?

○ Positive (1)
○ Neutral (2)
○ Negative (3)
○ I have never purchased from Nike (4)

Q5 How much did you spend the last time you bought a product from Nike? If you have never purchased from Nike, how much would you be willing to pay?

_____ Dollars spent per item (1)

Q6 How loyal do you consider yourself to Nike?

	Extremely disloyal (1)	(2)	(3)	Neither loyal nor disloyal (4)	(5)	(6)	Extremely loyal (7)
Loyalty Scale (1)	○	○	○	○	○	○	○

Q7 What is your overall satisfaction with Nike?

	Extremely dissatisfied (1)	(4)	(7)	Neither satisfied nor dissatisfied (3)	(6)	(5)	Extremely satisfied (2)
Satisfaction Scale (1)	○	○	○	○	○	○	○

Q8 What is your overall opinion of Nike?

	Extremely negative (1)	(2)	(3)	Neither positive nor negative (4)	(5)	(6)	Extremely positive (7)
Opinion Scale (1)	○	○	○	○	○	○	○

Q9 How likely are you to recommend Nike to a friend?

	Extremely unlikely (1)	(2)	(3)	Neither likely nor unlikely (4)	(5)	(6)	Extremely likely (7)
Recommendation Scale (1)	○	○	○	○	○	○	○

Q10 Are you familiar with the brand Under Armour?

O Yes (1)
O No (2)

Q11 Have you ever purchased from Under Armour?

O Yes (1)
O No (2)

Q12 How frequently have you purchased from Under Armour in the past year?

O Once a year (1)
O Once every 6 months (2)
O Every 3-5 months (3)
O Every 1-2 months (4)
O More than once a month (5)
O I have never purchased from Nike (6)

Q13 How was your last experience with Under Armour products?

O Positive (1)
O Neutral (2)
O Negative (3)
O I have never purchased from Nike (4)

Q14 How much did you spend the last time you bought a product from Under Armour? If you have never purchased from Under Armour, how much would you be willing to pay?

_____ Dollars spent per item (1)

Q15 How loyal do you consider yourself to Under Armour?

	Extremely disloyal (1)	(2)	(3)	Neither loyal nor disloyal (4)	(5)	(6)	Extremely loyal (7)
Loyalty Scale (1)	O	O	O	O	O	O	O

Q16 What is your overall satisfaction with Under Armour?

	Extremely dissatisfied (1)	(4)	(7)	Neither satisfied nor dissatisfied (3)	(6)	(5)	Extremely satisfied (2)
Satisfaction Scale (1)	○	○	○	○	○	○	○

Q17 What is your overall opinion of Under Armour?

	Extremely negative (1)	(2)	(3)	Neither positive nor negative (4)	(5)	(6)	Extremely positive (7)
Opinion Scale (1)	○	○	○	○	○	○	○

Q18 How likely are you to recommend Under Armour to a friend?

	Extremely unlikely (1)	(2)	(3)	Neither likely nor unlikely (4)	(5)	(6)	Extremely likely (7)
Recommendation Scale (1)	○	○	○	○	○	○	○

Q19 Which company would you buy from if the product cost the same?

○ Nike (1)
○ Under Armour (2)

Q20 Which company would you buy from if the Under Armour product cost 30% less than the Nike product?

○ Nike (1)
○ Under Armour (2)

Q21 Which company would you buy from if the Nike product cost 30% less than the Under Armour product?

○ Nike (1)
○ Under Armour (2)

Q22 How politically active are you?

	Extremely unactive (1)	(2)	(3)	Neither active nor unactive (4)	(5)	(6)	Extremely active (7)
Activity scale (1)	○	○	○	○	○	○	○

Q23 What is your political affiliation?

	Extremely Liberal (1)	(8)	(9)	Neutral (4)	(10)	(11)	Extremely Conservative (7)
Political scale (1)	○	○	○	○	○	○	○

Q24 What is your stance on the following topics?

	Extremely disagree (1)	(11)	(12)	Neither agree nor disagree (4)	(13)	(14)	Extremely agree (7)
I support gay and lesbian marriage (1)	○	○	○	○	○	○	○
I support more restrictive gun laws (2)	○	○	○	○	○	○	○
I support Planned Parenthood being funded by the government (3)	○	○	○	○	○	○	○
I support stricter immigration policies to keep immigrants and refugees out of the USA (4)	○	○	○	○	○	○	○
Blacks who cannot get ahead in this country are mostly responsible for their own condition (5)	○	○	○	○	○	○	○
Poor people have hard lives because government benefits don't go far enough to help them live decently (6)	○	○	○	○	○	○	○

Q25 What is your age?

❍ under 18 (1)
❍ 19 - 20 (2)
❍ 21 - 22 (3)
❍ 23 - 24 (4)
❍ 24 - 25 (5)
❍ 25 or older (6)

Q26 What is your gender?

❍ Male (1)
❍ Female (2)
❍ Prefer not to respond (3)

Q27 What is your ethnicity?

❍ White (1)
❍ Black or African American (2)
❍ American Indian or Alaska Native (3)
❍ Asian (4)
❍ Native Hawaiian or Pacific Islander (5)
❍ Other (6)

Q28 What is your average household income?

❍ Less than $10,000 (1)
❍ $10,000 - $19,999 (2)
❍ $20,000 - $29,999 (3)
❍ $30,000 - $39,999 (4)
❍ $40,000 - $49,999 (5)
❍ $50,000 - $59,999 (6)
❍ $60,000 - $69,999 (7)
❍ $70,000 - $79,999 (8)
❍ $80,000 - $89,999 (9)
❍ $90,000 - $99,999 (10)
❍ $100,000 - $149,999 (11)
❍ More than $150,000 (12)

Q29 What is your home state or country?

Q30 What are the last four digits of your TCU student ID number?

Part 2

We're conducting research on consumers' attitudes toward competing brands. The answers to these questions will allow us draw conclusions in order to advise brands in the future. The survey should only take 15 minutes, and your responses are completely anonymous. You may only take the survey once. All questions require a response. We appreciate your input!

DOUBLE DONATION: In lieu of the inauguration of President Donald Trump, Under Armour has doubled its donations to Planned Parenthood beginning in March. Under Armour believes that Planned Parenthood is an essential business for women's health and has taken it upon themselves to keep it affordable for those who need the services they provide. Under Armour is prepared to speak up and fight against President Trump when he tries to repeal the ruling of Roe vs Wade.

WITHDRAW DONATION: In lieu of the inauguration of President Donald Trump, Under Armour has withdrawn its donations to Planned Parenthood beginning in March. Under Armour believes that it needs to follow the actions of the new President to begin to heal the nation to become unified once again. Under Armour fully supports President Trump's views on Planned Parenthood, anti-abortion stance, and plans to back him while he tries to repeal the ruling of Roe vs Wade.

NEUTRAL DONATION: In an effort to raise awareness and money for research, Under Armour has decided to donate 50% of profits to lung cancer research for the month of March. Lung cancer research is very underfunded to do a large majority of people who believe that lung cancer is caused solely from smoking – which is not the case.

Q4 How likely are you to purchase from Under Armour in the next six months?

	Extremely unlikely (1)	(2)	(3)	Neither likely nor unlikely (4)	(5)	(6)	Extremely likely (7)
Opinion scale (1)	○	○	○	○	○	○	○

Q5 How much are you willing to spend on a product from Under Armour?

_____ Dollars spent per item (1)

Q6 How loyal do you consider yourself to Under Armour?

	Extremely disloyal (1)	(2)	(3)	Neither loyal nor disloyal (4)	(5)	(6)	Extremely loyal (7)
Loyalty scale (1)	○	○	○	○	○	○	○

Q7 What is your overall satisfaction with Under Armour?

	Extremely dissatisfied (1)	(2)	(3)	Neither satisfied nor dissatisfied (4)	(5)	(6)	Extremely satisfied (7)
Satisfaction scale (1)	○	○	○	○	○	○	○

Q8 What is your overall opinion of Under Armour?

	Extremely negative (1)	(2)	(3)	Neither positive nor negative (4)	(5)	(6)	Extremely positive (7)
Opinion scale (1)	○	○	○	○	○	○	○

Q9 How likely are you to recommend Under Armour to a friend?

	Extremely unlikely (1)	(2)	(3)	Neither likely nor unlikely (4)	(5)	(6)	Extremely likely (7)
Opinion scale (1)	○	○	○	○	○	○	○

Q10 Which company would you buy from if the product cost the same?

○ Nike (1)
○ Under Armour (2)

Q11 Which company would you buy from if the Under Armour product cost 30% less than the Nike product?

○ Nike (1)
○ Under Armour (2)

Q12 Which company would you buy from if the Nike product cost 30% less than the Under Armour product?

○ Nike (1)
○ Under Armour (2)

Q13 What are the last four digits of your TCU student ID number?

Appendix C

Table 1 Paired Sample T-Tests

Data Set	Dependent Variable	Mean Part 1	Mean Part 2	Significance
Total Data	Loyalty	3.72	3.43	0.002
	Satisfaction	4.50	4.71	0.218
	Overall Opinion of Under Armour	4.94	4.84	0.301
	Likeliness to Recommend	4.58	4.38	0.046
Double Donation	Loyalty	3.76	3.37	0.009
	Satisfaction	4.47	4.65	0.504
	Overall Opinion of Under Armour	5.12	4.82	0.137
	Likeliness to Recommend	4.69	4.47	0.278
Withdraw Donation	Loyalty	3.54	3.42	0.436
	Satisfaction	4.34	4.60	0.392
	Overall Opinion of Under Armour	4.84	4.88	0.821
	Likeliness to Recommend	4.58	4.54	0.808
Neutral Donation	Loyalty	3.85	3.50	0.049
	Satisfaction	4.67	4.87	0.548
	Overall Opinion of Under Armour	4.87	4.83	0.727
	Likeliness to Recommend	4.48	4.15	0.025

Table 2 Correlations

Data Set	Variables	Pearson Correlation	Significance
Double Donation	Partisan Affiliation and Loyalty	-0.95	0.517
	Partisan Affiliation and Satisfaction	-0.169	0.246
	Partisan Affiliation and Overall Opinion of Under Armour	-0.348	0.014
	Partisan Affiliation and Likeliness to Recommend	-0.285	0.047
Withdraw Donation	Partisan Affiliation and Loyalty	0.001	0.995
	Partisan Affiliation and Satisfaction	-0.062	0.670
	Partisan Affiliation and Overall Opinion of Under Armour	0.070	0.629
	Partisan Affiliation and Likeliness to Recommend	-0.018	0.902
Neutral Donation	Partisan Affiliation and Loyalty	0.096	0.498
	Partisan Affiliation and Satisfaction	0.017	0.904
	Partisan Affiliation and Overall Opinion of Under Armour	0.166	0.239
	Partisan Affiliation and Likeliness to Recommend	0.153	0.278

Table 3 Two-Way ANOVA

Independent Variables	Dependent Variable	Significance
Double Donation and Planned Parenthood	Loyalty	0.008
	Satisfaction	0.741
	Overall Opinion of Under Armour	0.229
	Likeliness to Recommend	0.258
Double Donation and Partisan Affiliation	Loyalty	0.087
	Satisfaction	0.326
	Overall Opinion of Under Armour	0.002
	Likeliness to Recommend	0.030
Withdraw Donation and Planned Parenthood	Loyalty	0.980
	Satisfaction	0.663
	Overall Opinion of Under Armour	0.677
	Likeliness to Recommend	0.940
Withdraw Donation and Partisan Affiliation	Loyalty	0.071
	Satisfaction	0.436
	Overall Opinion of Under Armour	0.192
	Likeliness to Recommend	0.583