

A Work Project, presented as part of the requirements for the Award of a Master's Degree in Management from the Nova School of Business and Economics.

**THE ALLURE OF CONTROVERSIAL BRANDS:
PREFERENCES FOR LARGER LOGO SIZES**

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Abstract

In the subsequent research, I investigate factors that might play a role in people's reactions to controversy. I propose that brands that take a stand on a controversial matter are perceived to take risks that could potentially damage its reputation. Which, in turn, leads controversial brands to signal power and status as long as observers perceive it as costly and observable (Spencer, 1973). Moreover, because one's perception of status is filtered and guided through one's convictions (Levy, Chiu and Hong, 2006) I hypothesize that beliefs concerning one's personality would play a role to display a large logo from a controversial brand. Provided that there are two types of implicit personalities: entity theorists - believe society uses brands to signal who they represent to others, and incremental theorists - draw situational inferences on why individuals use a brand (Park and John, 2017; Preißinger and Schoen, 2018). I predict that entity theorists, under lack of power would use a controversial brand large logo as a signal to others.

Keywords: controversial brands, compensatory consumption, brand logo, brand power perception, individual power, brand risk perception, brand status perception, entity theorists, shared identity, need to belong.

1. Introduction

Socio-political movements such as the *Me Too*, *Black Lives Matter*, *Stop Asian Hate*, etc, have been on the rise in recent years. Brands are increasingly taking a stand on these issues too, since consumers are becoming more “belief-driven” – choose to support or boycott brands based on their stance on societal issues – so they expect business to take initiative on change (Edelman, 2018). However, brands that engage in controversy not only should expect clap back but also backlash since it is not easy to please every crowd (Agrawal, 2016). "To be virtuous ... is to be different from the mean - in the right direction and to the right degree" (Roger Brown 1974, cited in Levine and Moreland, 2006). Hence, brands should understand the psychology behind the effect of controversy on the potential consumer before taking a stand on a controversial issue.

I investigate, in the following paper, factors that could influence people’s reactions to controversy. I propose that brands that take a stand on a controversial matter are perceived to take risks that could potentially damage its image and future sales revenue. This, in turn, since its costly and observable by others (Spence, 1973) leads controversial brands to signal power and status. Power perceptions should affect consumers, since power shapes how an individual perceives the world (Galinsky, Magee and Gruenfeld, 2003) and how they consume brand products – “consumption is affected by the psychological states of lower and high power” (Rucker and Galinsky, 2009). Moreover, because one’s perception of status is filtered and guided through one’s convictions (Levy, Chiu and Hong, 2006) I hypothesize that beliefs concerning one’s personality would also play a role. There are two types of implicit personalities: entity theorists - believe society uses brands to signal who they represent to others, and incremental theorists - draw situational inferences on why individuals use a brand (Park and John, 2017; Preißinger and Schoen, 2018). Namely, I predict that entity (vs.

incremental) individuals are more prone to make inferences according to the signal they receive from controversial brands (vs. non-controversial) since they associate people status to a brand. It is expected that entity observers, especially powerless individuals, are more allured to such brands since they wish to gain power and climb on the social hierarchy. Furthermore, this work focuses on one particular behaviour, the willingness to display a larger logo from a controversial brand. Moreover, brands should care about their logo size because the effectiveness of a visual logo depends, among other reasons, on its size, which in turn is an added value to strength a costumer-brand relationship (Park, Eisingerich, Pol and Park, 2013).

This study attempts to provide brands with insights that individuals from the same demographic area should not be treated the same way since they may hold different brand perceptions (power, risk, status) accordingly to their state of power and personality. Moreover, costumer personalities should be analysed beforehand with brand's media agencies (e.g. segmentation of implicit personality) before target advertisement implementation. I try, with this work, to hypothesise that if brands analyse the implicit personality of their consumers, in turn, companies will know what size of logo consumers may prefer. Which potentially generates an opportunity for brands to adjust its advertisement (e.g. online) accordingly, ultimately boosting sales more efficiently.

The subsequent work uses past theoretical research related to controversy, compensatory consumption, entity theory, shared identity and need to belong to establish the hypotheses. Furthermore, an online experiment was conducted to test the hypotheses, described comprehensively in the methodology section. I discuss the limitations of the experiment as well as possible directions for future research in the general discussion.

2. Literature Review

2.1 Controversy, Non-Conformity linked to Risk, Power and Status

Controversy is described in this work as a discussion between strongly hold beholder's opposing views usually related to social, political or religious matters (Chen and Berger, 2013; Merriam-Webster, 2021). So controversial brands are defined to take a public stand on such controversial matters (Mukherjee and Althuizen, 2020).

Non-conformity behaviour is a conduct or belief that does not follow nor is coherent with the norms or standards defined by society group members (Nail, Macdonald and Levy, 2000). Since conformity behaviour is often looked up as a tool to be socially accepted and attain status in society (Cialdini and Goldstein, 2004) non-conformity is associated to a social cost that bears a risk from the consequences to deviate from the norm (Schachter, 1951).

Moreover, the potential cost from the non-conformity behaviour has been shown to work as a signal to observers since the non-conforming individual "is in a powerful position that allows her to risk the social costs of nonconformity without fear of losing her place in the social hierarchy." (Bellezza, Gino and Keinan, 2014). Thus, individuals who follow a non-conformity behaviour are seen to be a powerful individual who signal status since they break the social norm and follow their own rules, as long as the signal is perceived as costly and observable by the receiver (Bellezza, Gino and Keinan, 2014).

Applying the same reasoning to brands, if they follow a non-conformity behaviour by engaging in controversy they will incur in high risks since its brand image could be damaged. Which in turn it takes a considerable amount of time to revamp, and thus future sales revenue could be in jeopardy. As a direct consequence, brands that deviate from the norm are seen as risk takers which in turn signal power and status to individuals.

Given the information gathered on power and controversy, this work hypothesizes that engaging in controversy (a costly behaviour) signals power. Brands signal that they have the resources to bear the potential cost (of backlash, or losing some customers) which in turn makes them powerful, when they engage in a controversial matter.

H 1A: Controversial brands (vs non-controversial brands) are perceived as more powerful.

H1B: Controversial brands (vs non-controversial brands) are perceived to have more status.

2.2 Consumer Value moulded by Power

Status-related goods are strongly preferred and displayed by powerlessness individuals because status is a way to signal a given place in the social hierarchy (Rucker, Galinsky and Dubois, 2012). Moreover, the signalling inference from the deviation from the norm is particularly appealing to those who lack power since high power individuals already have power so they should have no reason to react to it (Galinsky, Magee, Gruenfeld and Whitson, 2008).

The reasoning above assumes that powerlessness is not a desired social state thus consumers wish to change it for a relatively better one. One way low power individuals try to attain it is by purchasing status objects in sight to achieve standing to third people's eyes (Rucker, Galinsky and Dubois, 2012). In contrast, individuals with a high state of power should be less attracted in status related objects.

2.2.1 Powerlessness linked to display of Status

“If low-power individuals foster a desire for status-related objects to signal individuals place in the social hierarchy to others, then individuals should be more interested in having status objects that will be seen by others.” (Rucker, Galinsky and Dubois, 2012). This previous research demonstrate that powerless individuals (vs. powerful) demonstrate a higher and stronger preference for a larger visible logo on an expensive clothing item. In this work case, the high-end piece would be a status signalling piece. Moreover, this previous research show that publicly exposed (vs. privately consumed) status related objects are preferred by low power individuals. In addition, the research also indicates that low power has double effect among individuals: in addition to foster a desire for status objects, it also “encourages conspicuous displays to facilitate the recognition of status by others” given that “status objects

provide a means of psychologically restoring ones standing in the social hierarchy” (Rucker, Galinsky and Dubois, 2012).

2.2.2 Implicit Self-Theories: Entity vs Incremental

The proneness to judge others by their brand consumption choices depends on one’s personality (Park and John, 2017) and perception regarding human attributes (Dweck, Chiu and Hong, 1995). Generally, there are two types of personalities (implicit self-theories): Incremental theorists who consider personality qualities to change over time – even the most “basic characteristics of a person are malleable and open for change” (Preißinger and Schoen, 2018; Levy, Stroessner and Dweck, 1998) hence they do not feel the need to constantly prove their greater qualities. And entity theorists who argue personality consists of “fixed dispositions” (Preißinger and Schoen, 2018) and cannot be changed over time, hence they feel the need to prove persistently its distinctive qualities (Park and John, 2017).

Implicit entity theorists tend to make judgements on people based on what brands they use and believe society uses those brands to signal who they represent to others – signalling inference (Park and John, 2017). On the other hand, incremental theorists are more prone to draw situational inferences than to associate each individual status to a brand - situational inference (Park and John, 2017). Entity theorists believe human attributes are fixed and so this “trait-like entity” understands “outcomes and actions in terms of these fixed traits” (e.g. I have passed the exam because I am smart; or She stole the t-shirt because she is dishonest) (Dweck, Chiu and Hong, 1995). Differently, incremental theorists tend to believe attributes are more malleable and developable, focusing then more in understanding “outcomes and actions in terms of more specific behaviour or psychological mediators” rather than focusing on expansive traits (e.g. I have passed the exam because of my effort; or She stole the t-shirt because she was desperate) (Dweck, Chiu and Hong, 1995).

2.3 Brand Logo

Logos not only facilitate brand recognition but also differentiate brands from competitors. Furthermore, it is the “primary visual representation of a brand’s image and meaning” hence it can shape the reputation of a brand (Park, Eisingerich, Pol and Park, 2013). However, an easy identifiable logo is not sufficient to make a consumer invest in a relationship with a brand (Park, Eisingerich, Pol and Park, 2013). For that reason, this work regarding logo size attempts to analyse what makes consumers prefer a larger logo regarding perceptions they may hold from the brand. This, in turn, should be appealing to brands since if they understand what type of logo size a certain consumer prefers, they can better target its communication to boost future sales.

All in all, it is widely accepted that brands are used to showcase social status, however, it depends on the signal receiver (entity or incremental theorist) to associate the brands personality (e.g. status) to its user. Furthermore, the potential payoff of understanding a consumer or a potential costumer personality (implicit theorists) is to not only better match how brands can engage with such individuals but also how they can predict future behaviours by analysing personality traits.

Therefore, this work hypothesizes that the effect of controversy for preference of wearing a larger logo (vs. smaller logo) depends upon the level of power of the individual and whether they are incremental or entity theorists.

H1C: Powerless individuals (vs. powerful) will be keener to display a larger logo from a controversial brand (vs. non-controversial) more when they are entity theorists as compared to when they are incremental theorists.

There are other potential mechanisms driving reactions to brands that engage in controversy, so in addition to a mechanism driven by power, I am exploring a mechanism driven by shared identity. I develop these alternative predictions in the following section.

2.4 Controversial brands foster shared identity

“The tendency to engage in nonconforming consumption has been associated with a desire to distance the self from dissimilar, disliked, or unattractive others or from out-group members” (Bellezza, Gino and Keinan, 2014). Thus, consumers by engaging with controversial brands are expected to form an in-group union from people with the same attitude. Previous research also justifies that the motivation to “express desired identities” drives consumer’s ambition to behave and to make choices consistent with the in-group’s due to “a need to increase affiliation”. Individuals need to put an explanation tag on their everyday life observations and experiences and to see it “reflecting a correct social reality.” (Levy, Chiu and Hong, 2006). Moreover, if “common-sense explanations people give for particular social behaviours” (Furnham, 1988) are shared and exchanged by in-group’s community members, it may “foster and maintain social relationships, express one’s identification with the group and satisfy the need for belongingness” (Levy, Chiu and Hong, 2006). The latter, need to belong, is one of the most “influential human drives” to attain social connection proved by acceptance from group members (Baumeister, 2012).

Henceforth, I theorise that when a brand takes a stand on a certain issue (defined as controversial) people who feel represented by the brand will perceive cohesion on one side of the issue. Moreover, I hypothesize that people with higher (vs. lower) need to belong would be willing to display larger logo of controversial brands, because these brands instill a sense of shared identity (which is appealing to people with high need to belong).

***H2A:** People with higher (vs. lower) need to belong would be willing to display larger logos of controversial (vs. non-controversial) brands because these brands instill a sense of shared identity.*

***H2B:** Controversial brand (vs. not controversial) are perceived as riskier, which in turn, signal power.*

3. Methodology

To test this work's previous described hypotheses, an online questionnaire was conducted using the platform Qualtrics to gather data for the quantitative experimental study.

First, participants were randomly asked to recall and write a situation in which they had/lacked power over someone (Annex 1, question 2). This procedure consisted in a personal power manipulation scenario via Qualtrics randomizer tool so that both scenarios would be presented evenly. The reasoning is that power not only resides in one's day to day activities (e.g. employer vs employee) but it is also entrenched within one's mind which can be "cognitively activated" (Rucker, Galinsky and Dubois, 2012). Additionally, "power is a relational variable, in that individual's power can be understood only in relation to another person or a group" (Anderson and Galinsky, 2006). Furthermore, an episodic recall task was chosen to test the hypotheses since according to previous research "it manipulates the psychological state without affecting other factors that may vary in naturally occurring hierarchies" (e.g. asking a rich vs poor person their perception of power). As a consequence, an individual could had different states of power (e.g. high or low) in a situation where there were not any structural dissimilarities in the episodic recall task moment.

Second, participants were also evenly and randomly assigned to the exact same movement description, however, with different movement discussion phrasing (Annex 1, question 3). Both scenarios described the same movement #uniteddiversity – concerning same sex parenting - which was inspired by a real Benetton's advertising campaign showing the faces of two woman hugging a kid on a Benetton blanket.

To test for H1C hypothesis that powerless individuals (vs. powerful) will be keener to display a larger logo from a controversial brand (vs. non-controversial) more when they are entity (vs. incremental) theorists, the survey used the fixed view on personality as well as incremental items table from the researchers Preißinger and Schoen (2018). This table was an

improved version of entity vs incremental theory table from Levy, Stroessner and Dweck (1998). Preißinger and Schoen (2018) entity vs incremental theory scale allows the individual to choose a “don’t know” option when asked about these topics since “for someone who has not thought about the malleability of personality before” has an escape answer by either not answering or choosing “partly agree/partly disagree” preventing participants to misleadingly fall into either implicit theorist. Moreover, the “Need to Belong Scale” from Leary (2013) was also used to test the need to belong individual trait variable.

3.1 Procedure

The “snowball sampling method” was used in this study that followed a random suitability sample of 119 participants to an online questionnaire (Kalton and Anderson, 1986).

Participants were firstly randomly assigned to a personal power manipulation scenario (Annex 1 for full survey). Specifically, participants read that everyone has felt powerful (vs. powerless) at least once in their lifetime. Next, participants were asked to recall an incident in which they had power over (vs. someone had power over them) and to describe such situation (e.g. what happened and how the participant felt). Next, two movement descriptions - my controversy manipulation - were randomly assigned to participants as well as, afterwards, Benetton’s stand on the same movement:

Non-controversial scenario: #uniteddiversity description

United Diversity is a movement concerning same-sex parenting. On social media #uniteddiversity is used to show pictures from same-sex parents and their children. A number of people supported this movement and almost no one had a negative response to it. Thus, United Diversity movement achieved a consensual positive reaction.

Controversial scenario: #uniteddiversity description

United Diversity is a movement concerning same-sex parenting. On social media #uniteddiversity is used to show pictures from same-sex parents and their children. This movement sparked heated discussion since a number of people did not support it and had a negative response to it. Thus, United Diversity movement did not achieve a consensual positive reaction.

Benetton's #uniteddiversity movement

In 2020, clothing brand United Colours of Benetton launched an advertising campaign in support of the United Diversity movement. The campaign image showed two same-sex parents and their kid wearing a Benetton t-shirt.

Subsequently, a controversy manipulation check was implemented on a scale (1-strongly disagree to 5-strongly agree) to assess if the brand was taking a *stand on an issue that sparks discussion among people*.

Next, brand perceptions of *power, risk and status* were tested. To access the alternative theory H2A that people with higher (vs. lower) need to belong would be willing to display larger logos of controversial (vs. non-controversial) brands because these brands instill a sense of shared identity, measures that capture whether Benetton fosters a shared sense of identity were used. Moreover, the statement “I agree with the message that the campaign conveys” was included to control for reactions driven by agreement (vs. disagreement) with the brand stand.

Following, the display of Benetton's logo and wordmark were exhibited to help to draw potential supplemented conclusions for hypothesis H1C that powerless individuals (vs. powerful) will be keener to display a larger logo from a controversial brand (vs. non-controversial) more when they are entity (vs. incremental) theorists. In order to measure the dependent behavioural variable, *logo*, Benetton's logo was displayed in three different ways: small and small; big and big; small and big (vice-versa) on the same clothing item but with a different colour scheme (Annex 1, question 9). Participants had to make four target choices – in which a small and big logo only were placed - scattered among another four filler options presented at random. Hence, participants had to choose their preferred option in each product pair.

For this portion of the survey, filler items were used (e.g. same clothing piece with same logo sizing but in different colours) so that respondent's answers were not biased with

the actual purpose of the study. Therefore, the introduction of these filler items was to mask the true purpose of the question. Moreover, this filter items were not included in the metric *large logo* used to perform the survey data analysis. All Benetton images with a larger logo were coded as 1 and Benetton's small logo was coded as 0.

Finally, individual difference items were tested in two different questions. First, to test for participant's personality malleability, Preißinger and Schoen (2018) entity vs incremental theory scale was used. Finally, measures that capture whether Benetton affected individual's sense of belonging were used (based on the "Need to Belong Scale;" Leary, 2013).

4. Analysis

Out of all survey participants, 83 did not complete the whole survey, hence, were excluded from the sample. Other missing cases were excluded pairwise. The resulting sample included 119 participants, 77 were female and 42 were men whose ages varied between 18 and 64 years old (Annex 2 for a closer demographics insight). I also deleted 21 participants because whose personal power episodic recall answers did not fit in the original study's power relationship type (Galinsky, Magee and Gruenfeld, 2003). The final sample consisted of 98 participants (whose episodic recall power type relationship can be summarised in annex 3) in which 54 participants were in the controversial scenario and 44 were in the non-controversial scenario. Even though this work did use a Qualtrics randomizer tool, the difference of participants in each scenario was due to the different code checks performed to get to the final work sample. Moreover, a Chi-Square independence test was used to check for a potential association between the two categorical variables: participants who were included in the work (coded as 1) and participants who were excluded (coded as 0) with the scenario type (controversial vs. non-controversial). An association seems to be found between the scenario type (controversial vs non-controversial) and excluded participants behaviour ($X^2(1) \geq 3.320$, $p = 0.07$). Additionally, 36% of the excluded participants were allocated to the controversy

scenario whereas 64% were allocated in the non-controversial scenario. Furthermore, 52% of the excluded participants were in the “had power over” episodic recall situation whereas 48% were in the “lacked power over” situation. As expected, since the group of excluded participants did not pass the power manipulation code, it’s difference of means regarding if brand’s movement sparked discussion among people was not significant ($t(14) = 0.12, p = 0.90$).

4.1 Reliability of measures

This work used five multiple-item reflective scales variables, thus, their internal consistency was evaluated using SPSS Cronbach’s alpha: *brand’s power* scored an alpha of 0.619 (5-items); *brand’s status* had an alpha value of 0.623 (5-items); *brand’s risk* 0.615 (4-items); the variable *brand shared identity* scored 0.835 (3-items); the variable *need to belong* scored 0.698 (6-items). To conclude, all variables were reliable according to Cronbach’s alpha.

4.2 Controversy manipulation check

Contrary to what was predicted in the manipulation check, participants grouped in the controversy scenario ($M = 4.31; SD = 0.94$) perceived the movement to spark less discussion among people than the non-controversial scenario inquires ($M = 4.34; SD = 0.7$). However, an independent sample t-test established that the differences in means was not significant ($t(94) = -0.192, p = 0.848$). Therefore, the manipulation of controversy was not successful. This automatically means that none hypotheses can be either accepted or rejected. I am also not able to find much significance, if applied, in the gathered data. Nevertheless, the hypothesised differences between conditions were tested for the purpose of exploratory analysis.

4.2.1 Power Manipulation analysis

I conducted an analysis of variance (ANOVA) between participants with power manipulation and scenario type (controversial vs non-controversial) as fixed factors and

“Benetton took a stand on an issue that sparks discussion among people” as the dependent variable. Results show that only the behaviour of the variable power manipulation is marginally significant to explain the behaviour of the variable “Benetton took a stand on an issue that sparks discussion among people” ($F(1, 94) = 3.40, p = 0.07$). While the variable scenario manipulation does not explain the behaviour of the dependent variable ($F(1, 94) = 0.08, p = 0.8$) nor does the interaction between both independent variables ($F(1, 94) = 0.32, p = 0.6$). Participants grouped in the high-power manipulation perceived the movement to spark more discussion among people ($M = 4.50; SD = 0.63$) than participants grouped in the low-power manipulation ($M = 4.19; SD = 0.95$). The differences in means is marginally significant ($t(94) = 1.85, p = 0.07$).

To check for the relationship of the dependent variable “agree with the message the campaign conveys” between the independent variables: power manipulation (powerless vs powerful) and scenario type (controversy vs non-controversy) an ANOVA was used. The interaction between the qualitative power manipulation variable and the quantitative variable is not significant ($F(1, 94) = 1.60, p = 0.21$). So, it is expected that each power manipulation does not affect the dependent variable meaning that its mean behaviour does not depend on power manipulation. The same reasoning is applied to the controversy scenario variable which is also not significant ($F(1, 94) = 1.98, p = 0.17$). So, it is also expected that each scenario does not affect the mean behaviour of the dependent variable which hence does not depend on the controversy scenario. The interaction between both independent variables together is also not significant ($F(1, 94) = 0.05, p = 0.83$).

Furthermore, it is important to highlight that 84% of total enquirers agreed or strongly agreed with the message the campaign conveyed. Which, in return, may have overshadowed other potential effects.

4.3 Hypothesis testing

H1A: To test if controversial brands (vs non-controversial brands) are perceived as more powerful, an independent sample t-test to compare the mean perception of power between the controversial condition (coded as 1) and the non-controversial condition (coded as 0) was implemented. However, the controversial condition did not perceive the brand as significantly more powerful ($M = 3.36$, $SD = 0.59$) than participants in the non-controversial condition ($M = 3.26$, $SD = 0.57$; $t(94) = 0.81$, $p = 0.42$). This finding provides evidence that H1A cannot hold.

Exploratory analysis

In addition to testing my main hypothesis, I conducted exploratory analysis. First of all, I analysed the difference between scenarios (controversial and non-controversial) in perceptions of brand power while controlling for power manipulation (powerful and powerless) by using an ANOVA. Results show that power manipulation, controversy scenarios and both variables interaction were not significant to explain the behaviour of brand power perception ($F(1,94) = 0.56$, $p = 0.45$; $F(1, 94) = 0.48$, $p = 0.49$; $F(1, 94) = 0.02$; $p = 0.90$) respectively.

H1B: In this hypothesis I posited that controversial brands (vs non-controversial brands) are perceived to have more status. As it was expected, participants in the controversial condition perceived the brand to have more status ($M = 3.77$, $SD = 0.66$) than participants in the non-controversial condition ($M = 3.55$, $SD = 0.51$; $t(94) = 1.79$, $p = 0.08$). A marginally significant difference was observed even though the manipulation check indicated a non-successful manipulation. Hence, hypothesis H1B does not hold.

Exploratory analysis

Additionally, the difference between scenarios (controversial and non-controversial) in perceptions of brand status depending on power manipulation (powerful and powerless) was analysed for further discussion. Results through an ANOVA show that the mean brand status perception does not depend on power manipulation ($F(1, 94) = 0.41$, $p = 0.53$) however the

effect of this quantitative variable does depend on the controversy manipulation ($F(1, 94) = 2.97, p = 0.08$). The interaction between power and controversy was not significant ($F(1, 94) = 0.06, p = 0.81$).

H1C: Regarding the third hypothesis, I proposed that powerless individuals (vs. powerful) would be keener to display a larger logo from a controversial brand (vs. non-controversial) when they are entity theorists (vs. incremental). The median for the entity variable was 2.5. Hence, for this portion of work, participants who scored less than 2.5 on the entity scale were grouped as incremental theorists, whereas participants who scored more than 2.5 were grouped as entity theorists.

For the incremental theorist group, ANOVA results show that the mean will to display a larger logo does not depend on power manipulation, controversy scenario nor their interaction ($F(1, 48) = 0.56, p = 0.46$; $F(1, 48) = 0.02, p = 0.88$; $F(1, 48) = 0.04, p = 0.85$) respectively.

For the entity theorist group, ANOVA results show the mean will to display a larger logo also does not depend on power manipulation, controversy scenario nor their interaction ($F(1, 44) = 0.27, p = 0.61$; $F(1, 44) = 1.11, p = 0.30$; $F(1, 44) = 0.75, p = 0.40$) respectively. Hence, gathered data does not support H1C hypothesis.

The visual pattern in figure 1 indicates that low power/entity theorist participants willingness to display a larger logo is higher in the controversy condition. Furthermore, incremental theorist participants have the same will to display a larger logo in both controversy scenarios. Whereas high power entity and incremental theorists participants have a higher will to display a larger logo in the controversy scenario (vs. non-controversy). Nonetheless, this pattern of results does not have statistical significance.

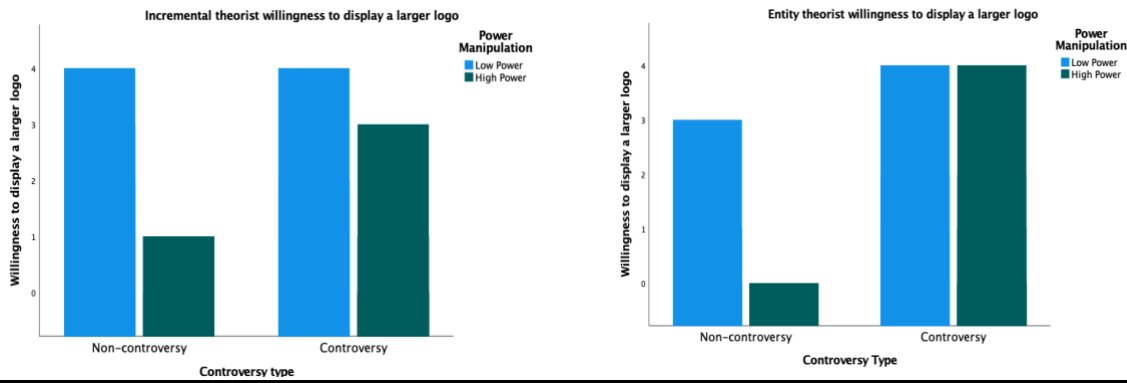


Figure 1. Participants in the high and low power condition: Entity and Incremental theorists will to display a large logo from each controversy scenario.

Exploratory Analysis

The willingness to display a larger logo, regardless of each entity or incremental theorists, cannot be explained by the level of individual’s power in the moment, by each scenario or even by both interactions ($F(1, 94) = 0.79, p = 0.38$; $F(1, 94) = 0.53, p = 0.47$; $F(1, 94) = 0.65, p = 0.42$).

Furthermore, to test Dweck et al’s (1995) claim that “malleability beliefs are independent of these characteristics”, Pearson correlation coefficient test was used and results show that the entity variable is not correlated to neither variable: *age*, *gender* and *education*.

H2A: In the fourth hypothesis, I posited that people with higher (vs. lower) need to belong would be willing to display larger logo of controversial brands (vs. non-controversial) because these brands instill a sense of shared identity. Participants in the controversial condition had higher shared identity ($M = 3.79, SD = 0.94$) than participants in the non-controversial condition ($M = 3.65, SD = 0.84$; $t(94) = 0.79, p = 0.43$) although this difference was insignificant. Results through an ANOVA show that the variable need to belong is not significant to explain the will to display a large logo ($F(1, 94) = 0.74, p = 0.73$). Gathered data indicates that H2A does not hold.

Exploratory Analysis

ANOVA results show that variables power manipulation and controversy scenario are not significant to explain the behaviour of the variable shared identity ($F(1, 94) = 0.96, p = 0.33$; $F(1,94) = 0.49, p = 0.49$).

H2B: Lastly, I posited that controversial brand (vs. non-controversial) are perceived as riskier which in turn signal power. Even though the hypothesis that controversial brands (vs. non-controversial) are perceived more powerful was rejected, it was tested if regardless of this situation the last hypotheses would hold.

The mean perception of risk between the controversial condition (coded as 1) and the non-controversial condition (coded as 0) was performed. A marginally significant difference in brand risk perception between both controversy scenarios was observed even though the manipulation check indicated a non-successful manipulation. Results show that participants in the controversial condition perceived the brand riskier ($M = 3.32, SD = 0.57$) than participants in the non-controversial condition ($M = 2.93, SD = 0.68$; $t(94) = 3.05, p = 0.003$).

Exploratory Analysis

To check if there was a difference in brand risk perception between scenarios for power manipulation, an ANOVA test was run. While power manipulation is not significant to explain brand perception risk ($F(1, 94) = 0.06, p = 0.80$) controversy seems to be significant ($F(1, 94) = 8.60, p = 0.004$) but I cannot attribute the significance effect to controversy because there were no differences between each scenario (controversial vs. non-controversial).

Nonetheless, figure 2 shows the data pattern results of the risk variable.

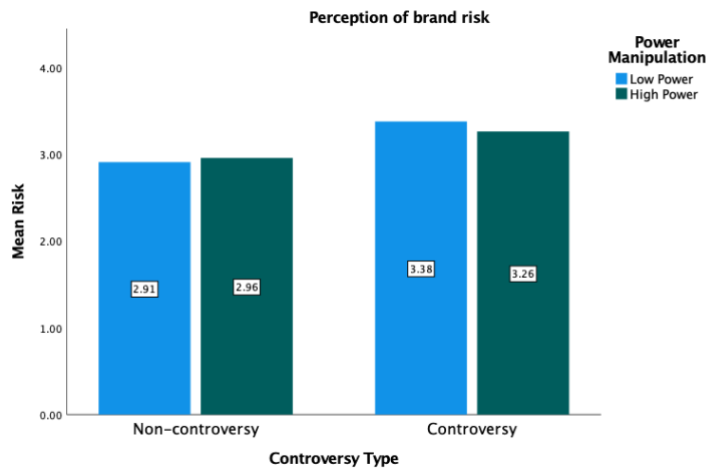


Figure 2. Participants in the high and low power condition: brand perception of risk from each controversy scenario.

The interaction term between the scenario and power manipulation was not significant $F(1, 94) = 0.39, p = 0.54$) meaning that the behaviour of brand risk perception seems to be the same between controversy scenarios irrespective of the power manipulation.

Furthermore, a Pearson correlation test was used to check for correlation between power and risk ($r = 0.12$) which lead to a non-statistically significance correlation. Hence, this work's gathered data does not support the correlation that a controversial brand which is perceived to have power signals risk. All in all, H2B does not hold.

In addition, a Pearson correlation test was used to check for correlation between risk and status ($r = 0.31$) which lead to a significance correlation at the 0.01 level.

5. Discussion

The study work was unsuccessful to manipulate controversy. Therefore, this study cannot compare controversial (vs. non-controversial) brands, hence, none of the observed effects can be attributed to controversy. One plausible explanation for a null-effect of the manipulation on perceptions of controversy is that same-sex parenting does not fit in the definition of controversy described early on this manuscript. The majority of the sample participants agreed on the topic: same-sex parenting, hence, they may have only paid attention to the movement and not to the discussion itself. The majority of sample participants (both in

the controversy and non-controversy scenario) agreed that Benetton's stand on #unitedidveristy movement seemed to spark discussion among people, despite agreeing with what Benetton's campaign conveyed.

High-power individuals perceived Benetton's movement to spark more discussion among people than did low-power individuals. One possible explanation could be that participants in the powerless condition (vs. powerful condition) answers to the episodic-recall task were much more concentrated on "manager-subordinate" type of power relationships (Annex 3). Which could mean that "manager-subordinate" type of power-relationship, out of all coded types, sparked greater inner self discussion from power episodic recall task. So, when low-power participants compared that previous power self-discussion with Benetton's movement they may have downgraded the latter because their inner self discussion sparked more discussion than Benetton's movement.

Brand power perception did not depend on the level of individual's power, scenario type nor both interaction. One potential explanation could be that since participants did not perceive Benetton to deviate from the norm – performing confirming (vs. non-conforming) behaviour - they may have not associated brand power perception to it.

Another interesting finding found from the study was that brand perception of risk did not depend on the level of power of an individual meaning that the claim "power should have a negative relationship with risky behaviour" (Kahneman and Tversky, 1979) cannot be confirmed in this study. In one hand, the lack of power could initiate a riskier behaviour to "get out of their disadvantaged position" but on the other hand powerful individuals would want to pursue a risky behaviour in order to gain greater gains (Anderson and Galinsky, 2006). Moreover, it was found that brand perception of risk depended on the scenario type alone - participants allocated to the controversy scenario (vs. non-controversial) perceived Benetton to have higher risk. This could mean that for this type of brand risk perception, despite

controversy manipulation has not worked, the phrasing of each scenario type (controversial vs. non-controversial):

“ (...) *This movement sparked heated discussion since a number of people did not support it and had a negative response to it. Thus, United Diversity movement did not achieve a consensual positive reaction.*” and “ (...) *A number of people supported this movement and almost no one had a negative response to it. Thus, United Diversity movement achieved a consensual positive reaction.*” led participants to infer higher brand risk in the controversial scenario.

The perception of brand status findings followed the same as brand's risk perception. One of the explained reasons is that there was a marginally significance correlation between both variables. Meaning that risky (vs. non-risky) brands that engage in a topic that sparks a lot of discussion should be also perceived to have higher status.

This work was unsuccessful to prove that the willingness to display a larger logo could be explained by the level of individual's power in the moment, by each scenario or even by both interactions. The question asking for logo preferences (Question 8 in annex 1) can have introduced consistency effects or washed away the effect of the manipulations by the time participants reached the main dependent. All in all, I committed a study design flaw by introducing two similar behaviour questions.

It is important to highlight that 57% people would wear Benetton's logo and wordmark. Given the choice between a logo or the wordmark, 78% would choose Benetton's logo. It may happen that this finding arises either because 84% of sample participants agreed to what the campaign conveyed or individuals acknowledged Benetton's campaign movement caused discussion among people or even both.

In addition, this work could not prove that powerless entity theorists (vs. incremental theorists) would have higher willingness to display a larger logo from a controversial (vs. non-

controversial) brand as it was expected. One plausible reason could be that sample individuals could not be grouped in either theory because majority could not define themselves to belong in one group (Annex 4). The visual pattern for low-power (vs. high power) individuals indicates that this group always prefer to display a larger logo regardless of theory type except in the entity controversial scenario in which both low and high power individuals wish to display the same larger logo even though there is no significant interaction. This finding could partially support the claim that powerless individuals through compensatory consumption have certain preferences for a product (Rozenkrants, Wheeler and Shiv, 2017) to “respond to psychological need or deficit” (Rucker and Galinsky, 2013). Moreover, it can also support, at some extent, signalling theory that compensatory consumption for a larger logo – seen and recognized by others – is one of the reasons why powerless individuals may chose controversial brands.

For the other study hypothesis, people with higher (vs. lower) need to belong would be willing to display larger logo of controversial brands (vs. non-controversial) because these brands instill a sense of shared identity, no confirmation was found to sustain the theory. Mainly because no distinctive brand controversy could be made. The absence of significance in data might be due the flaw in the design of the survey regarding the need to belong variable since questions were made for general feelings instead of current ones.

5.2. Limitations

The main limitation is the fact that scenario manipulated was not successful, meaning that it was not possible to draw conclusions from controversial versus non-controversial brands.

Secondly, the percentage of excluded participants, due to lack of personal power manipulation accuracy, was marginally higher in the non-controversial scenario. Which, in turns, introduces a potential confound.

Lastly, no experimenter's demand effects (Zizzo, 2010) were registered since no participant accurately guessed the purpose of the study.

6. Future Research

A different scenario manipulation topic other than *same-sex parenting* should be used as a fixed factor in order to draw conclusions from a controversial brand perceptions. If necessary, a pre-test to check if a specific controversial thought topic is indeed controversial, should be implemented. Moreover, brand products can be controversial if they are "associated with consumer problems and their social norms direct them not to be debated in public" (Singh and Chahal, 2019). Having this reasoning in mind, I encourage future research to explore a stand in the topic of euthanasia since it is not openly publicly debated. I assume that is because it holds opposing beholder's strong opinions. Nonetheless, a pre-test to exclude the inconclusive opinions from individuals regarding the social matter should be applied. This, in turn, should cause a brand to be controversial if it stands for it.

A possible direction for future research is to consider *personal uncertainty* as a mediator factor for the will to display a large logo from a controversial brand. Previous research (Park, Eisingerich, Pol and Park, 2013) suggests that brands can "reduce uncertainty in individual's lives" by providing individuals with control and efficacy so that they can attain a desirable outcome. It also suggests that this, in turn, creates in individuals an effectively sense of capability to tackle tasks. Based on this prior research, I hypothesize that logos, "as visual representations of brands" (Park, Eisingerich, Pol and Park, 2013) may remind, hence communicate, to consumers the brand's functional benefits. I encourage future research to test that consumers will be allured to controversial brands in hopes to restore certainty in their lives by purchasing a large logo brand item. Furthermore, I hypothesise that such logo should portray a specific brand benefit to encourage shoppers to buy a (bigger) logo in order to provide a (better) solution to ultimately shorten *personal uncertainty*. The potential payoff of this study

should be interesting for companies since consumers are likely to stick with brands that address their needs (Schneider, Goldstein, and Smith, 1995). Hence, the size of a logo could potentially strengthen a consumer-brand relationship. Moreover, past research argues that logos in the shape of a symbol (vs. name logos) are more effective in communicating brand's functional benefits (Park, Eisingerich, Pol and Park, 2013). It should be interesting to check if the above theory holds in further research.

Another possible extension for this research is to scrutinise *actual* versus *ideal self* as a moderator factor since people's choices form in a continuous basis the self which is not "ready-made" (Gao, Wheeler and Shiv, 2009). Functional theory relies on the assumption that people communicate something about themselves through the use of specific product preferences (Shavitt and Nelson, 1999). Polarized (vs. non polarized) products – from controversial brands - are more self-expressive (Rozenkrants, Wheeler and Shiv, 2017) so it is posited that it is more effective in expressing one's *ideal self* in a brand logo. A brand logo carries the brand's core values (Park, Eisingerich, Pol and Park, 2013) and if those aligns with *ideal self's* then companies can communicate it to targeted consumers (e.g. through specific marketing campaigns).

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8. Annexes

Annex 1: Online survey

Q1. Disclaimer

Q2. Personal Power Manipulation (randomly assigned)

"Everyone has felt powerful at least once in their life.

Please recall a particular incident in which you had power over another individual or individuals. By power, we mean a situation in which you controlled the ability of another person or persons to get something they wanted, or were in a position to evaluate those individuals.

Any situation in which you had power over someone else would do, in any type of relationship (work, family, friends, etc)

Please describe this situation in which you had power—what happened, how you felt, etc."

OR

"Everyone has felt powerless at least once in their life.

Please recall a particular incident in which someone else had power over you. By power, we mean a situation in which someone had control over your ability to get something you wanted, or was in a position to evaluate you.

Any situation in which someone had power over someone else would do, in any type of relationship (work, family, friends, etc)

Please describe this situation in which you did not have power—what happened, how you felt, etc."

Q3. Movement scenario description (randomly assigned: non-controversial or controversial)

United Diversity is a movement concerning same-sex parenting. On social media #uniteddiversity is used to show pictures from same-sex parents and their children. A number of people supported this movement and almost no one had a negative response to it. Thus, United Diversity movement achieved a consensual positive reaction.

OR

United Diversity is a movement concerning same-sex parenting. On social media #uniteddiversity is used to show pictures from same-sex parents and their children. This movement sparked heated discussion since a number of people did not support it and had a negative response to it. Thus, United Diversity movement did not achieve a consensual positive reaction.

Q4. Brand scenario description

In 2020, clothing brand United Colours of Benetton launched an advertising campaign in support of the United Diversity movement. The campaign image showed two same-sex parents and their kid wearing a Benetton t-shirt.

Q5. Scenario manipulation check

To what extent do you agree with the following statements? (1-strongly disagree; 2-disagree; 3- partly agree/partly disagree; 4- agree; 5-strongly agree)

- 1) Benetton is taking a stand on an issue that sparks discussion among people.

Q6. Assess brand perceptions

To what extent do you agree with the following statements regarding Benetton? (1- strongly disagree; 2- disagree; 3- partly agree/partly disagree; 4- agree; 5-strongly agree)

- 1) Benetton can get people to do what it wants.
- 2) Benetton is a competent brand.
- 3) Benetton's ad campaign might cost its reputation.
- 4) By supporting same-sex parenting, Benetton is taking a risk.
- 5) If Benetton wants to, it gets to make the decisions.
- 6) Benetton is an independent brand.
- 7) Benetton is not afraid of taking risks.
- 8) Benetton can get people to listen to what it says.
- 9) Benetton is not afraid to be socially disapproved.
- 10) Benetton's ad is unique.
- 11) Benetton's ad is unusual.
- 12) When I think about Benetton it makes me feel empowered.
- 13) Benetton has more to lose than to gain by standing in favour of same-sex parenting.
- 14) Benetton has a great deal of power.

Q7. Brand shared sense of identity

To what extent do you agree with the following statements regarding Benetton? (1- strongly disagree; 2- disagree; 3- partly agree/partly disagree; 4- agree; 5-strongly agree)

- 1) I agree with the message that the campaign conveys.
- 2) Benetton promotes a shared sense of identity.
- 3) Benetton gives me a shared sense of purpose.
- 4) Benetton brings likeminded people together.

Q8. Benetton's logo preferences

This is Benetton's logo and wordmark:



Please select one option according to your preferences:

A. I would wear Benetton's logo and wordmark:



B. I would wear Benetton's wordmark:



C. I would not wear Benetton's logo nor wordmark.

D. I would wear Benetton's piece of clothing but without the logo and wordmark.

Q9. Please select the option you find the best:



A.



B.





C.



D.



E.



F.



G.



H.



Q10. Individual Difference Items – Entity Scale

To what extent do you agree with the following statements regarding yourself? (1-strongly disagree; 2- disagree; 3- partly agree/partly disagree; 4- agree; 5-strongly agree)

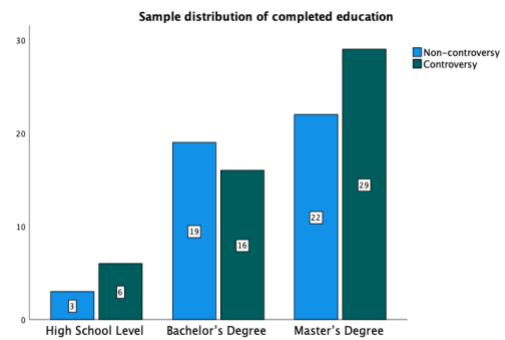
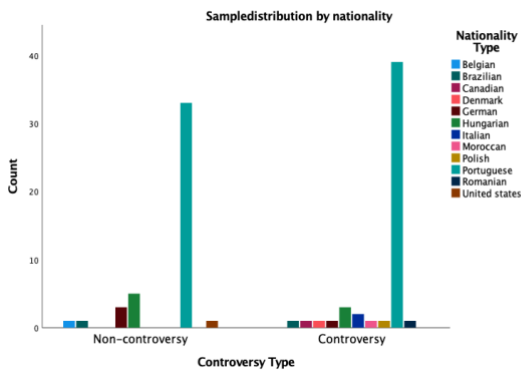
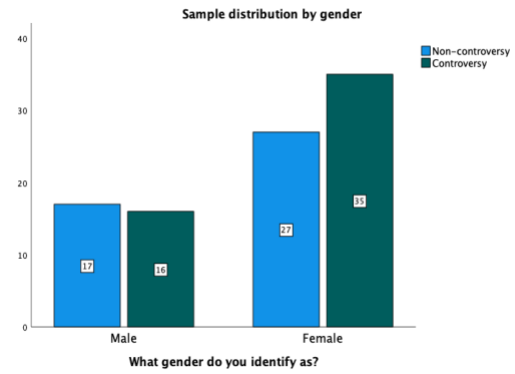
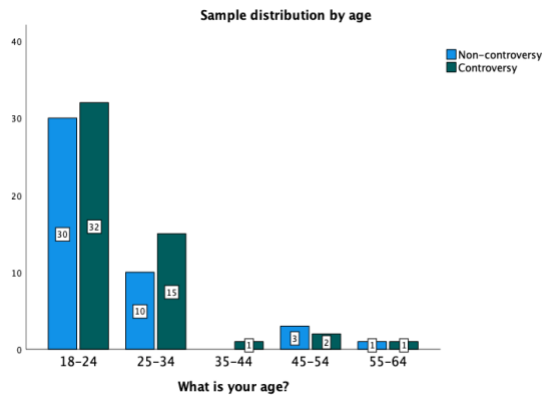
- 1) Our personality is a part of us that we cannot change.
- 2) If people want to, they can change even their most basic characteristics.
- 3) People can change their circumstances of life but not their personality.
- 4) People often change their basic characteristics in the course of a lifetime.
- 5) People can change so much that you don't recognize them anymore.
- 6) Everyone is a certain type of person, and there is not much that can be done to really change that.
- 7) People can do things differently, but their character can't really be changed.

Q11. Individual Difference Items – Need to Belong scale

To what extent do you agree with the following statements regarding yourself? (1- strongly disagree; 2- disagree; 3- partly agree/partly disagree; 4- agree; 5-strongly agree)

- 1) If other people don't seem to accept me, I don't let it bother me.
- 2) I do not like being alone.
- 3) Being apart from my friends for long periods of time does not bother me.
- 4) It bothers me a great deal when I am not included in other people's plans.
- 5) I want other people to accept me.

Annex 2: Sample demographics



Annex 3: Power Relationship Types

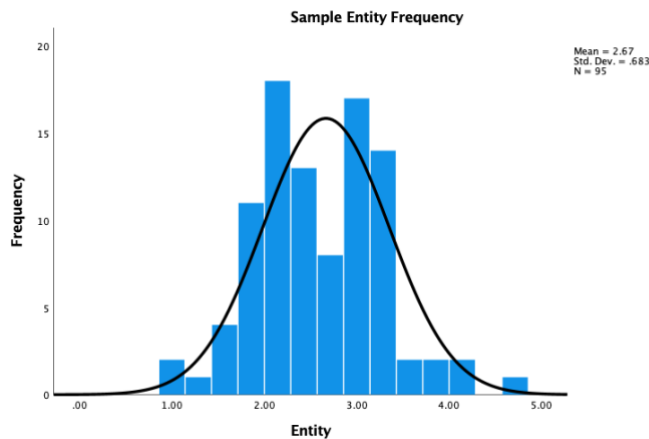
Percent of Power Relationship Types Described by Powerless-Manipulated Participants

Type of power relationship	Count	%
Type of power relationship	44	44.9%
Counselor-camper	2	2.0%
Friends/relatives	2	2.0%
Interview/admissions/try outs	1	1.0%
Manager-subordinate	27	27.6%
Miscellaneous	8	8.2%
Parent-child	3	3.1%
Peers	1	1.0%
Romantic/dating partners	1	1.0%
Teacher-student	9	9.2%

Percent of Power Relationship Types Described by Powerful-Manipulated Participants

Type of power relationship	Count	%
Type of power relationship	54	55.1%
Club Leader-member	2	2.0%
Friends/relatives	9	9.2%
Interview/admission/try outs	1	1.0%
Interview/admissions	1	1.0%
Interview/admissions/try outs	1	1.0%
Manager-subordinate	6	6.1%
Miscellaneous	2	2.0%
Parent-child	4	4.1%
Peers	15	15.3%
Teacher-student	3	3.1%

Annex 4: Entity scale distribution



Group Part:

The Allure of Controversial Brands – Group context

Team members:

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Our research aims to investigate the effects of controversial brands among people with high or low personal power or control. We conducted four individual experimental studies, in which participants were subjected to one of two scenarios where controversy was manipulated. Moreover, two studies manipulated power while the other two measured it. Our analysis assesses how brand controversy can be alluring because of different variables such as brand: power, risk, status, logo size, agency, authenticity, shared identity, and personal: control, personality malleability, empowerment, need for uniqueness, need to belong, purchase intentions. Although the majority of the findings were inconclusive, our research did provide possibility for future work, which is discussed in each individual work project.

1. Introduction

As society becomes politically polarized, brands are taking on the role of activists (R. Bailey and Phillips, 2020) as they increase their involvement in socio-political issues that cause controversy. Our research group set out to understand the effect of brands' involvement in socio-political issues that cause controversy on consumers. Our work theorizes that controversial brands are alluring because of their portrayal of power.

Nando's PERi-PERi is a worldwide chain chicken restaurant that substantiated this idea – (the allure of power) during Trump's presidential elections in 2017. In opposition to the undertones in Trump's campaign, the brand spread the message “*Nando's is an Immigrant Employing, Gay Loving, Muslim Respecting, Racism Opposing, Equal Paying, Multi Cultural **chicken** restaurant where everyone is welcome*”. This campaign message resulted in a 122% increase in sales from January to March 2017, \$14.8 million earned media value and 8% increase of brand awareness. (Nando's PERi-PERi: Everyone Is Welcome - The Shorty Awards, 2017).

Ben & Jerry's is another example of a brand that has shown dedication to fighting for social justice, including marriage equality and LGBT rights (Ben & Jerry's 2015). Politically driven flavor names are created, such as Pecan Resist, which refers to resistance to certain Trump's administration policies (Marchese 2020). Back in 2017, a more serious campaign was launched, as Ben & Jerry's banned scoops with the same flavour until Australia would legalize same-sex marriage. In a statement, the company said, "We are encouraging our fans to contact their members of parliament to tell them that the time has come - make marriage equality legal" (Kocay 2017).

The previous examples are a small fragment that showcase how brands have been taking stands and voicing on social issues, with an increasing pressure from society to do so. Nonetheless, this is also faced with heavy backlash and claims of how companies are using political controversy to generate publicity (Parker, Evans, and Thomas 2020). It has been proven that around 64% of consumers worldwide would boycott or buy brands based on their stands on social issues (Bhagwat, *et al* 2020).

2. Controversy and Controversial Brands

In its simplest definition by Merriam-webster (2021), controversy is a “discussion marked especially by the expression of opposing views.” However, not every opposing view among people can be considered controversial. An opposing view between friends on the rating of a movie would not be considered controversial as it is more an ‘agree to disagree’ scenario. While the opposing views between pro-life and pro-choice activists would not consider ‘agree to disagree’ as a solution. In our work, a controversial brand is defined as a brand that takes a public stand on a controversial issue, either social or political.

Although controversy is not always predictable, organizations can have some intuition of how controversial a campaign will be. Previous literature puts controversy as something that brings backlash and has negative or neutral effects for brands. In 2017, P&G released their

“We See Equal” campaign. This campaign was done to promote gender equality and shows young boys and girls defying gender stereotypes. Although this campaign touched the topic of gender bias, it seems the reaction to it was neutral as gender equality has been in P&G’s values statement claims for a long time (Gilliland, 2021). Another brand that engaged in controversy and got backlash was Uber. Shortly after Donald Trump, former U.S president, announced its banned immigration law in which he forbade citizens predominantly from Muslim countries to enter the country, New York Taxi Workers Alliance called for a strike for lifts to and from NYC’s airport. Immediately after, Uber reduced its prices also to and from the NYC airport not only to show that the company did not want to make a profit out of the taxi strike but also that it supported the strike. This stand against Donald Trump’s immigration law backfired since people perceived the decrease in ride price to be supportive of the President. Furthermore, a great number of people deleted the Uber app and downloaded Lyft, Uber’s direct competitor, in hopes to boycott the former (Hollingsworth, 2017).

In opposition to this, we posit that engaging in controversies can in fact be beneficial for brands, under certain circumstances, i.e. it can be a booster for sales and a mechanism to increase word of mouth.

3. Theoretical backbone

We posit that consumers lacking power or control will want to associate with controversial brands. This happens because consumers perceive that controversial brands are taking a risk by engaging in controversial issues, and therefore signal that they possess alluring qualities. As a group, we will explore if these qualities include autonomy, power, status, and the ability to influence, among others. In turn, we predict that because of these signals, controversial brands will appeal to consumers who lack power or control. We provide further detail on the development of specific hypotheses in each work project. Each individual study tested the main predictions above, as well as concurrent or alternative hypotheses.

Furthermore, theory holds that personal control originates from personal agency (Landau, Kay, and Whitson 2015). Feelings of loss of control or power may lead individuals to seek compensatory behaviours (Consiglio, De Angelis, and Costabile 2018), hence consumers may restore this through brands. In addition, brand leadership associates with influencing and impacting consumers, depending on the level of control they have. Beck, Rahinel, and Bleier (2020) showed that brand leaders may indirectly enhance personal agency due to being perceived as influential – and thus restoring feelings of control, through purchases. It is also argued that risk-taking is inherent to being a leader (Hess 2018) and that

risky decisions can be more propense to occur when they come from a place of power (Maner et al. 2007). Thus, by signalling risk-taking, controversial brands are more likely to be seen as powerful.