

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 POWER OF CONTROVERSY:  
EXAMINING ITS LINKS TO STATUS, PERSONAL POWER AND PURCHASE  
INTENTIONS**

Ana Lúcia Ferreira Simões

Work project carried out under the supervision of:

Irene Consiglio

04-01-2020

## **Abstract**

This study investigates the effect between brand controversy, status signaling and personal sense of power. Particularly, it hypothesizes that powerless individuals have higher purchase intention for controversial brands if the product being sold signals status. An online questionnaire with four scenarios manipulating status signaling products and brand controversy was conducted. The findings of this study provide insights that can help brands decide whether to engage in controversy depending on their product category and on their consumers' sense of power.

**Keywords:** Controversy; Status Signaling; Conspicuous Consumption; Personal Sense of Power.

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209).

## 1. General Introduction

Over the years, we have seen an increasing involvement of brands in sociopolitical issues that often cause controversy. There are several examples of this, as many brands have taken a stand on various topics (some more controversial than others). Most recently Ben & Jerry's (a brand with good history of social activism) took a stand against police brutality and systemic racism in USA (Stewart 2020). Evidently, this phenomenon has many potential implications, particularly in terms of a consumer behavioral perspective. In fact, a brand's involvement in controversial behavior is likely to have an effect on the consumers, and subsequently signal different brand qualities to consumers who observe this behavior, and potentially affect their brand awareness, preferences, choices, and also word of mouth. Of course, a person's perception and understanding of controversy can be influenced and determined by factors that are unique to each individual (Chen and Berger 2013). However, as Chen and Berger (2013) argue, there seems to be a common ground regarding a few defining features of controversy: controversy occurs when polarizing opinions over a topic lead to a discussion, since people with polarized opinions on the opposite side of the issue feel the need to change the other side's opinion. In summary, controversy is both polarized and contentious.

Even though controversy attracts extensive media attention, and brands seem to be increasingly interested in taking a stand, consumer research on controversy is surprisingly scant. Past research focused on the way society interacts with an entity that causes controversy or engages with it. Most of the existing literature related to social responsibilities of business disclose that, over time, "good behavior" will be rewarded in the marketplace, and bad behavior lead to marketplace sanctions (Miller and Sturdivant 1977). To support this, a recent study (Beck et al. 2020) found that 64% of global consumers buy or boycott a brand based on its stand on societal issues. Althuisen and Mukherjee (2018) stated that is unlikely that, given the relevance of acting morally and the relatively low cost of admonishing a brand, consumers

will be rational about consumer-brand disagreement, even though a brand's stand on a controversial issue is generally not diagnostic of product performance or intrinsic product quality.

Firms are increasingly taking activist positions on sociopolitical issues, even though that its' main expected goal is to maximize shareholder wealth (Beck, et al. 2020). According to Lawton, McGuire and Rajwani (2013), the main reason for engaging in political behavior can be a desire to pursue the firm's private interest, to reinforce the firm's strategic goal or to influence public policy that might hurt the means by which a firm achieves its goals. In resume, brands that are concerned with contributions to society as a whole and take sides on sociopolitical issues are trying to please customers and other stakeholders to create or maintain corporate profits (Sen and Morwitz 2001). Therefore, this could explain partially the interest of brands in taking a stand on a controversial topic.

In this work, we posit that different consumers may react differently to brands that engage in controversy. More in particular, our research focuses on an important, individual level factors that might play a role in consumers' reactions to brands that engage in controversy: personal power and control.

Current research has shown that consumer power and control are two central constructs that can drive consumer behaviors and preferences towards brands or products in specific contexts. Moreover, we are currently experiencing an unprecedented level of powerlessness and lack of control with the coronavirus situation, providing an interesting context to investigate this relationship between controversy, power and control. For the purpose of this research project, we hypothesize that consumers who experience this level of powerlessness and lack of control are likely to gravitate towards brands who engage in controversy. Our main reasoning builds on the phenomenon of compensatory consumption: when people feel they lack power or control, they engage in behaviors that restore their lost

sense of power or control either directly or indirectly, including purchasing and engaging with brands that communicate a sense of power. We hypothesize that consumers perceive controversial brands as powerful agents, and therefore powerless consumers, and consumers who experience a loss of personal control, might find them particularly attractive.

This research project includes four studies exploring different nuances of this broader general theorizing. Specifically, we investigate: 1) The effect between Controversy, Status and Personal Power on Purchase Intentions; 2) The effect of Controversy in Consumer Intentions; 3) The effect of Controversy and Personal Control on Word-Of-Mouth.

## **2. Theoretical background**

In order to conduct our studies, it is important to first clarify our definition of controversy. We define controversy as a discussion marked by the expression of opposing views, and controversial topics are ones on which people have not only different but polarizing opinions, topics that people feel strongly about (Chen and Berger 2013).

While past studies already explored brand controversy, like Althuizen and Mukherjee (2018) and others study the connection between control (Beck, Rahinel, and Bleier 2019) and power (Rucker, Galinsky, David Dubois 2011), with consumer behavior, there is a lack of studies regarding the influence of sense of power and control in compensatory behaviors influenced by controversy. We hypothesize that power and control can be restored interchangeably and that controversial brands are perceived as powerful by consumers, that gravitate toward these brands, in order to restore their lack of control and power. We explore how can consumers express that preference, whether via higher tendency to specific product categories, higher capacity of recall or propensity for engage with those brands in social media, and investigate different variables that can elevate the tendency, like the effect of status, topic interest or sense of uniqueness.

Some research shows that companies engaging in controversy can also experience negative financial outcomes (Beck 2020; Bhagwat et al. 2020). For instance, Pepsi and Kendall Jenner joined in a campaign that wanted to equate Pepsi's products as culturally unifying force but ended originating controversy and outrage, founding mostly negative effects (Tillman 2018). Also, Beck, et al. (2020) reported that corporate sociopolitical activism may strengthen the relationship of a brand with some stakeholders (those who agree with the position) but will likely damage relationships with those who disagree. Investors on average react negatively to cause-brand alliances, especially when it deviates from the values of key stakeholders. Lally (2020) made an overview of why marketing campaigns fail and analyzed some examples. Most of them were failed attempts to create the perception of the brand as activist and a way for a company to establish long-term differentiation from competitors and to add value to the corporate brand (Althuizen and Mukherjee, 2018).

In contrast, this research focuses on certain conditions under which engaging in controversy might be positive for companies and result in positive financial outcomes. Prior research shows that power and control can be restores interchangeably (Botti and Inesi 2011). Moreover, we hypothesize that controversial brands are perceived as powerful by consumers, who will gravitate toward these brands, in order to restore their lack of control and power. In three different studies, we will explore the different ways in which low-power consumers can express their preference for controversial brands:

- 1) via higher tendency to purchase a controversial brand, contingent on specific product categories (high vs. low status products);
- 2) via higher tendency to use or purchase a controversial brand, even on controversies in which consumers have no opinion on the subject;
- 3) via consumers expressing different word-of-mouth behaviors.

In sum, companies that sell a more status-signaling product, or companies trying to attract consumers with less sense of power and control may benefit from controversy.

### **3. Theoretical development**

In this project, we argue that brands that get involved in controversy are likely to signal different qualities to whom observes these behaviours. Below, we discuss these characteristics and how they might influence consumers.

Rosenblum, Schroeder and Gino (2020) suggest that communicators using politically incorrect language are perceived as more authentic. Also, it indicates that a possible outcome of this type of language is the communicator being perceived as more truthful in his speech and less likely to be persuadable, while “being politically correct may create an illusion that the communicator is persuadable”. From this line of thought, one can state that, since politically incorrect language can be seen as controversial – and controversy can be created using this type of language – controversial communicators can be seen as more authentic and less susceptible to persuasion.

Controversial behavior is also associated with being nonconforming and deviating from social norms. Bellezza, Gino and Keinan (2014) show how nonconforming behavior in individuals can lead to a perception of “higher status and competence” than individuals following the social norms. The explanation given is that third-party observers “believe that the nonconforming individual has the necessary level of autonomy to follow her own inclinations and bear the cost of deviating from the norm.” Given that a controversial behavior deviates from the established social norms, doing so might signal higher status and autonomy than not being involved in it. Therefore, it is possible to hypothesize that brands, like individuals, deviating from social norms, might be perceived as more autonomous. Similarly, in order to behave in a deviating manner, one must possess the necessary autonomy to bear the costs of

doing so, since it is riskier to indulge in this behavior than following the norm. That said, deviating from the norm is a risk-taking behavior.

It has been demonstrated that power and action are related (Galinsky, Gruenfeld and Magee 2003). Those who have power are more inclined to have agentic orientation. In other words, power was described as a “catalyst to action”. Since taking a stand on a controversial topic is to take action by starting or getting involved in a discussion, powerful brands would have a higher tendency to do so. Therefore, powerful brands would be more inclined to act on a controversial topic.

Having seen that controversial brands can be perceived as having the above-mentioned qualities, we argue that this will be appealing to a certain type of consumers. The findings of the paper Beck, Rahinel and Bleier (2019) point towards the conclusion that people with low control are attracted towards brand leaders to increase their sense of personal agency (“personal control is rooted in sub-beliefs of personal agency”). This happens because brand leaders are seen as high-agency entities and, as such, are influential, and associating with high-agency entities “can restore feelings of control by symbolically providing a sense of personal agency”. In that sense, the study suggests that brand leaders “enjoy extra benefits that arise not from objective information regarding their activities, but merely through their perceived ability to wield influence in the world.” From these findings, it is possible to indicate that brands with influence would be attractive to people with low control as a means to restore it.

Prior research has shown the importance of control in people’s lives, concluding that control and well-being are positively linked (Grob 2000). In other words, people reveal a large amount of self-esteem and of confidence in their attitudes, when they believe to have the capacity to alter their life course of action. As a result, this leads one to believe that people feeling a lack of control are also not happier or comfortable with the direction some event is taking. Consequently, these people might try to find the missing control by engaging in certain

behaviours. Indeed, in general, consumers tend to engage in compensatory consumption, that is to compensate for negative states they experience through consumption. Rucker and Galinsky (2013) define compensatory consumption as acquiring products to make up for a psychological need of an individual. That is, to compensate for a certain psychological state, consumers can buy a certain product that signals what he is missing. Moreover, people engage in behaviours which can indirectly restore the lack of control. According to Consiglio, Angelis and Costabile (2018), worth of mouth is identified as one of those behaviours. In the priorly mentioned study, high social density decreases the consumers perception of control, leading them to engage in WOM in order to compensate the missing control.

Individuals who have the tendency to be more action oriented are more likely to use control and to behave in a dominant manner which will most of the times leave a mark or influence others (Wiggins 1991). Accordingly, literature shows that when people have high levels of power, they will behave as if they are in control even in circumstances where that is not verified (Fast et al., 2009). Power is defined as “asymmetric control over valued resources in social relations” (Keltner, Gruenfeld, and Anderson 2003; Magee and Galinsky 2008; Rucker, Galinsky and Dubois 2011). Further, it was discovered that the personal sense of control increases with the level of power, meaning individuals in high power states believe to be in control. Thus, power and control are interchangeable which implies one can be used to restore the other.

Because all the attributes previously mentioned above – autonomy, influence, brand leadership, risk taking - are associated with power and control over outcomes, in light of the compensatory consumption theory, brands that engage in controversy should be particularly appealing to consumers who feel powerless or lack control. Therefore, it is possible to hypothesize that brands that signal power and control, will be attractive to people who feel a lack of power and control. To test this hypothesis, we will conduct three complementary studies

throughout this report, which will consider different variables. Study 1 (“The Power of Controversy: Examining its links to Status, Personal Power and Purchase Intentions”) will try to understand the impact of different products (status or non-status signaling) on the perception of brand controversy, considering the consumers’ level of power. Study 2 (“The Power of Controversy: The Effect of a Standard Controversy in Consumer Intentions”) focus on a controversy manipulation and in a brand ability to generate discussion. The impact is measured in the consumers’ perception of risk, power, capacity to lead and its’ influence on purchase intention, product choice and usage. Finally, Study 3 (“The Power of Controversy: Examining its links to Personal Control and WOM”) will focus on studying how controversy and control – independent variables - influence different word-of-mouth behaviors - dependent variable.

In this thesis, I focus on Study I and on exploring its relevance.

## *Study I*

### **1. Introduction**

The pursuit of status has been continuously considered a fundamental human motive (Anderson, Hildreth and Howland 2015; Frank 1999) influencing many of the individuals’ behaviors and strategies. This follows from the fact that status provides social advantages - like higher social power, approval, and accessibility to resources - to those in higher positions (Ball and Eckel 1996).

Moreover, status is an intangible and unobservable concept given that it is generally defined as the position of an individual relative to others on some dimension that is important to the society (Hyman 1942). Thus, to collect the advantages of high-status an individual needs to make other people aware that he has it. In other words, high-status needs to be shared or signaled to others. One approach that is widely acknowledge for signaling status is conspicuous consumption which is, in simple terms, an individual’s consumption of luxury goods in order to display a greater social rank for both himself and surrounding others. More specifically an

individual who owns a luxury good has apparent economic prosperity which consequently gives a perception of power to both ourselves and others. It is this visibility that enables the social advantages.

Nevertheless, it was mentioned in the previous sections that brands that engage in controversy are considered to be more powerful as compared to brands that do not engage in it. This is due to the fact that their controversial actions give them the perception of being high risk-takers, with more autonomy (Bellezza, Gino and Keinan 2014) and higher ability to influence audiences (Beck, Rahinel and Bleier 2019) - which are behaviors associated with power over outcomes. In addition, it was demonstrated that people in a negative psychological state are more likely to consume products that signal what they are missing, which means engaging in compensatory consumption (Rucker and Galinsky 2013). Thus, the general theory hypothesized the following: controversial brands are perceived as high-risk takers, with more autonomy and higher ability to influence audiences - behaviors associated with power over outcomes – then, consumers with low sense of personal power buy these brands to restore their sense of power.

Since high-status goods (e.g. luxury goods) can also transmit power, in this particular study, I am further investigating whether the general theory is true specifically in the case of high-status brands. Goods which are considered high-status have a conspicuous nature which makes them better symbols of power. Thus, this research will try to prove that high-status products are preferred to convey controversy-induced power over low-status products. It is possible that low-status product categories are not good at signaling power, then consumers trying to compensate for a lack of power by signaling it, would not choose low-status product categories. For this reason, it is further hypothesized that high status brands would benefit from engaging in controversy, whereas low status brands would not.

The present study can benefit brands that are considering engaging in controversy as it will demonstrate whether that type of action can damage or help them, depending on their current positioning in the market (in terms of high status or low status). Additionally, this study will provide some insights on the methods consumers use to restore power.

The following work uses previous literature related to controversy, personal sense of power, status signaling, conspicuous consumption and identity signaling to develop the hypothesis to be tested. The test of the hypothesis involved an experimental questionnaire which is explained in detail in the methodology and procedure sections.

## **2. Literature Review**

### **2.1 Controversy**

Controversy is mainly recognized by causing heated discussions and divergent opinions amongst the public. However, it is important to note that not every subject that generates discordance is considered controversial (Chen and Berger 2013). For example, it is not likely that people find types of tea controversial even though they may discord on which type is the best. In contrast, if people discord on the subject of racial equality, they are more likely to consider that subject controversial. Hence, a subject is controversial only if people have strong beliefs about it. For the purpose of this research, controversy is defined as a discussion marked by the expression of opposing views, and controversial topics are those in which people have not only different but polarizing opinions, subjects that people feel strongly about.

Given the discussion generated by controversial topics, many brands get involved or take stands on those subjects mainly to take advantage of that characteristic. In this research, these brands will be called of controversial brands. It is important to note that a brand is not controversial in its entirety, but its actions may be. When the brands actions are controversial, like addressing a controversial topic in advertising campaigns, they have a higher chance of

damaging their image. Thus, the general theory hypothesizes that brands engaging in controversy are perceived as high risk-takers as compared to brands that do not engage in it. Accordingly, it follows that controversial brands will be perceived as brand leaders, with more power, autonomy and influence comparing to non-controversial brands. This rationale leads to the first hypothesis to be tested:

**H1a:** *Controversial brands (vs non-controversial ones) are perceived as more powerful.*

**H1b:** *Controversial brands (vs non-controversial ones) are perceived as more influential.*

**H1c:** *Controversial brands (vs non-controversial ones) are perceived as high- risk takers.*

**H1d:** *Controversial brands (vs non-controversial ones) are perceived as more autonomous.*

**H1e:** *Controversial brands (vs non-controversial ones) are perceived as leaders.*

## **2.2 Personal Sense of Power**

Power is conventionally defined as the “asymmetric control over valued resources in social relations” (Keltner, Gruenfeld, and Anderson 2003; Magee and Galinsky 2008; Rucker, Galinsky and Dubois 2011). The word asymmetric is relevant because an individual’s power can only be assessed when comparing to others and it may depend on the circumstances of the context (Emerson, 1962). The word valued is also relevant because the resources need to be important for at least one of the individuals. It should be noted that these resources are subjectively determined since they depend on the particular perception of each individual. Therefore, the personal sense of power can be defined as the perception of one’s control over valued resources relative to another individual. Furthermore, studies have shown that the perception of power is an important and influencing factor on the human behavior. (Galinsky, Gruenfeld and Magee 2003) Some of the behavioral areas which power influences include the consumption and purchase patterns of individuals. For example, similar to other psychological threats, are more likely to consume products that signal what they are missing, which means engaging in compensatory consumption (Rucker and Galinsky 2013). Thus, since controversial

brands are perceived as high risk-takers and market leaders with more power, autonomy and influence - actions associated with power over outcomes –it is also expected that powerless individuals will prefer controversial brands as means to restore power.

### **2.3 Status & Conspicuous consumption**

Actually, many consumer decisions - purchase, usage, and exhibit of products - are motivated by the desire of increasing social status. Early literature defined this inclination of consumers to purchase and display products with the specific purpose of demonstrating their level of prestige and status is recognized as conspicuous consumption (Veblen 1899). More recent literature defined status consumption as “ the motivational process by which individuals strive to improve their social standing through conspicuous consumption of consumer products that confer or symbolize status for both the individual and surrounding others” (Eastman, Goldsmith and Flynn 1999). Given the definitions above, both concepts appear to have theoretical overlap because while the first is based on the portrayal of status, the second is based on conspicuous consumption. Nevertheless, there are minor differences between them - conspicuous consumption involves the display of high expenditure to increase self-esteem (Veblen 1899) and status consumption involves the process of gaining status through the consumption of goods that are perceived to be of high status (Mason 1981; Braun and Wicklund 1989) - but essentially, they mean the same. Thus, status consumption and conspicuous consumption are treated as interchangeable concepts.

The consumer products which are used as symbols of status in the society, are those classified as luxury products. Even though there is no standard definition for this type of products, some literature suggests that for a product to be classified as luxury, it needs to be associated with certain attributes, such as high price, performance, quality, heritage, genuineness (Atwal and Williams 2009) and be described as high-end (Kapferer and Bastien 2009). Seeing that luxury goods are mostly differentiated by conspicuous and self-expressive

features, the purchase of high-end goods is directly linked to conspicuous consumption (Grotts and Johnson 2013).

Moreover, it has been pointed out that consumers tend to choose products that signal something that they are missing, engaging this way in compensatory consumption. Consequently, powerless people - those who feel low control over outcomes, individuals, and themselves - are more inclined to purchase goods which give them a sense of higher levels of power, like luxury goods that signal status (Rucker and Galinsky 2009). Hence, powerless consumers will tend to purchase luxury products to ensure status is self-signaled. For this reason, the effects are expected to be stronger when a controversial brand sells a status signaling product, meaning the controversial brand effect on purchase intentions will possibly be more robust when the brand is linked to status signaling products.

The current study aims to understand what has more impact on consumers' purchase intentions – brand controversy or product signals. In sum, the research reviewed above suggests controversial brands are more appealing for powerless individuals. Nevertheless, only certain products signal status and can convey power to others. Thus, this study hypothesizes that the consumption of controversial brands can increase the consumers' personal sense of power, especially for status signaling products. This rationale leads to the second hypothesis:

**H2:** *Powerless individuals (versus powerful ones) have higher purchase intention for controversial brands (versus non-controversial ones) if the product being sold signals status. When the product does not signal status, controversy does not affect purchase intentions or does so to a lesser extent.*

### **2.3 Products as identity signals**

One of the recurrent concepts in literature which appears associated with status is identity signaling consumption.

Even though brand image plays a crucial role in consumer purchase decisions, product image and the associations linked to it are also an important factor. This occurs because consumers have different identities which determine how they make decisions and behave. Some of the methods used by consumers to build, express, and strengthen their identity are the purchase and consumption of products (Belk 1988; Richins 1994). Since consumers attribute different symbolic connotations to different products depending on their characteristics (Babin Darden and Griffin 1994), certain products will be more appropriate to someone's identity than others. Therefore, identity-relevant products are identity signals as they help consumers to communicate details of their identity, not only to others but to themselves (Berger and Heath 2007). In the present research, the focus will be on choices consumers make to signal something positive about their identity to themselves, meaning it will be on consumers' self-signaling product choices. The main reasons for this decision are: first, all actions people make give a signal to the self (Bodner and Prelec 2001) and second, consumers possessions are part of their identity (Belk 1988) – in fact, according to James (1890) each individual is the sum of his possessions (includes one's body, mental abilities, material goods and reputation).

In view of the information gathered, this research postulates that a consumer will perceive a controversial brand as more attractive depending not only on the factors already mentioned but also on the product characteristics and the signals associated to it. Since it is hypothesized that powerless people will prefer controversial brands if the product signal status, it can also be further hypothesized that the usage of that product may be high as a way of signaling status. Therefore, the last hypothesis investigated in this research is the following:

**H3:** *Powerless individuals (versus powerful ones) will have higher product usage for controversial brands (versus non-controversial ones) if the product being sold signals status. When the product does not signal status, controversy does not affect product usage or does so to a lesser extent.*

### 3. Methodology

The hypotheses introduced above were tested in a quantitative experimental study which involved undertaking an online questionnaire (Annex 1) with Qualtrics - a data collection platform. With the help of the platform's randomizer tool, participants were evenly and randomly assigned to one of the available four scenarios. These four scenarios are the result of a 2 by 2 factorial design which allows for the manipulation of two independent variables: controversy (related with the brand) and status (related with the product). Each variable has two levels that are respectively controversial/non-controversial and status signaling/non-status signaling. To create scenarios which lead to these perceptions, it is important to understand both concepts. Regarding status, it is known that luxury goods are commonly seen as signals of status. According to Vickers and Renand (2003), consumers distinguish luxury goods from mass-market goods based on functional, experimental, and symbolic dimensions. More recent research identifies five dimensions to characterize high-end products - design, style, experience, emotions and exclusivity (Bevolo et al 2009). Products used by consumers to display status include clothes, jewelry, watches and sunglasses (O'Cass and Frost 2002) Regarding controversy, a definition has been presented in the beginning of this paper which states that something is classified as controversial when it leads to divergent opinions and discussion, because both parties have a strong opinion about the subject and want to change the other side's opinion. Taking this into account, four scenarios were developed composed by two parts: one describing the brand and product (e.g. sunglasses) characteristics and the other describing a commercial – it was inspired on Nike's campaign "*Believe in something even if it means sacrificing everything*" featuring the American football player Colin Kaepernick which conveyed a message of racial equality. The racial equality movement has been causing a widespread discussion in the last few years – especially in the last year, due to the worldwide news of George Floyd's tragic death – which leads to opposing public opinions, making this

subject current and relevant. Hence, the controversial scenarios described a brand which supported this movement while the non-controversial scenarios did not address the subject. In addition, for the status-signaling scenarios, a brand was described mainly as unique by highlighting the recognizable and premium quality features of its products. By contrast, the non-status signaling scenarios described a brand as ordinary by highlighting the high accessibility and low durability of its products.

To measure individuals' sense of power, the questionnaire used a pre-tested scale (Anderson and Galinsky 2006). This scale assesses the individual's power considering their social relationships and groups. Nonetheless, the crucial property of this scale is that it allows the distinction between powerless and powerful individuals depending on their low or high scores.

#### **4. Procedure**

The present study applied the snowball sampling method leading to a non-probability convenience sample of 315 participants which responded to an online questionnaire. One of four scenarios was randomly assigned to each participant. In the questionnaire each participant, first read about the brand and the product - status signaling manipulation - meaning one of the examples bellow:

##### *Non-status signaling*

*June* is a brand in the sunglasses mass market. Their essence lies in functionality and convenience at reasonable prices. Consequently, the brand is known to follow trends and not create them. *June's* eyewear collection features trending sunglasses shapes and with low durability materials due to the use of mass production. Overall, this means *June's* sunglasses are accessible to most people.

##### *Status signaling*

June is one of the top brands in the designer sunglasses market. The brand essence lies in its contrasting yet complementary features. June's eyewear designs are recognized by most due to their sophisticated and elegant shapes, refined details and prestigious materials which provides for a durable product. Overall, this means June is a brand of premium quality sunglasses.

Next, participants read about a commercial which in the non-controversial scenario was the following:

*Non-Controversial*

June has just launched a pair of sunglasses and to promote their new product, the brand made a TV commercial. At the beginning, a male voice narrates the ad while a succession of images is shown: a young woman wearing hijab surfing, a child with no legs on a wrestling mat, a boy running down a dirt road and a blond girl playing soccer against boys. The overall message conveyed by those images is about overcoming difficulties. Next, it is revealed that the narrator is a famous actor shown while he walks down a city street wearing June's sunglasses. In the end, the message "Don't ask if your dreams are crazy; ask if they're crazy enough" is shown on the screen.

Instead, in the controversial condition, participants read the previous text plus the one below:

*Controversial*

(...)This commercial generated a lot of opposing opinions because the actor is well-known by speaking in favor of racial equality. The presence of this actor deliberately made the brand an advocate for this cause. Many people were very strongly in favor of this brand's positions and felt more connected to the brand. However, other consumer posted that they would stop buying glasses from June. For instance, one customer even said: "June is capitalizing on a political issue to sell sunglasses. They turned sunglasses into politics, I will never buy from them again!"

To measure the dependent variable *purchase intention*, participants were asked to evaluate on a 7-point Likert scale (1-Extremely Unlikely;7-Extremely Likely) the likelihood of considering/being interested/probably/likely buying the brand's sunglasses – in the case they wanted to buy sunglasses and had the budget to do it. After, the dependent variable *product usage* was measured by asking participants to evaluate on a 7-point Likert scale (1-Never;7-Always) how often would they wear the product, if they owned it. Next, the scenarios were shown again, and to assess if the controversy manipulation was successful, a manipulation check was included – participants evaluated on a 7-point Likert scale (1-Strongly disagree; 7-Strongly agree) if in their opinion the commercial would cause *opposing views, discomfort,*

*strong opinions* and *public division*. In the same questionnaire section, brand perceptions – *brand power; brand influence; brand autonomy; brand risk taking; brand leadership* - were measured by evaluating different sentences on a 7-point Likert scale (1-Strongly disagree;7-Strongly agree). Afterwards, a scale involving eight items evaluated on a 7-point Likert scale (1-Strongly Disagree; 7-Strongly Agree) was used to measure individual's sense of power (Anderson and Galinsky, 2006). This scale generally assessed an individual's sense of power in a personal and interpersonal level. Finally, the individual's interest in both the product (e.g. sunglasses) and controversy chosen was assessed. Regarding the product, the participants were asked how many sunglasses they owned. To measure participants interest in the controversial subject, three items were evaluated on a 7-point Likert scale: (a) "To what extent do you agree that institutional/systemic racism exists, that it is a significant problem in our society, and that more racial equality is needed?"; (b) "In your daily life, how actively involved are you in the racial equality cause?" (c) "How important is this cause to you?".

## **5. Analysis**

A convenience sample of 315 individuals answered the online questionnaire, given that participants were not obliged to answer all questions, during the analysis, missing values were excluded pairwise. In addition, there were no irregularities like low response time, answer straight lining, and inconsistency, that could exclude more participants.

### **5.1 Measure Reliability**

Several variables were measured using multiple items scales therefore it was important to check its internal consistency. Most of the scales showed high internal consistency, according to Cronbach's alpha: personal sense of power with an alpha of 0,793; controversy with an alpha of 0,785; brand leader with an alpha of 0,753; brand influence with an alpha value of 0,881 and brand autonomy with an alpha 0,742. However, brand power and risk-taking have questionable

values of alpha: 0,642 and 0,659 respectively. This means that in future studies these measures should be adapted or changed to ensure that these variables are properly measured and that the results obtained are reliable.

## **5.2 Manipulation check**

The analyze of the manipulation check confirmed that participants who were subject to controversial scenarios indeed perceived the commercial as more controversial (causes discomfort, public division, strong opinions) than participants who were exposed to the non-controversial scenario ( $M_c=5,025$ ;  $SD_c=1,095$ ;  $M_{nc}=4,517$ ;  $SD_{nc}=1,189$ ). In addition, an independent t-test further demonstrated that the difference in means was significant ( $t(178) = -2,982$ ;  $p=0,003$ ). Therefore, the manipulation of controversy was successful. Nevertheless, even though the topic is perceived as controversial, the participants in this study's sample tend to be on one side of the issue as 76% of the participants strongly agreed or agreed that racism exists, it is a significant problem in our society, and that more racial equality is needed ( $M=6,01$ ;  $SD=1,347$ ); and 65% find this cause important ( $M=5,78$ ;  $SD=1,399$ ).

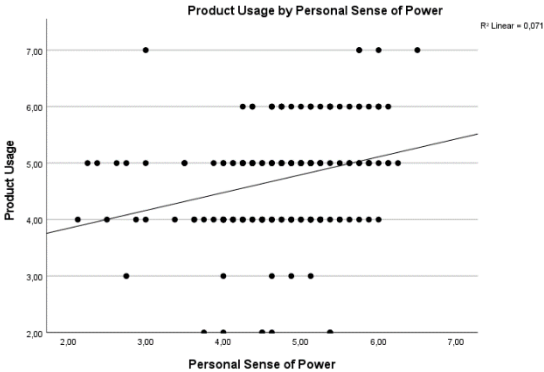
## **5.3 Hypothesis testing**

To test the hypothesis, normality tests were done for all variables and some were not normally distributed (Annex 3). However, according to the Central Limit Theorem ( $n>30$ ) the tests performed next are valid. Next, an examination was conducted by identifying the effects of the independent variables on the dependent ones.

***Purchase Intentions:*** To analyze the effect of *Controversy*, *Status*, and *Personal Sense of Power* on *Purchase Intentions*, a one-way ANCOVA test - between subjects' test - was conducted. In this procedure controversy and status were identified as independent variables, personal sense of power as a covariate and purchase intentions as a dependent variable. Although individuals showed higher purchase intentions in controversial scenarios and in status

signaling ones (Annex 5), this analysis revealed that no interaction was significant. Therefore, there is no evidence to support hypothesis **H2** and no other conclusions could be drawn.

**Product Usage:** To analyze the effect of *Controversy*, *Status*, and *Personal Sense of Power* on *Product Usage*, a one-way ANCOVA test - between subjects' test - was conducted. In this procedure controversy and status were identified as independent variables, personal sense of power as a covariate and product usage as a dependent variable. The three-way interaction of these variables was not significant; therefore, additionally all other possible variable combinations were tested. This analysis revealed that only personal sense of power has a significant effect on product usage ( $R^2=0,071$ ;  $F(1,179) = 13,707$ ;  $p < 0,01$ ;  $b=3,211$ ,  $p < 0,01$ ). Accordingly, it can be deduced that powerful people would use the product more often than the powerless whether the brand is controversial or not and whether the product signals status or not. Thus, there is no evidence to support hypothesis **H3**.

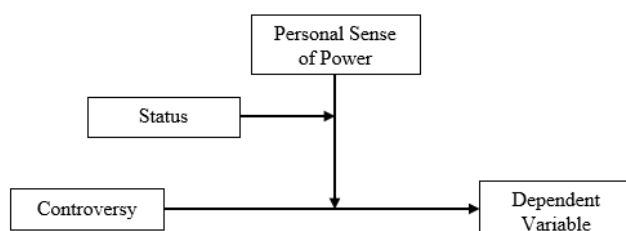


**Figure 1:** Regression Model of Product Usage and Personal Sense of Power

**Brand Perceptions:** An independent t-test was performed between *controversy* (independent variable) and each *brand perception* (power, influence, risk taker, autonomy, leadership), in order to test the first hypotheses. To analyze the effect of *controversy*, *status*, and *personal sense of power* on the identified *brand perceptions* a three-way ANCOVA test - between subjects' test - was conducted for each one. In this procedure controversy and status were identified as independent variables, personal sense of power as a covariate and each type of brand perception as a dependent variable.

Regarding *brand power*, the controversial brands were not perceived as more powerful than the non-controversial ones ( $M_c=4,5714$ ;  $SD_c=0,73907$ ;  $M_{nc}=4,5938$ ;  $SD_{nc}=0,89243$ ;  $t(177)=0,183$ ;  $p>0,05$ ), but the difference in means was not significant. Hence, no evidence was found to prove **H1a**. Further, the interaction of the three variables was not significant ( $F(1,171)=2,458$ ;  $p>0,05$ ) and then all the other variable combinations were tested. Nevertheless, no relevant significance was found even though initial analysis showed that the interaction controversy\*status ( $F(1,171)=3,110$ ;  $p=0,080$ ) could be marginally significant. It seems that controversy affects the perception of brand power in a similar way no matter the product category and no matter the individual sense of power.

Regarding *brand influence*, controversial brands were indeed seen as more influent than the non-controversial ones but the difference in means was not significant ( $M_c=4,7055$ ;  $SD_c=1,2388$ ;  $M_{nc}=4,5281$ ;  $SD_{nc}=1,1772$ ;  $t(178)=-0,985$ ;  $p>0,05$ ). Hence, there is no evidence to support the hypothesis **H1b**. Additionally, the interaction of the three variables, controversy\*status\*sense of power ( $F(1,172)=5,890$ ;  $p=0,016$ ), as well as, the interaction of the variables controversy\*status ( $F(1,172)=5,000$ ;  $p=0,027$ ) proved to be significant, thus, it should be further explored. Hence, in an attempt to explain why the significant variable interactions exist and better understand each one, a Moderation Analysis was conducted using PROCESS, which is a computation tool in SPSS. To conduct the analysis, the Hayes' model number 3 (Hayes 2013) was chosen, with controversy as the independent variable, personal sense of power and status as the moderators and brand influence as the dependent one.



**Figure 2:** Illustration of the three-way interaction model – Hayes' model nr 3

Even though the overall model is not significant ( $R^2=0,0658$ ;  $F(7,172)=1,7317$ ;  $p=0,1045$ ), some variable interactions were significant which makes it possible to take some conclusions: controversy\*status\*personal sense of power ( $t=-2,4269$ ;  $p=0,0163$ ); status\*personal sense of power ( $t=2,4011$ ;  $p=0,0174$ ); controversy\*status ( $t=2,2360$ ;  $p=0,0266$ ). Specifically, by evaluating first the conditional effects of the interaction of controversy and status at different values of personal sense of power, one can conclude that only at high levels of power the effect on brand influence is significant ( $t=-25147$ ;  $p=0,0128$ ). Then, by evaluating the effect of controversy on brand influence at high levels of personal sense of power, one can conclude that for high status products the effect is negative ( $b=-0,6250$ ;  $t=-1,8439$ ;  $p=0,0669$ ) and for low status products it is positive ( $b=0,6909$ ;  $t=1,7330$ ;  $p=0,0849$ ). The graphs below illustrates this, as well as the effect at low levels of personal sense of power because even though the results were not significant, they seem to indicate that the opposite happens at low levels of power.

In other words, the results suggest that for the powerful, controversial and status signaling brands are less influent than the controversial and non-status signaling ones. Contrarily, for the powerless, controversial and status signaling brands are more influent. When there is no controversy, status signaling brands are more influent than the non-status signaling ones among the powerful; and among the powerless, non-status signaling brands are more influent.

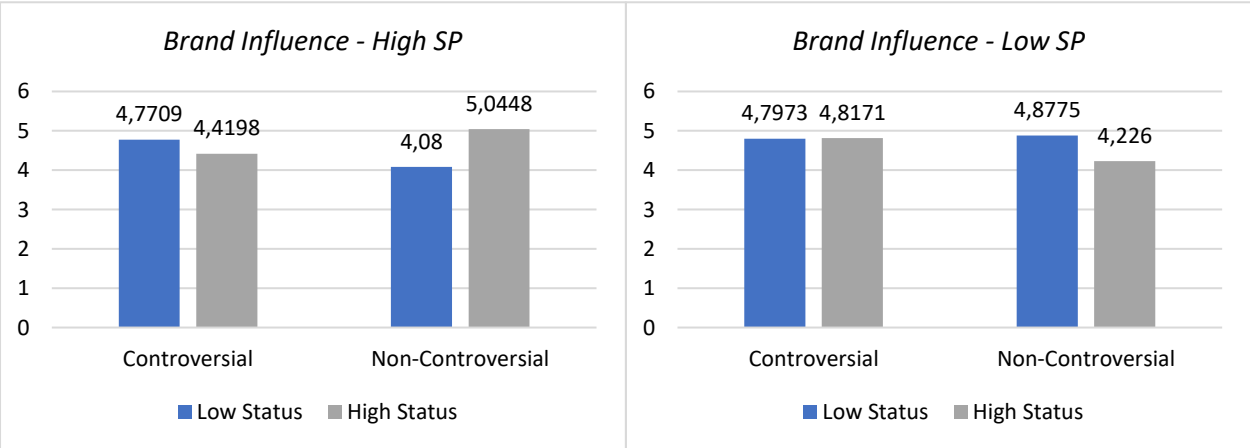
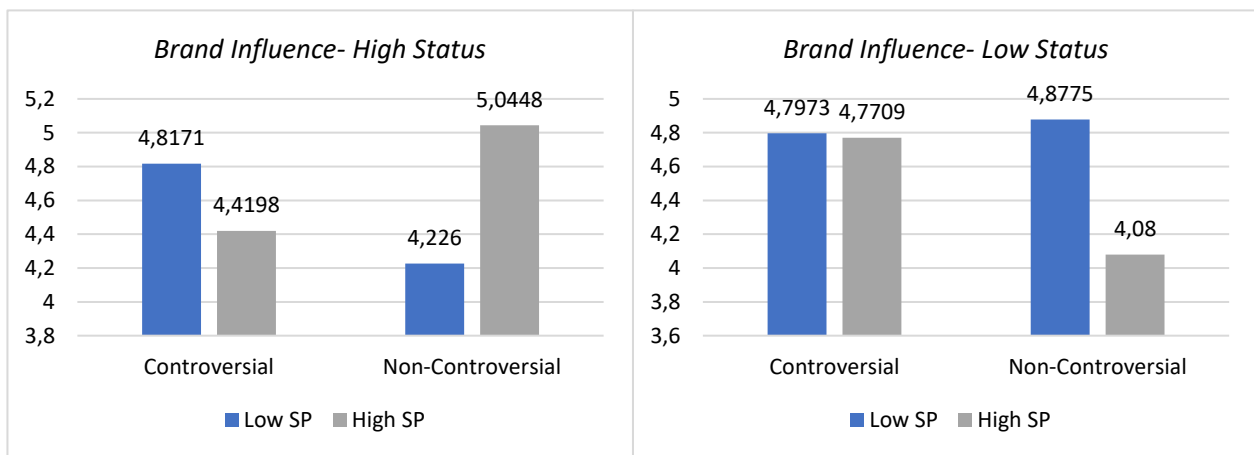


Figure 3: Graphs representing the conditional effect of controversy on brand influence (at levels of SP)

The effects on the graphs above can also be interpreted at different levels of status. The data model shows that only in high status scenarios the interaction of controversy and individual

sense of power is significant ( $b=-0,7389$ ;  $t=-2,6912$ ;  $p=0,0078$ ). Thus, in high status scenarios, at low levels of personal sense of power the effect of controversy on brand influence is positive ( $b=0,5912$ ;  $t=1,8320$ ;  $p=0,0687$ ) and at high levels of personal sense of power the effect is negative ( $b=-0,6250$ ;  $t=-1,8439$ ;  $p=0,0669$ ). Once again, the graph that illustrates this effect is provided, now at different levels of status. The effects at low levels of status were not significant, however, they seem to indicate that for the powerful, controversial brands are more influential than the non-controversial ones when they belong to low status product categories.



**Figure 4:** Graphs representing the conditional effect of controversy on brand influence (at levels of Status)

Regarding perception of *risk taker*, controversial brands were perceived as higher risk takers than non-controversial ones, since the difference between the means was marginally significant ( $M_c=4,2308$ ;  $SD_c=0,9046$ ;  $M_{nc}=3,9494$ ;  $SD_{nc}=1,0239$ ;  $t(178)=-1,955$ ;  $p=0,052$ ). In the graph below this result is observed. Given that this evidence is in line with our theory, the hypothesis **H1c** is proved. Additionally, the interaction of the three variables was not significant ( $F(1,172)=0,307$ ;  $p>0,05$ ), then all other variable combinations were tested. The one-way ANCOVA test with controversy as the independent variable and personal sense of power as the covariate revealed marginally significance in the interaction of controversy\*sense of power ( $F(1,172)=3,645$ ;  $p=0,058$ ), which means additional analysis should be done to unpack the effect. Then, PROCESS was used again but now applying the Hayes' model number 1 (Hayes, 2013): controversy as the independent variable, sense of power as the moderator and risk taker

as the dependent one ( $R^2=0,0392$ ;  $F(3,176)=2,3936$ ;  $p>0,05$ ). This analysis did not reveal significant effects; thus no more conclusions could be taken.

Regarding *brand autonomy*, the controversial brands were not perceived as more autonomous than the non-controversial ones ( $M_c=4,6520$ ;  $SD_c=0,1,0749$ ;  $M_{nc}=4,6742$ ;  $SD_{nc}=1,1874$ ;  $t(177)=0,131$ ;  $p>0,05$ ), but the difference in means was not significant. These results imply that no evidence was found to prove **H1d**.

Regarding *brand leadership*, the controversial brands were perceived as higher brand leaders than the non-controversial ones ( $M_c=4,7187$ ;  $SD_c=1,0293$ ;  $M_{nc}=4,6652$ ;  $SD_{nc}=0,8403$ ;  $t(178)=-0,382$ ;  $p>0,05$ ), but the difference in means was not significant. These results imply that no evidence was found to prove **H1e**. Both for *brand autonomy* and *brand leadership* perceptions, the ANCOVA analysis did not reveal significant or marginally significant effects. This means no further analysis should be done with these variables and no other relevant results could be drawn.

## 6. Discussion

The hypothesis **H1c** was the only one this study was able to confirm - controversial brands are perceived as higher risk takers than non-controversial ones. Prior research had already confirmed that nonconforming behaviors in individuals - like is the case of controversy - are seen as more costly and riskier (Bellezza, Gino and Keinan 2014), thus, the present finding is in conformity with this. Controversial topics generate divisive opinions amongst the public, brands that engage in controversy are risking the loss of customers – given that some may be against the brand opinion. Moreover, the perception of brand risk taker was not impacted by individual's sense of power or the product category. This makes sense since an individual's perception of a brand being or not a risk taker is directly linked to the controversial actions the brand makes.

It was hypothesized that controversial brands perceived as high-risk takers should also be seen as more powerful, influent, autonomous and as a leader. Yet, this study was not able to prove the direct connection between this variables and brand controversy. The reason for this is not clear but it may have something to do with the fact that sometimes taking a risk is seen as the only option to escape from an unfavorable condition such as having low power. Therefore, some individuals in this study may have perceived that the controversial brand had nothing to lose, because if that was the case it would have not engaged in such a risky behavior. This would explain why the controversial brands were not significantly perceived as more powerful, influential, autonomous and as leaders given that these perceptions are connected to brand power.

As regards to the other two hypotheses addressed in this study which stated that powerless individuals would have higher purchase intentions and higher product usage for controversial brands (versus non-controversial ones) if the product being sold signals status, no evidence was found to support them. There are several possible explanations for the lack of significance in these results. The first one may be related with the controversial ad because although individuals perceived it as controversial, there is the possibility that they did not believed in the brands interest in the topic, and they might have seen it as way to be noticed. In a similar vein, it is also possible that the descriptions of the brands portraying the two product categories – status signaling and non-status signaling – did not deliver the most impactful message. Perhaps if a picture of the product had been used, results could have been different. Another explanation it might be in the method used to perform the research. To complete an online questionnaire, participants do not need to prepare beforehand, then it is possible that they did not comprehend what was being asked. Therefore, purchase intentions and product usage values might have been different. Lastly, there is also the possibility that the purchase intention and the product usage of controversial brands selling status signaling products is not associated with one's

personal sense of power. Individuals when considering a purchase or when using a product might not give any importance to brand opinions on controversy or whether the products signal status or not.

Even though, only one hypothesis was confirmed, there were other relevant results regarding the perception of brand influence which are worth discussing. The present study established a connection between personal sense of power, brand controversy and status signaling products. More specifically it was discovered that a controversial brand is perceived as more influential amongst the powerful individuals when it is not associated with status. Interestingly, amongst powerless individuals a controversial brand is perceived as more influential when it is associated with status. In addition, for brands which are in a status signaling product category being controversial will be seen as more influential by the powerless individuals as compared to the powerful ones. It seems possible that these results are due to the inclination of powerful individuals for the status quo – it is a cognitive bias in which people prefer things as they are – as opposed to the inclination of the powerless to change their existing situation. In addition, the specific controversial topic used – racial equality - may be more important for the powerless individuals than for the powerful ones.

## **6.1 Implications**

The findings highlighted above have some practical implications about consumer behavior that should be useful for brand marketers who are thinking about engaging in controversy. When brands are reflecting on whether they should take a stand on a specific controversy or planning to be controversial, they should be prudent and consider some of the following aspects. Brands should take into account that controversy will be perceived as a risky choice which may be seen as their final option of rescue and thus will make them look less powerful than the non-controversial ones. Furthermore, the product category to which the brand belongs will also impact brand influence perception depending on the individuals' personal sense of power. If a

brand is in a status signaling product category, engaging in controversy, will be beneficial among the powerless as they will perceive the brand as more influential. In contrast if a brand is in a non-status signaling product category being controversial will only be beneficial among the powerful. Finally, brands should analyze the consumers position on the controversial topic to know if consumers are in line with the brands stand, because if not outcomes may differ. Therefore, it is essential that brands have consumer knowledge before making the choice of being controversial.

## **6.2 Limitations**

The present study and its methodology led to some limitations. First, sample characteristics are the most relevant limitations given that they lead to the determined results. When the questionnaire was launched the aim was to achieve 300 complete responses, but this was not verifiable given the timeframe. Since the sample size was not reached, it is suggested that a similar study is runed with a bigger sample because some of the insignificant interactions may be significant with the planned sample size. In addition, the sample lacked diversity because 84% were Portuguese and 69% were women. (Annex 2) This means that a generalization of results to other populations should not be done. Also, most of the participants were considered powerful - 82% had a personal sense of power over 4 out of 7 - thus the significant results were mainly regarding this group of participants which limited this research. Another limitation is related to the controversial topic chosen as the majority of participants appears to be on one side of the issue: 76% believe more racial equality is needed; 66% think the cause is important and 42% are actively involved in it. (Annex 3)

## **7. Conclusion & Future Research**

Previous studies have identified compensatory consumption as a behavior used by consumers to restore power. Other studies proved that the pursuit of status is a fundamental

human motive which influences consumer behavior. The aim of this study was to contribute to the knowledge in this area by giving insights on whether controversy might be beneficial for a brand depending on the market positioning - either high status or low status - and by providing insights on the methods consumers apply to increase their personal sense of power. Despite the fact that not everything was proved, some relevant conclusions could be extracted. Controversial brands are perceived as higher risk takers comparing to non-controversial ones. Moreover, for the powerful individuals, controversial brands of low-status product categories will be perceived as more influential than those belonging to high-status ones. Also, it was discovered that for brands of high-status product categories, being controversial is perceived as more influential by the powerless individuals as compared to the powerful ones. Therefore, the main conclusion of this study is that brands considering engaging in controversy should take into account their product category and personal sense of power of their consumers.

Given that this study involved the interaction of many variables, there are still many opportunities for future research in this area. For instance, this study used only sunglasses with different characteristics to represent high-status and low-status product categories. Future research could perform the study with other products besides sunglasses with the same high and low-status characteristics, in order to, verify if the results can be applied to all brands. In addition, this study used fictitious brands to which the individuals had no attachment to. It is usual for consumers to have preferred brands and to get attached to them. Hence, future research could test whether brand attachment has any effect on the brand influence perception of controversial brands in high and low-status product categories. Further, this study's results were based on the controversial topic of racial equality. Thus, another possible future research would be to test other controversies, like feminism or global warming, in order to comprehend if they would lead to the same results or if maybe other effects would be found.

## 8. References

- Anderson, Cameron, John Angus D. Hildreth, and Laura Howland. 2015. "Is The Desire For Status A Fundamental Human Motive? A Review Of The Empirical Literature.". *Psychological Bulletin* 141 (3): 574-601. doi:10.1037/a0038781.
- Anderson, Cameron, and Adam D. Galinsky. 2006. "Power, Optimism, And Risk-Taking". *European Journal Of Social Psychology* 36 (4): 511-536. doi:10.1002/ejsp.324.
- Atwal, Glyn, and Alistair Williams. 2009. "Luxury Brand Marketing – The Experience Is Everything!". *Journal Of Brand Management* 16 (5-6): 338-346. doi:10.1057/bm.2008.48.
- Babin, Barry J., William R. Darden, and Mitch Griffin. 1994. "Work And/Or Fun: Measuring Hedonic And Utilitarian Shopping Value". *Journal Of Consumer Research* 20 (4): 644. doi:10.1086/209376.
- Ball, Sheryl B., and Catherine C. Eckel. 1996. "Buying Status: Experimental Evidence On Status In Negotiation". *Psychology And Marketing* 13 (4): 381-405. doi:10.1002/(sici)1520-6793(199607)13:4<379::aid-mar4>3.0.co;2-7.
- Beck, Joshua T., Ryan Rahinel, and Alexander Bleier. 2019. "Company Worth Keeping: Personal Control And Preferences For Brand Leaders". *Journal Of Consumer Research* 46 (5): 871-886. doi:10.1093/jcr/ucz040.
- Belk, Russell W. 1988. "Possessions And The Extended Self". *Journal Of Consumer Research* 15 (2): 139. doi:10.1086/209154.
- Bellezza, Silvia, Francesca Gino, and Anat Keinan. 2014. "The Red Sneakers Effect: Inferring Status And Competence From Signals Of Nonconformity". *Journal Of Consumer Research* 41 (1): 35-54. doi:10.1086/674870.
- Berger, Jonah A., and Chip Heath. 2007. "Where Consumers Diverge From Others: Identity Signaling And Product Domains". *Journal Of Consumer Research* 34 (2): 121-134. doi:10.1086/519142.
- Berger, Jonah A., and Katherine L. Milkman. 2009. "What Makes Online Content Viral?". *SSRN Electronic Journal*. doi:10.2139/ssrn.1528077.
- Bevolo, M., A. Gofman, H. Moskowitz, and S. Marzano. 2009. *Premium By Design: How To Design And Market High-End Products*.
- Bhagwat, Yashoda, Nooshin L. Warren, Joshua T. Beck, and George F. Watson. 2020. "Corporate Sociopolitical Activism And Firm Value". *Journal Of Marketing* 84 (5): 1-21. doi:10.1177/0022242920937000
- Bodner, Ronit, and Drazen Prelec. 2003. "Self-Signaling And Diagnostic Utility In Everyday Decision Making". *Oxford University Press*, 105-123.

- Braun, Ottmar L., and Robert A. Wicklund. 1989. "Psychological Antecedents Of Conspicuous Consumption". *Journal Of Economic Psychology* 10 (2): 161-187. doi:10.1016/0167-4870(89)90018-4.
- Chen, Zoey, and Jonah Berger. 2013. "When, Why, And How Controversy Causes Conversation". *Journal Of Consumer Research* 40 (3): 580-593. doi:10.1086/671465.
- Consiglio, Irene, Matteo de Angelis, and Michele Costabile. 2018. "The Effect Of Social Density On Word Of Mouth". *Journal Of Consumer Research*. doi:10.1093/jcr/ucy009.
- Eastman, Jacqueline K., Ronald E. Goldsmith, and Leisa R. Flynn. 1999. "Status Consumption In Consumer Behavior: Scale Development And Validation". *The Journal Of Marketing Theory And Practice* 7 (3): 41-52. doi:10.1080/10696679.1999.11501839.
- Emerson, Richard M. 1962. "Power-Dependence Relations". *American Sociological Review* 27 (1): 31-41. doi:10.2307/2089716.
- Fast, Nathanael J., Deborah H. Gruenfeld, Niro Sivanathan, and Adam D. Galinsky. 2009. "Illusory Control: A Generative Force Behind Power's Far-Reaching Effects". *SSRN Electronic Journal*. doi:10.2139/ssrn.1314952.
- Frank, Robert H. 1999. "Luxury Fever: Why Money Fails To Satisfy In An Era Of Excess". *Southern Economic Journal* 66 (1): 199. doi:10.2307/1060848.
- Galinsky, Adam D., Deborah H. Gruenfeld, and Joe C. Magee. 2003. "From Power To Action.". *Journal Of Personality And Social Psychology* 85 (3): 453-466. doi:10.1037/0022-3514.85.3.453.
- Grob, Alexander. 2000. "Perceived Control And Subjective Well-Being Across Nations And Across The Life-Span". In *Culture And Subjective Well-Being*, edited by Ed Diener and Eunkook M. Suh, 319-339. Cambridge, MA: MIT Press.
- Grotts, Allie S., and Tricia Widner Johnson. 2013. "Millennial Consumers' Status Consumption Of Handbags". *Journal Of Fashion Marketing And Management: An International Journal* 17 (3): 280-293. doi:10.1108/jfmm-10-2011-0067.
- Hayes, Andrew F. 2013. *Introduction To Mediation, Moderation, And Conditional Process Analysis*. The Guilford Press.
- Hyman, H. H. 1942. "The Psychology Of Status.". *Archives Of Psychology (Columbia University)* 269 (94).
- Inesi, M. Ena, Simona Botti, David Dubois, Derek D. Rucker, and Adam D. Galinsky. 2011. "Power And Choice". *Psychological Science* 22 (8): 1042-1048. doi:10.1177/0956797611413936.
- James, William. 1890. *The Principles Of Psychology*.

- Lally, Micah. 2020. Business 2 Community. February 27. <https://www.business2community.com/marketing/20-of-the-biggest-marketing-fails-of-all-time-and-why-they-sucked-02287809>
- Lawton, Thomas, Steven McGuire, and Tazeeb Rajwani. 2013. "Corporate Political Activity: A Literature Review And Research Agenda". *International Journal Of Management Reviews* 15 (1): 86-105. doi:10.1111/j.1468-2370.2012.00337.x.
- Magee, Joseph C., and Adam D. Galinsky. 2008. "The Self-Reinforcing Nature Of Social Hierarchy: Origins And Consequences Of Power And Status". *SSRN Electronic Journal*. doi:10.2139/ssrn.1298493.
- Mason, Roger S. 1981. *Conspicuous Consumption*. New York: St. Martin's Press.
- Miller, Kenneth E., and Frederick D. Sturdivant. 1977. "Consumer Responses To Socially Questionable Corporate Behavior: An Empirical Test". *Journal Of Consumer Research* 4 (1): 1. doi:10.1086/208673.
- Mukherjee, Sourjo, and Niek Althuizen. 2020. "Brand Activism: Does Courting Controversy Help Or Hurt A Brand?". *International Journal Of Research In Marketing* 37 (4): 772-788. doi:10.1016/j.ijresmar.2020.02.008.
- Nelissen, Rob M.A., and Marijn H.C. Meijers. 2011. "Social Benefits Of Luxury Brands As Costly Signals Of Wealth And Status". *Evolution And Human Behavior* 32 (5): 343-355. doi:10.1016/j.evolhumbehav.2010.12.002.
- O'Cass, Aron, and Emily Frost. 2002. "Status Brands: Examining The Effects Of Non-Product-Related Brand Associations On Status And Conspicuous Consumption". *Journal Of Product & Brand Management* 11 (2): 67-88. doi:10.1108/10610420210423455.
- Kapferer, Jean-Noël, and Vincent Bastien. 2009. "The Specificity Of Luxury Management: Turning Marketing Upside Down". *Journal Of Brand Management* 16 (5-6): 311-322. doi:10.1057/bm.2008.51.
- Keltner, Dacher, Deborah H. Gruenfeld, and Cameron Anderson. 2003. "Power, Approach, And Inhibition.". *Psychological Review* 110 (2): 265-284. doi:10.1037/0033-295x.110.2.265.
- Kotler, P., and C. Sarkar. 2017. "Finally, Brand Activism". *The Marketing Journal*.
- Richins, Marsha L. 1994. "Valuing Things: The Public And Private Meanings Of Possessions". *Journal Of Consumer Research* 21 (3): 504. doi:10.1086/209414.
- Rosenblum, Michael, Juliana Schroeder, and Francesca Gino. 2020. "Tell It Like It Is: When Politically Incorrect Language Promotes Authenticity.". *Journal Of Personality And Social Psychology* 119 (1): 75-103. doi:10.1037/pspi0000206.

- Rucker, Derek D., and Adam D. Galinsky. 2009. "Conspicuous Consumption Versus Utilitarian Ideals: How Different Levels Of Power Shape Consumer Behavior". *Journal Of Experimental Social Psychology* 45 (3): 549-555. doi:10.1016/j.jesp.2009.01.005.
- Rucker, Derek D., Adam D. Galinsky, and David Dubois. 2011. "Power And Consumer Behavior: How Power Shapes Who And What Consumers Value". *Journal Of Consumer Psychology* 22 (3): 352-368. doi:10.1016/j.jcps.2011.06.001.
- Rucker, Derek D. and Adam Galisky. 2013. "Compensatory Consumption." In *The Routledge Companion to Identity and Consumption*. <https://doi.org/10.4324/9780203105337.ch21>
- Sen, S., and V. Morwitz. 2001. "Consumer Reactions To A Provider's Position On Social Issues: The Effect Of Varying Frames Of Reference". *Journal Of Consumer Psychology*.
- Stewart, R. 2020. "Its not a marketing exercise: Bem & Jerry's on dismantling white supremacy". *The Drum*
- Veblen, Thorstein. 1899. *The Theory Of The Leisure Class*.
- Vickers, Jonathan S., and Franck Renand. 2003. "The Marketing Of Luxury Goods: An Exploratory Study – Three Conceptual Dimensions". *The Marketing Review* 3 (4): 459-478. doi:10.1362/146934703771910071.
- Walker, Douglas M., and Robert H. Frank. 1999. "Luxury Fever: Why Money Fails To Satisfy In An Era Of Excess". *Southern Economic Journal* 66 (1): 199. doi:10.2307/1060848.
- Wiggins, J. S. 1991. "Agency and communion as conceptual coordinates for the understanding and measurement of interpersonal behavior". In *Thinking clearly about psychology: Personality and psychopathology*, Vol. 2. (pp. 89–113) edited by W. M. Grove, and D. Cicchetti. Minneapolis: University of Minneapolis Press.

## 9. Annexes

### Annex 1: Data Collection Questionnaire

#### *Q1. Measure of dependent variables*

Please answer the following questions concerning *June*:

Purchase Intentions (dependent variable) (1=extremely unlikely;7=extremely likely)

- a) If I wanted to buy sunglasses and had the budget to do it, I would consider *June*'s sunglasses
- b) If I wanted to buy sunglasses and had the budget to do it, I would be interested *June*'s sunglasses
- c) If I wanted to buy sunglasses and had the budget to do it, I would probably buy *June*'s sunglasses
- d) If I wanted to buy sunglasses and had the budget to do it, I would be likely to buy

Product usage (dependent variable)

- a) If you owned this product, how often would you wear it? (1=never;7=always)

Self-signalling

- a) If I purchased *June*'s sunglasses, I would feel proud of myself
- b) If I purchased *June*'s sunglasses, It will be because I support the brand's values

#### *Q2. Manipulation check*

To what extent do you agree with the following sentences (1=agree strongly;7=disagree strongly):

- a) To what extent do you agree with message present in the ad.
- b) This advertisement is likely to cause opposing views
- c) This advertisement is likely to cause discomfort
- d) This advertisement will divide people
- e) People will have strong opinions about this ad

### **Q3. Measure of Brand Perceptions**

#### Power

- a) I think the brand has a great deal of power
- b) The brand opinions are often ignored
- c) Even when it tries, the brand is not able to get it its own way
- d) The brand can get people to listen to what it says

#### Influential

- a) This brand has an effect on society
- b) *June* contributes to changing the status quo
- c) *June* has influence on world's issues
- d) *June* is likely to cause debate
- e) *June* is helping to change outcomes in the world

#### Risk Taking

- a) The brand is not afraid of taking risks
- b) With this marketing campaign, the brand is taking a risk
- c) With this marketing campaign, the brand has potentially much to lose
- d) With this marketing campaign, the brand has more to lose than to gain

#### Autonomy

- a) If *June* wants to, the brand gets to make its own independent decisions
- b) The brand is able to get its own way
- c) The brand can afford to do what it wants

#### Brand Leader

- a) The brand is one of the best in its industry
- b) This brand is likely to mobilize people
- c) The brand might be a leader in its industry

d) This brand has strong values

e) Many people have the same values as this brand

**Q4. Measure of Sense of Power**

Source : Anderson, C., & Galinsky, A. D. (2006). Power, optimism, and risk-taking. *European Journal of Social Psychology*, 36(4), 511–536)

In rating each of the items below will be used a 7-point scale (1 represents *disagree strongly* and 7 *agree strongly*)

In my relationships with others . . .

1. I can get people to listen to what I say.
2. R-My wishes do not carry much weight.
3. I can get others to do what I want.
4. R-Even if I voice them, my views have little sway.
5. I think I have a great deal of power.
6. R-My ideas and opinions are often ignored.
7. R-Even when I try, I am not able to get my way.
8. If I want to, I get to make the decisions.

**Q5. Assessment of interest in product category**

- a) How many pairs of sunglasses do you own?

**Q6. Assessment interest in controversial topic**

- a) To what extent do you agree that institutional/systemic racism exists, that it is a significant problem in our society, and that more racial equality is needed?
- b) In your daily life, how actively involved are you in the racial equality cause?
- c) How important is this cause to you?

**Q7. Demographics**

- a) Gender

b) Occupation

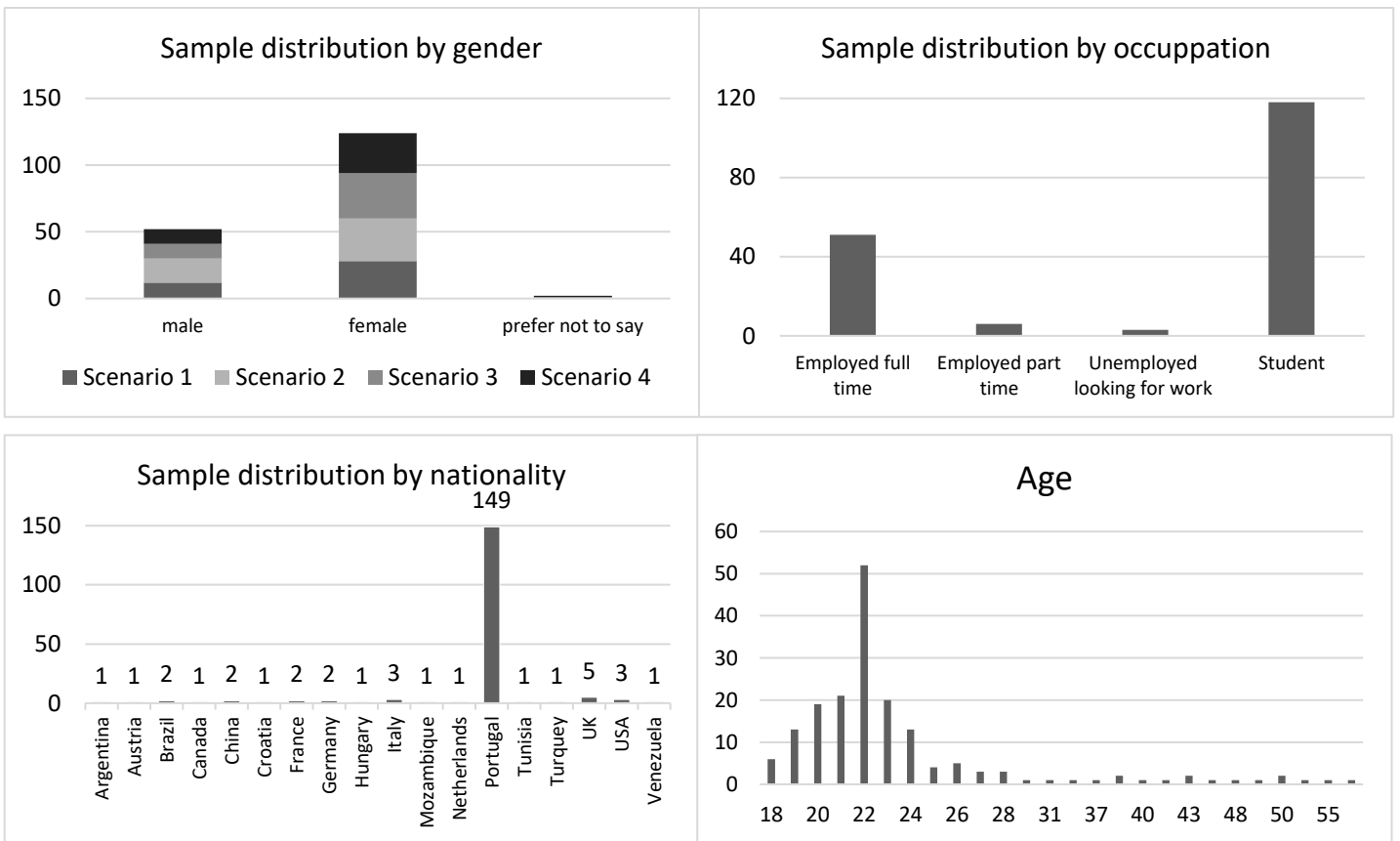
c) Nationality

d) Age

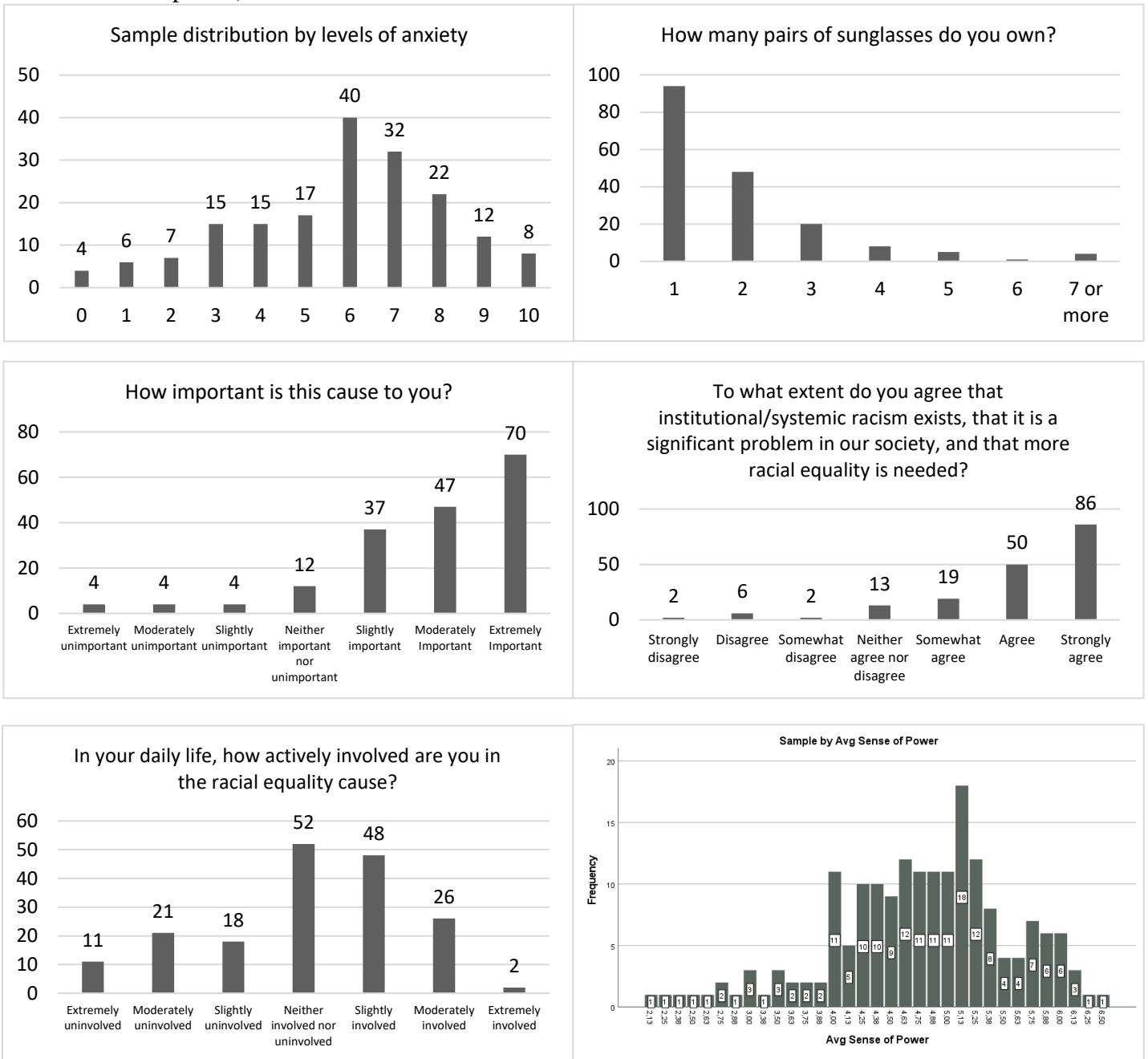
**Q8. Assessment of pandemic impact**

a) On a scale from 0-10, how would you classify your levels of anxiety in the last three months?

**Annex 2: Sample Demographics**



**Annex 3: More sample attributes (anxiety levels; nr of sunglasses; racial equality position; avg sense of power)**



## Annex 4: Tests of Normality

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
<b>Sense of Power</b>	,078	179	,010	,959	179	,000
<b>InfluenceBr</b>	,079	179	,009	,969	179	,001
<b>PowerBr</b>	,082	179	,005	,989	179	,160
<b>ControversyBr</b>	,059	179	,200*	,985	179	,053
<b>RiskBr</b>	,085	179	,003	,978	179	,007
<b>AutonomyBr</b>	,087	179	,002	,984	179	,039
<b>BrLeader</b>	,089	179	,001	,981	179	,014
<b>Purchase_Int</b>	,124	179	,000	,919	179	,000
<b>Prod_Usage</b>	,226	179	,000	,885	179	,000

\*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

## Annex 5: Estimated marginal means of purchase intentions

