QUARTERLY

MarketingNews

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UPDATING A CLASSIC

The marketer's guide to modernizing a legacy brand

AMA AMERICAN MARKETING ASSOCIATION

Inside This Issue

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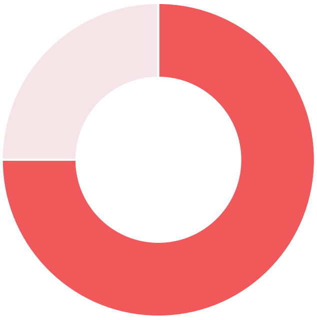
The State of Influencer Marketing in 2022



$16.4B

The influencer marketing industry is set to grow approximately $16.4 billion in 2022, up from $13.8 billion in 2021.

$800M

Influencer marketing-focused platforms raised more than $800 million in funding in 2021.

>75%

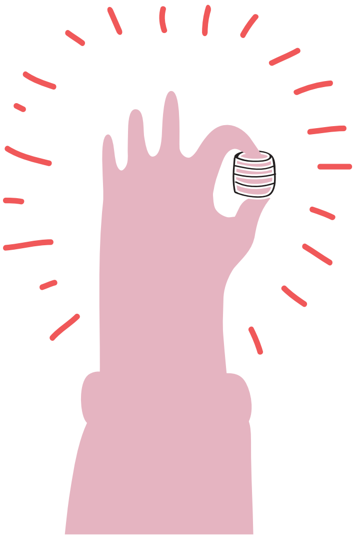
More than 75% of brand marketers intend to dedicate a budget to influencer marketing this year.

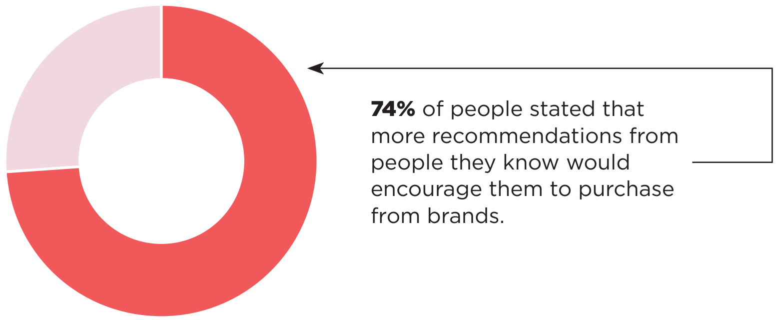
54% of firms working with influencers operate ecommerce stores.

The value of social commerce sales in 2022 is estimated to be **$958 billion.**

By 2025, social commerce is expected to account for **17%** of all ecommerce spending.

71% of consumers trust content from people they know than content from brands **(36%)**.





74% of people stated that more recommendations from people they know would encourage them to purchase from brands.

30%

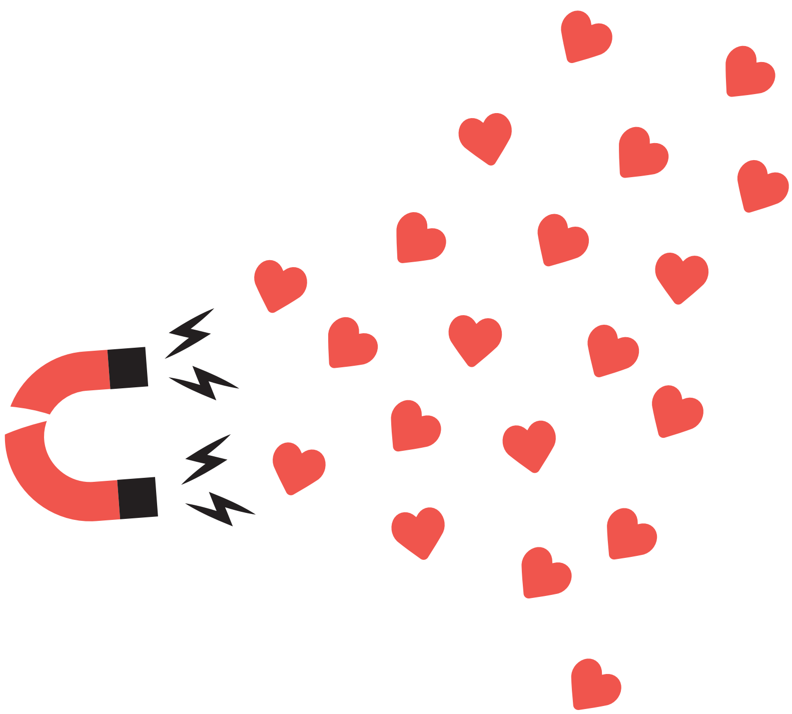
Influencers are **30% cheaper** than other marketing strategies in head-to-head comparison with print media.

40%

Influencers generate 10% fewer sales but are **40% cheaper** per impression.

30%

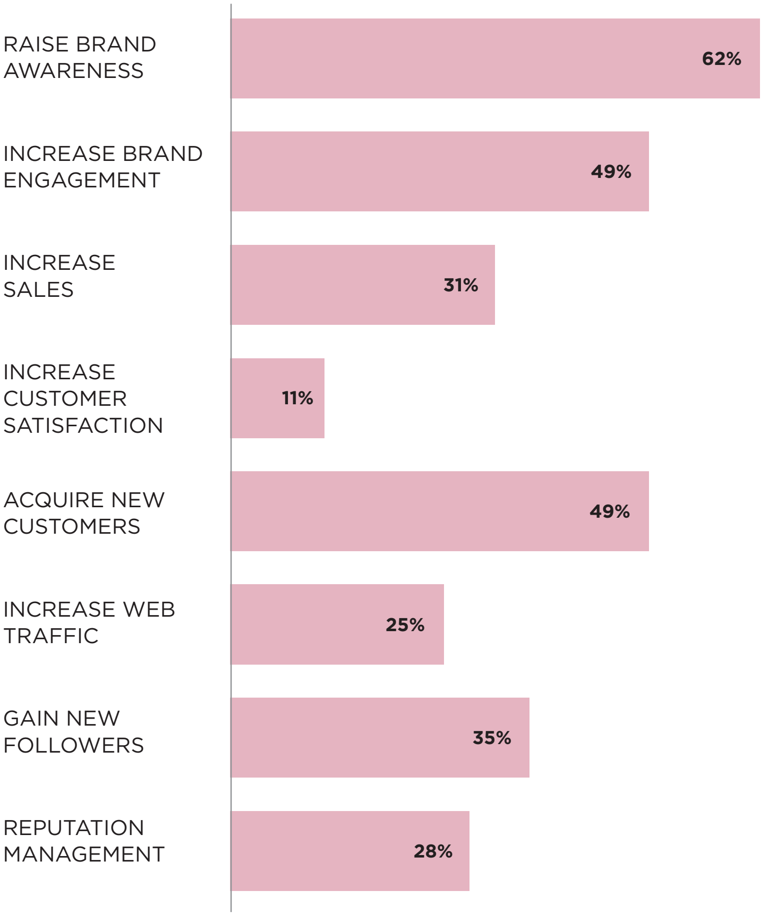
Overall, influencer CPA (cost per acquisition) is **30% cheaper** than traditional media.

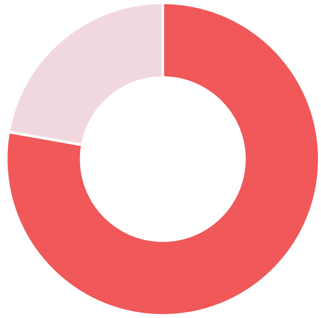


28%

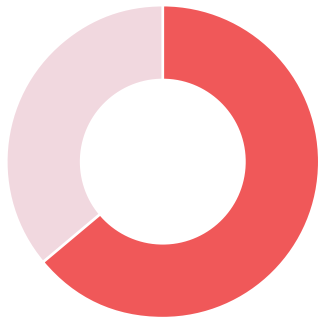
Even when people are unfamiliar with an influencer, influencer content positively impacts purchase intent **(28%)**, slightly lower than purchase intent **(30%)** from content from known brands.

WHAT ARE THE TOP GOALS OF YOUR INFLUENCER MARKETING STRATEGY?



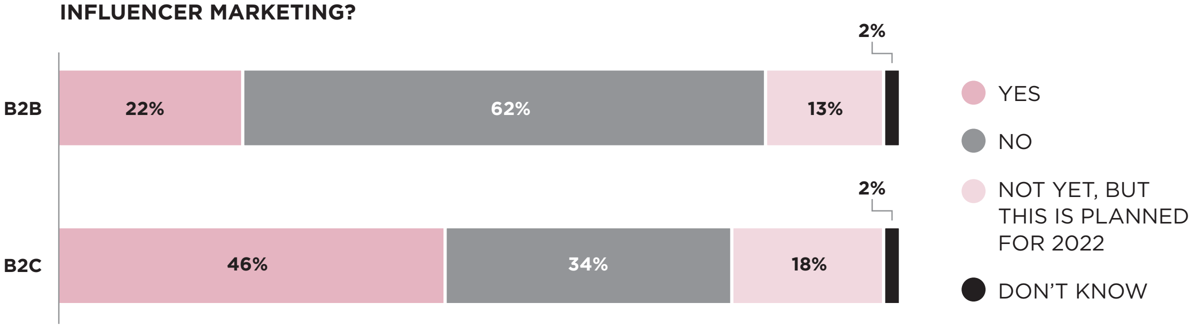


78% of organizations are planning to either increase their social media budget or spend the same amount as in 2021.



64% of B2C organizations work with influencer marketing or plan to do so — twice as much as for any other type.

DOES YOUR ORGANIZATION WORK WITH INFLUENCER MARKETING?



SOURCES: INFLUENCER MARKETING HUB'S STATE OF INFLUENCER MARKETING 2022, WEARISMA STATE OF BRAND ADVOCACY IN 2021 REPORT, MELTWATER 2022 STATE OF SOCIAL MEDIA REPORT.

Latest CMO Survey Shows Companies Lag on Climate, Privacy Issues

Surveyed marketing leaders report soaring digital marketing spending, but find that their organizations struggle with climate- and privacy-related actions

BY CHRISTINE MOORMAN AND MEGAN RYAN

Results from the February 2022 edition of The CMO Survey examined three topics on the minds of many marketing leaders and stakeholders—climate, privacy and spending.

Managing Climate Change

Only one-third of marketers surveyed report that their companies have specific goals related to climate change. Fewer than half of marketing leaders (47.4%) believe their companies are willing to make short-term financial sacrifices to reduce their environmental impact.

Examining changes over time, we find that companies are less likely to take specific actions to reduce the negative impact of marketing-related activities on the environment than prior to the pandemic. In fact, nearly 40% of companies are taking no climate-related marketing actions whatsoever.

This trend may be driven, at least in part, by the fact that only 34% of marketers believe their customers or partners will reward climate-related action, and only 24.5% report that their customers are willing to pay a higher price for more climate-friendly offerings. Overall, trends regarding climate-related actions show that efforts to minimize the impact of marketing on the ecological environment have not increased for over a decade.

Managing Privacy

Marketers expect a large increase in first-party data usage over the next two years (74.8% will increase use) that far exceeds that of second-party (45.7%) and third-party data (30.5%). Furthermore, in 2018, only 11.4% of marketers

40%

Companies are taking no climate-related actions

34%

Marketers think customers/partners reward company for taking actions to reduce impact on climate change

33%

Companies surveyed incorporate climate change issues into brand strategies

47%

Companies surveyed are willing to make short-term financial sacrifices to achieve climate-change goals

predicted a decrease in their use of third-party data. This level increased to 17.7%—likely in the wake of Apple allowing its users to choose which apps can access their data and Google's announcement that tracking cookies on the Chrome web browser will be phased out by 2023.

Despite this, marketers only rate their worries regarding privacy concerns surrounding third-party data at a moderate level—3.8 on a 1-7 scale, where 7=very worried. Notably, these privacy concerns have not meaningfully increased since 2018. This may be due, in part, to the fact that nearly two-thirds of marketers believe customers will stay with their current brand instead of switching to an alternative that offers more privacy protection. In contrast, over 90% do not believe consumers read or understand privacy disclosures. Despite this fact, marketers are still taking some actions to increase trust in their brands in the face of privacy concerns, including 63.1% promising not to sell customer information.

Marketing Spending and Jobs

Yearly growth in marketing spending is soaring. It has now broken 10% growth for only the second time in a decade and is predicted to rise even further over the next year to 13.6%, accounting for 11.7% of company budgets and 10.3% of company revenues. These increases, in light of the decline in marketing spending during the COVID-19 pandemic (3.9% decline reported in February 2021), offer an even more dramatic view of the spending increases.

Digital marketing spending, which currently accounts for 57.1% of marketing budgets, is growing even faster. It is expected to increase 16.2% over the same period. Results show that marketers are spending on digital innovations (e.g., data analytics, optimizing company websites, digital media and search, and marketing technologies systems and platforms) and improving their abilities to integrate customer information across platforms and channels. Furthermore, many companies are spending against the digital opportunities presented by the pandemic, including those delivering marketing technology solutions and those offering more products and services to consumers stuck at home during this period. Aligning with these opportunities, spending on data analytics grew by nearly 40% over the past year to become the most common investment by marketers.

Marketers' roles increased in importance at nearly 70% of companies over the last year, including leading the digital transformation in the majority of companies. Consistent with this, companies report average marketing job growth of 12.2% in the previous year and expect marketing hires to further increase by 10.5% over the next year. The Great Resignation was top of mind for marketing leaders, with 33.3% of voluntary resignations attributed to it. As a result, many marketers are struggling to fill key roles and develop a leadership pipeline at the time they need to most. **MN**

Christine Moorman is the T. Austin Finch senior professor of business administration at the Fuqua School of Business at Duke University, founder and director of The CMO Survey and the editor-in-chief of the Journal of Marketing. Megan Ryan is an MBA student at the Fuqua School of Business at Duke University.

All findings from the February 2022 edition of The CMO Survey, which is based on responses from 320 U.S. marketing leaders at for-profit companies, can be found at cmosurvey.org/results.

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Yearly **growth in marketing spending** is predicted to rise over the next year to **13.6%**.

Companies report average marketing **job growth** of **12.2%** in the previous year and expect marketing hires to further increase by **10.5%** over the next year.

Updating a Classic

The marketer's guide to modernizing a legacy brand without losing sight of its past

BY SATORU WAKESHIMA

Marketers spend tens of millions of dollars each year to persuade consumers to remember and value the storied history, traditions and legacies of decades-old brands—from Kelloggs's (founded in 1906) and Campbell Soup Company (1869) to Nabisco (1898), Cadbury (1824), Keebler (1853) and Clorox (1913).

But what happens when your consumers and culture move on, rendering your heritage brand less relevant to today's shoppers? What if your company's age-old logo and brand identity don't reflect the breadth of products your company actually produces today?

And most importantly, how can you as a brand marketer refresh and modernize a historic brand without losing the consumer love and brand equity that's taken so many decades to nurture?

No matter how cherished your brand's logo, package or product might be, product categories are evolving around you, and your brand has to evolve with it.

Modernizing For Relevance with Today's Consumers

The first step in considering how to modernize the visual assets of your brand is to understand that the biggest challenge brands face today is relevance. Even brands that are leaders in their category have their customers bombarded with brand messages by competitors that are hungry for their business. Maintaining relevance is how brands stay top of mind with consumers before, during and after they go shopping. No matter how cherished your brand's logo, package or product might be, product categories are evolving around you, and your brand has to evolve with it.

Yet change can be hard, and some companies will have fierce internal battles over whether—and how—to change the brand's visual identity from what they've used for years, holding on to these equities dearly. Surprisingly, many companies haven't conducted proper visual equity research to determine whether the visual assets of the brand—the logo, graphic elements, typography and colors—still have value, are recognizable and ownable, and have meaning and relevance for their intended audiences.

Maintaining brand relevance goes beyond understanding how your product fits into your customers' lives. It requires a considered approach to analyzing and understanding what your brand assets, marketing and messages mean to your audiences. The meaning behind how your brand shows up is what connects emotionally and culturally with people.

Managing brands with decades of history is both a great honor and a great responsibility. Even safe, evolutionary updates to a brand still need to move the needle—otherwise, why bother? But exploring the possibilities of dramatic change—no matter how uncomfortable it makes us—is also part of the responsibility. Your loyal consumers will often surprise you with just how far they're willing to go with changes, if it's for the right reasons.

Consumers Can Lead Brands to Their Future — If You Listen

Consider when our agency updated the packaging for the General Mills cereal brand Chex (below) so that it was responsive to consumer desire for cereal that integrated into their lifestyle of wellness and simple health. Modernizing a brand is often less about leading your consumers to follow you, and more often about catching up with where your consumers already are in their minds and in the choices they make.

While modernizing a brand isn't about chasing trends, consider that design is a creative medium, like music and art, that's in perpetual flux and constantly evolves. Heritage brands are represented by visual elements that were born out of their history: a founder's signature or likeness, a company sign, a family crest. While the values of what these elements stood for can be timeless, how they're represented needs to be examined regularly to understand relevancy and meaning to the audiences they're intended to reach today.

As the world spins faster every day, we have all become increasingly accepting of change, and brands need to be prepared to adapt to that speed of change. While no marketer wants to be responsible for changes that lose customers and share on their watch, I see being open-minded to new ways of representing the brand as part of the responsibility of managing a heritage brand.

Balancing Legacy with Brand Updates

Sometimes there can be hesitancy or resistance to design changes for brands or companies that have a family

Consumers' priority on wellness and a healthy lifestyle is echoed in the new packaging for Chex cereal.

Land O'Lakes' new visual identity emphasizes the company's heritage as a farmer-owned co-op with supporting imagery and a simpler design.

legacy. But we experienced the very opposite when The J.M.Smucker company asked us to re-examine their corporate logo, which was born out of their jams and jellies product brand. But it didn't reflect the make-up of their business today in food, coffee and pet. Additionally, the logo didn't express the modern, progressive and innovative organization that they had worked so hard to become. To our delight, family member, CEO and president Mark Smucker championed a comprehensive process and encouraged us to push the boundaries of possibilities, while still respecting their heritage. The result was a bold, contemporary corporate logo that set the stage for the next chapter in the company's success.

Sometimes brands can achieve new relevance by simply leveraging what they have already established, but with a renewed purpose. Here are two examples of brands that continue to find new ways to renew relevance:

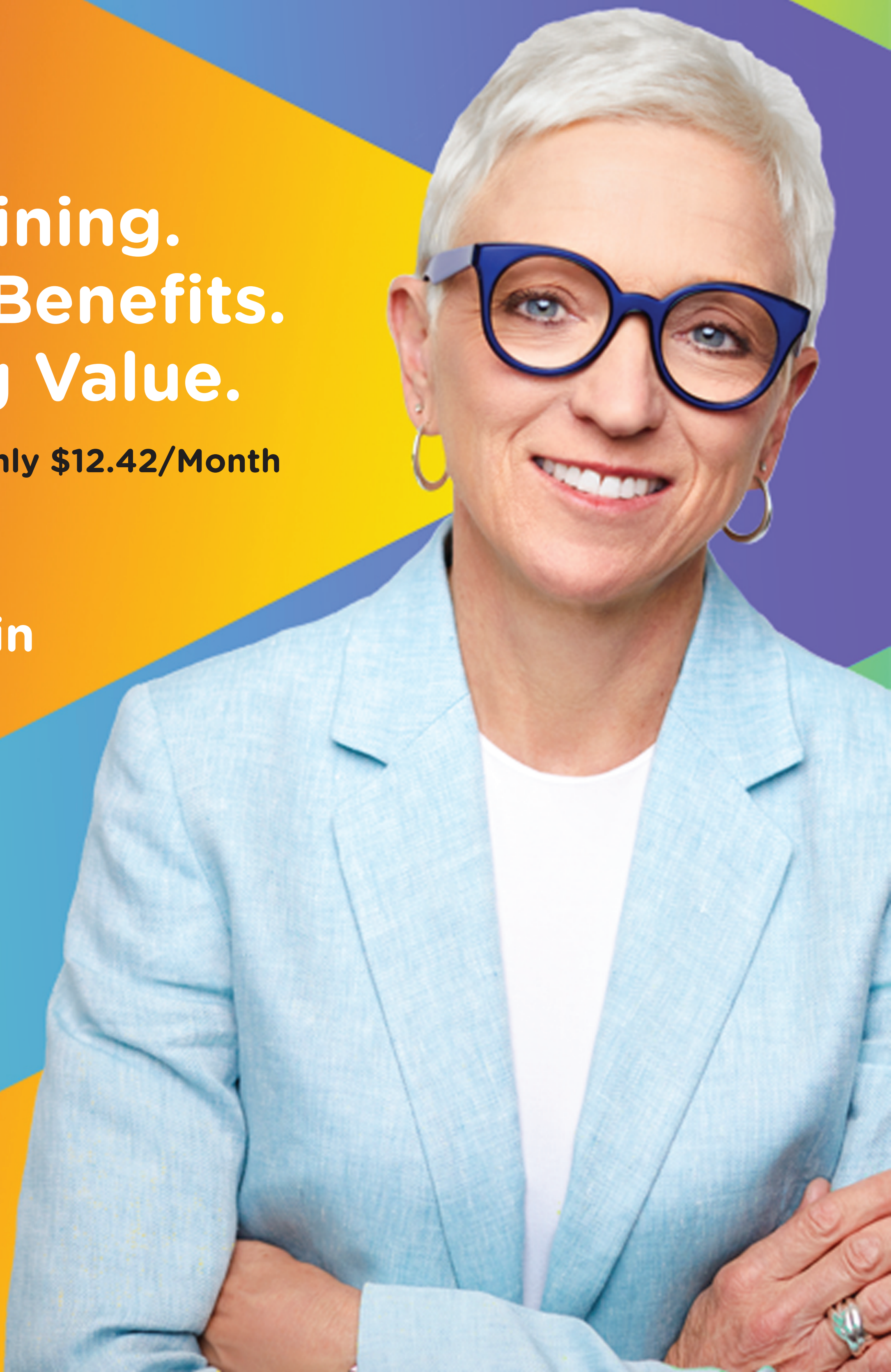
- Levi's has been a symbol of Americana for generations, but they've realized it to have different meaning for their audience today. By supporting freedom and equality, the little red tag and brand connect with a new generation.
- Colgate's use of a simple smile graphic in their logo supports the brand mission of "sparking optimism in everyone, everyday" and could not be more appropriate for the world's leading oral care brand. Simply put, a smile carries so much more deeper meaning than white teeth.

For a final example of the rewards of balancing heritage with modernizing a brand, consider our agency's work with Land O'Lakes butter (above). The Saint Paul, Minnesota-based cooperative asked us to update its visual identity as it celebrated its 100th anniversary, while still reinforcing its place of prominence on the supermarket shelf. Our research showed that consumers liked the Land O'Lakes brand (founded in 1921), but were relatively unaware of its heritage as a farmer-owned co-op. In updating the packaging, our designers connected "Farmer Owned" directly to the brand mark on pack, simplified the brand mark to create a bullseye effect for more shelf impact, and updated the design to use photos of actual farms.

And yes, we helped remove the Indigenous American "Butter Maiden" icon—all of which updated the packaging so it told a more modern story. That story was of simple goodness brought to you by a farmer-owned co-op, an attribute that mattered deeply to today's socially conscious consumers.

In the end, modernizing a brand is far more than just discarding elements that might no longer be relevant to today's consumers. The promise of successful brand modernization is your opportunity to reinforce new messaging (as in Land O'Lakes highlighting its roots as a farmer-owned cooperative) that brings a product up to date to where your consumers are today—and where they're heading tomorrow. **MN**

Satoru Wakeshima is managing director and chief engagement officer with the New York/Minneapolis-based brand design agency CBX. He has worked with such iconic brands as Clorox, M&M's, Gillette, Milk-Bone, Coca-Cola, Kraft and countless others.



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The American Marketing Association Foundation (AMAF) champions individual marketers making an impact in our profession and community. We recognize marketing visionaries who have elevated the field, and we support the next generation of marketers who will transform the profession. Congratulations to our most recent award winners!

Outstanding Academic Marketing Awards

2022 John A. Howard/AMA Doctoral Dissertation Award

This award recognizes excellent marketing doctoral dissertations.

WINNER:

Yu Ding,
Columbia Business School, Columbia University

"Fact-Checking Matters: A Novel Crowdsourcing Approach for Improving the Information Ecosystem"

2022 AMA-Irwin-McGraw-Hill Distinguished Marketing Educator Award

This award honors living marketing educators for distinguished service and outstanding contributions in marketing education.

WINNER:

Eli Jones, Professor of Marketing and Lowry and Peggy Mays Eminent Scholar, Mays Business School, Texas A&M University

2022 Erin Anderson Award for an Emerging Female Marketing Scholar and Mentor

This award recognizes emerging female marketing scholars and mentors, while honoring and celebrating the life of Erin Anderson.

WINNER:

Adriana Samper, Associate Professor of Marketing, W.P. Carey School of Business, Arizona State University

2022 William L. Wilkie Marketing for a Better World Award

This award honors marketing thinkers who have significantly contributed to our understanding and appreciation for marketing's potential to improve our world, and from whose work notable advances have ensued — in the mold of Bill Wilkie of the University of Notre Dame.

WINNER:

Christine Moorman, T. Austin Finch Sr. Professor of Business Administration, Fuqua School of Business, Duke University

2022 AMA Fellows

The distinction of AMA Fellow is given to AMA members who have made significant contributions to the research, theory and practice of marketing, and/or to the service and activities of the AMA over a prolonged period of time.

Dhruv Grewal, Toyota Professor of Commerce and Electronic Business and Professor of Marketing, Babson College

Jan B. Heide, Michael E. Lehman Distinguished Chair in Business, Wisconsin School of Business, University of Wisconsin-Madison

Eli Jones, Professor of Marketing and Lowry and Peggy Mays Eminent Scholar, Mays Business School, Texas A&M University

Call for Nominations

Know any outstanding marketers? Honor them for their achievements by recommending them for an AMA award. Nominations are currently open for:

» **Nonprofit Marketer of the Year**
ama.marketing/NPMY

» **4 Under 40 Emerging Leaders Award**
ama.marketing/4Under40

» **Charles Coolidge Parlin Marketing Research Award**
ama.marketing/Parlin

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AMA.ORG/IMPACT-AT-JMR

(Re)Learning the Value of Sharing

The latest research on influencer marketing, and how marketers can choose the best creators for their brands

BY JACOB GOLDENBERG, ANDREAS LANZ, DANIEL SHAPIRA AND FLORIAN STAHL

The influencer endorsement market more than doubled from 2019 to 2021, growing from \$6.5 billion to \$13.8 billion (Statista 2021). User-generated content networks such as Instagram, LinkedIn, SoundCloud, Twitter and YouTube fueled the growth as they transformed the customer targeting, acquisition and retention process.

Influencers and their followings provide firms unique access to potential customers difficult to reach through channels like online banner advertisements. As a result, companies have found selecting powerful influencers to seed customer targets can drive marketing success (Haenlein and Libai 2017).

But which influencers should firms target to find potential customers? Significant literature suggests high-status influencers with large followings are effective (e.g., Hinz et al. 2011). Such macro-influencers, or "hubs" (Goldenberg et al. 2009), boost information dissemination in user-generated content networks and drive product adoption. More recently, researchers and practitioners have recognized the value of micro-influencers with only a few followers (e.g., Haenlein et al. 2020). Sometimes the generation gap between an influencer and potential customers leads to misalignment (Clegg et al. 2022).

Several recent publications offer important and actionable insights for individuals and firms attempting to seed customers in the evolving social media landscape.

Selecting Influencers

Individual and corporate social network users can use their own profiles to shape their follower base through outbound activities. By targeting influencers with follows, private messages, likes and reposts, they can trigger notifications in the influencers' timelines and possibly elicit follow-backs. The strategy, especially relevant for small- and medium-sized enterprises, requires no monetary budget and, when successful, represents an unpaid endorsement from the influencer.

Outbound activities can trigger direct returns via follow-backs from influencers and indirect returns via follow-backs from influencers' followers. Indirect returns rely on influencers reposting content.

Lanz et al. (2019) find that network users do not generally benefit from soliciting unpaid endorsements from macro-influencers with large followings because they are orders of magnitude less responsive than micro-influencers. Direct returns are therefore unlikely and risky. When macro-influencers do respond, the researchers find the indirect returns from their followers do not compensate for the high risk. Lanz and colleagues offer the first empirical evidence for micro-influencers' effectiveness, finding them to be six times more effective than macro-influencers for growing a follower base of potential customers within two years.

The idea also applies to paid endorsements, as macro-influencers may be unreceptive to requests, regardless of compensation. According to Lanz and colleagues' 2019 work, endorsements depend on the status difference between the solicitor and influencer. Beyond status difference, the solicitor for a paid endorsement must realize that an endorsement may positively bias the influencer's content while decreasing its persuasiveness due to the affiliation (Pei and Mayzlin 2021). For paid endorsements, it is important to specify the affiliation.

When selecting influencers, Valsesia, Proserpio and Nunes (2020) find following fewer other users signals autonomy and enhances perceived influence. The researchers suggest that macro-influencers typically follow few others, while micro-influencers have more balanced follower-to-followee ratios.

Todri, Adamopoulos and Andrews (2021) demonstrate that users may form a sense of social identity based on their physical location. Even in online environments geographical proximity matters for social influence.

Firms should also consider network overlap when selecting influencers. Overlap may occur among common followees, common followers or common mutual followers. Peng et al. (2018) find return likelihood increases with network overlap. Although the researchers find that all forms of network overlap positively affect reposting (i.e., indirect returns), common followers are more important than common mutual followers. In a simulation study, the authors show that a 20% increase in network overlap is associated with a 13% decrease in influencer activation time.

Strengthening Follower Bases

Ansari et al. (2018) find that outbound activities can generate significant long-term impacts via follower base growth and content consumption, with follower base connectedness being critical—and offering considerable predictive power. Individuals and firms should therefore supplement their outbound efforts with activities to increase connectedness, such as additional opportunities for followers to interact on- or offline. The researchers focus on musicians and suggest concerts and fan gatherings as examples.

Chen, van der Lans, and Phan (2017) demonstrate that assuming a binary network structure, where users simply follow each other or not (e.g., Ansari et al. 2018; Lanz et al. 2019), can be misleading. The researchers therefore develop a multinetwork approach for activating influencers by inferring network connection weights based on features like recency and interaction intensity, as well as dissemination process. In an empirical application, they demonstrate relationship duration and private message exchanges generate a multinetwork extending beyond connections alone.

What value does growing a follower base of potential customers to support wide content dissemination deliver? Based on a Facebook field experiment in which they consider an incentive-based health and wellness program allowing customers to accumulate points for offline behaviors like exercising, Mochon et al. (2017) find that business page likes (i.e., followers) can translate into changes in offline behaviors, including purchases. Specifically, using social media platform functionality to acquire likes translates into a 8% greater influence on offline customer behaviors. (For more on the value of Facebook likes, see Colicev (2021).)

Summary

For unpaid social network endorsements, the most basic form of influencer marketing, firms can capitalize on outbound activities like follows, private messages, likes and reposts. However, activating micro-influencers can be more effective than approaching macro-influencers.

Firms must also consider geographical proximity as well as the number of followees and network overlap when selecting influencers for customer seeding. Moreover, marketers must increase connectedness among their own follower base to achieve long-term impacts, meaning they must carefully integrate each new follower into their existing egocentric network, as there is more to a connection than simply a follow. MN

Decrease Your Loneliness Through Ritualistic Consumption

BY COLLEEN MCCLURE AND STELLA TAVALLAEI

Loneliness, a negative feeling associated with a lack of personal connection with others and meaning in life, is a phenomenon experienced by over two-thirds of the U.S. population. The recent pandemic has only heightened this feeling for many, due to the restrictions of face-to-face interactions. However, prior research has focused more on the implications of loneliness rather than strategies that can be used to reduce it. One strategy is to increase a person's perceived meaning of life through ritualistic consumption. Rituals provide a sense of meaning that comes from the repetition of a fixed set of steps.

Xuehua Wang, Yixia Sun and Thomas Kramer explore the effect of ritual consumption on loneliness in their recently published article in the Journal of Marketing Research. The authors use multiple ostensibly unrelated studies to highlight how different ritualistic behaviors can decrease loneliness. They show that the meaning of life can be derived from the meaning of a product. However, if a consumer is able to find meaning in their life from other sources, then ritualistic behaviors associated with the product will not have an impact on their feelings of loneliness. Given that this is the first paper to examine the impact of consumption rituals on feelings of loneliness, there are many avenues for future research.

The findings of this research contribute to an under-researched area of loneliness reduction in marketing literature by illustrating a causal link between engaging in ritualistic behaviors, the individual's perceived meaning in life, and their feelings of loneliness. The authors demonstrate that even rituals that may be considered unfamiliar or minimally important to consumers, such as the steps to prepare milk tea or to the "twist-lick-dunk" method of eating Oreos, can still provide meaningful ways of reducing loneliness. In addition, ritualistic behaviors can affect purchase intentions. Thus, marketers should encourage consumers to engage in or create their own rituals associated with their products.

What was the motivation behind this research, and why are you all passionate about pursuing factors that mitigate loneliness?

As human beings, even though we seek social connections, we inevitably encounter loneliness during our lifetime. The experience of loneliness is brief and transient for some of us; but for others, it is powerful and permanent in affecting our daily life. Especially in the context of a global epidemic, it is inevitable that people will be alone at home. Therefore, we are passionate about pursuing how to mitigate loneliness, particularly from a ritual perspective, which can easily be done at home.

What are the main challenges for researchers interested in studying this topic?

Even though much extant work has examined loneliness, there are still many unanswered questions as to how to reduce its experience. Prior research indicates that consumers often visit stores and dislike self-service retailers that do not facilitate social contact (Forman and Sriram 1991). Shopping malls are considered places that reduce loneliness among older consumers (Kim, Kang and Kim 2005). Consumers may also resort to social mechanisms, such as trying to engage in relationships (Weiss 1974). One challenge in studying loneliness was to isolate its experience and impact on downstream variables from other emotions that might co-occur, such as sadness. A second challenge was to tease apart the effect of ritualistic consumption and meaning in life from potential confounds, such as cognitive busyness or narrative transportation.

Your experiments focused on the rituals associated with consumable products. Do you believe your results would still hold for rituals associated with durable products?

We don't have that data, but it is interesting to further examine rituals associated with durable products. For example, collection behavior, whereby people collect products not for consumption, could be seen as a ritual, which may also enhance perceived meaning in life. Although we only relied on consumable products, we would guess that rituals involving all kinds of options, as long as they can be used to derive meaning, might reduce loneliness. It's definitely an avenue worth exploring!

Did you examine whether the consumers had preexisting rituals associated with the products in your experiments? If there were differences between their rituals and the ritual framework you posed, how would this impact their feelings of loneliness?

We did not examine whether the consumers had preexisting rituals associated with the products in our experiments. It is interesting for future research to examine whether the differences between their rituals and the ritual framework we posed would impact their feelings of loneliness. However, in one of our studies, we asked participants to eat an Oreo either using the traditional Oreo ritual or using the way they usually did. We then had to eliminate those who also used twist-lick-dunk rituals in the latter condition (thus, in effect following the ritual frame instructions). But based on our data and Norton and Gino's (2014) research on rituals, the newly created rituals also work as long as consumers perceive them as rituals.

Do you believe that individuals are likely to engage in more or less ritualistic behaviors if they had previously decreased their loneliness and found meaning in their lives?

Individuals engage in ritualistic behaviors for many reasons—think of all the social and cultural ones! Consumers who are not lonely or whose life is already meaningful might very well continue to engage in rituals for a variety of other reasons.

Based on the findings of your paper, what other research questions can be pursued to reduce loneliness?

Future research may examine rituals associated with other product types, as you have asked, as well as different types of rituals such as self-designed rituals. It is also worth investigating the components of rituals and identifying what elements (e.g., the number of steps involved in the ritual; the length of each of the steps) actually lead to meaning in life and thus reduce loneliness. And, of course, there are likely to be other ways in which marketing activities might reduce loneliness; for example, might marketers increase group membership salience in their ads and thereby lower loneliness by increasing perceived social connections?

What are the key takeaways of this research study for different stakeholders (e.g., academics, marketing, organizations, government agencies)?

For marketers, it is beneficial to communicate ritualistic behavior involving their brands—either suggesting the ritual themselves or urging consumers to develop their own. For public policy makers, governmental actors could stimulate rituals that do not include particular product options to add much needed meaning to people's lives, especially during the pandemic.

How can managers apply the findings of your studies into practice?

The results of Study 1 show that rituals that have meaning for consumers and often occur as part of a special event (e.g., holidays, important sporting events) and may include loved ones. Thus, to ensure that rituals involving their brands are meaningful to consumers, marketers should consider including these characteristics when suggesting ritualistic steps. Given that we found that the most important quality that transforms common behaviors into rituals was the presence of rigid, formal, and repetitive steps, marketer-provided rituals should reflect these characteristics. **MN**

How Do You Feel? Marketing to the Stigmatized

BY MICHAEL W. WU AND BRANDON Z. HOLLE

As the globe becomes increasingly interconnected, the manner in which consumers perceive both themselves and others has become even more important to marketers. Importantly, consumers' self-perceptions as well as the perceptions of others can have consequences regarding purchase behavior and other marketing-related behaviors. A number of personal attributes, such as health conditions or financial stability, have the potential to create negative connotations or feelings for a consumer, particularly if they feel judged by others (i.e., an audience).

Colleen M. Harmeling, Martin Mende, Maura L. Scott, and Robert W. Palmatier investigate this phenomenon by studying how perceptions of consumer stigma can affect the consumer's behavior and successive consumption decisions. Using a combination of field experiments and online surveys, the authors find evidence that consumers assess the degree of threat or judgment generated by their perceived stigmas using environmental cues. Consequently, they then evaluate their status relative to that of the social audience to either proceed with or abandon a consumption encounter. Moreover, the authors also find that consumers with stigmatized traits prioritize the attribute over other attributes related to similarity.

These conclusions provide deep insights for business practitioners and policy makers.

Possessing awareness of whether a product offering is associated with a stigma or not can give the business the opportunity to adjust environmental cues or to find ways

to avoid negative connotations towards their offerings. Policy makers may also wish to focus on improving public knowledge on misconceptions between groups to avoid classifying people into stigmatized categories, thereby avoiding negative connotations or feelings derived from a stigma.

We were able to ask the authors several questions, and they kindly provided some critical insights into this article.

Q Is it more effective for marketers to address how consumers perceive themselves or to instead focus on improving environmental cues that induce purchase behavior?

A As is often in life in general, we do not perceive this as an either-or question. We believe a combination of both approaches (consumer-focused and environment-focused) is preferable. That said, managers typically have more influence in changing/adapting the environmental cues (e.g., in stores, on websites, in market communication).

Note that your question talks about "purchase behavior." Although there is no doubt that purchase intentions are an important outcome in marketing, one key point of our paper is that marketers can also look beyond selling things. For example, we propose that marketers should also have a genuine interest in making sure that all consumers feel welcome in the focal environment and are treated accordingly (e.g., with dignity and respect). We believe it is consistent with the broader idea of "Better Marketing for a Better World (see Journal of Marketing's corresponding Special Issue 2021) to consider commercial and financial outcomes as well as human well-being (e.g., consumers, employee).

To achieve and improve comprehensive well-being and reduce stigmatization in consumption settings and the marketplace more broadly, firms should focus on both. Our paper shows how firms can influence how consumers perceive themselves, but other recent marketing research has also examined how to reduce tendencies to stigmatize others (e.g., see Meyer et al. 2020).

Q As digital communication becomes more ingrained into everyday life (e.g., social media, instant messaging), should businesses refine their approaches to navigate consumer perceptions of stigmatism in this "new" domain?

A Sadly, it seems that social media has increasingly become a platform for stigmatization (e.g., trolling, cyber-bullying, hate speech). We believe it is critical for marketers to actively work against such tendencies to protect consumers, employees, and other stakeholders against stigmatization to promote social cohesion and to protect the social fabric of society and democracy. Clearly, more work in marketing on this and related areas is needed. For example, a recent paper examined how corporate sociopolitical activism (CSA) affects firm value (Bhagwat et al. 2020). The findings suggest that CSA can have a high potential to increase firm value over time, but it is important to consider whether a company's activism aligns with the values of its customers, employees, and policy makers. Such research is an important step in demonstrating that fighting stigmatization is not only the right thing to do, but it can also be beneficial in terms of financial results.

Q One suggestion made in the article is for businesses to reduce visibility of the product, if the product is associated with a stigma. Do you see any potential for marketers to be able to meaningfully shift short-term (or long-term) perceptions of the stigma into a more positive perception to improve consumer attitudes towards the product?

A Oh yes, we do! There is important research on de-stigmatization and normalizing (e.g., Lavin and Barnes 2020). There have been multiple examples of how some traditional stigmas have been successfully decreased. Certainly, companies that produce condoms or female hygiene products have been working toward a normalization of their products, and they have seen considerable success with it. We are seeing a similar effort related to the increasingly emerging production, promotion, and consumption of cannabis. Another example are tattoos; although tattoos were long stigmatized in the United States, this perception has been changing. Case in point: Disney, the happiest place on earth, recently relaxed its restrictions on the appearance of its theme park

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employees to now include some visible tattoos and other features (e.g., gender-inclusive hairstyles). Disney's goal is to promote inclusion and diversity at the company's theme parks (Durkee 2021). So, you raise a great point that decreasing visibility may not always be the best path; indeed, increasing visibility and promoting inclusion and tolerance for traditionally stigmatized people, products, or forms of consumption might be potentially even more important to bolster positive societal change of tolerance and inclusion. That said, sometimes, it might also be fascinating to examine how to increase the stigmatization of certain behaviors or products (e.g., environmental pollution, product/brand piracy, food waste).

Q What inspired you to pursue research on consumer stigmas?

A Vulnerable and stigmatized populations have not been widely represented in our literature, and we saw this as an opportunity to provide a voice for this consumer segment. Increasing stigmatization of many people in the world (based on race, religion, sexual orientation, political beliefs, age, etc.) hinders societal progress, and marketing can and should play a role in promoting inclusivity. We propose that marketing scholars and practitioners should be (a) aware of stigmatization, (b) understand how it affects stakeholders, and (c) find ways to help fight stigmatization, particularly of vulnerable populations. Our research finds that consumers with potentially stigmatized health conditions are more willing to engage in health-related marketing programming when others in the group have a shared illness. This suggests that stigmatized consumers value a sense of connectedness and community, and firms can promote offers that support the health and well-being of these stigmatized consumer segments by connecting consumers with others experiencing a shared journey.

Q In your study you look at health-related stigmas and services related to these stigmas. Do you think that consumers may have different perceptions when stigmas are associated with other non-health related issues? In addition, do you think consumers have different perceptions when shopping for durable goods, rather than for services?

A We think there are certainly interesting nuances that marketers can further consider. For example, there is a lot of research that shows how the perceived controllability of a certain condition influences how people with that condition are perceived and subsequently treated by others. Therefore, consumers might indeed have different perceptions about, for example, gambling or alcohol addictions (which might be perceived to be more controllable) than a hereditary health condition (which is unlikely to be perceived as controllable). However, it is also very important to note that people can misjudge the controllability of conditions. Just consider the fact that many people falsely presume that obesity is a controllable condition, which is not always true (Puhl and Brownell 2003). We believe it would be interesting for marketing to further contribute to reducing stigmatization in the marketplace and consumption settings.

Your question about goods versus services also raises an interesting perspective. We know from service research that consumers (because of the intangibility of services) can focus on and weigh some aspects (e.g., service employees' appearance) more heavily than in goods settings. Therefore, it is quite possible that stigmas become more salient in service settings and that stigmas then affect the service interaction more directly than in a goods setting. This is one example for interesting future research.

Q What do you think the outcome would be if consumers without stigmas received marketing communications with cues that suggested the audience consisted primarily of stigmatized members?

A This is an interesting question, and we can see this going two ways. On the one hand, it is possible that people would respond to this situation with an ingroup-outgroup related mechanism and therefore display a disassociation with the focal marketing campaign and the product it promotes. On the other hand, we might see a more positive response related to potential empathy, understanding, and learning. The important question is when and why consumers respond in one or the other manner and, importantly, which interventions might nudge consumers toward an empathy-driven response. This might also be an interesting research avenue to consider. That is, studying moderators that nudge people toward tolerance, empathy, and mutual understanding of stigmatized consumers would be an important next step. This is not only interesting for marketing scholars but also for managers because companies need to find the right balance for their strategic and tactical marketing. MN

Tell Me You Love Me

Insights for companies on why it's wise to pay customers to write online reviews

BY KHALED EL-SHAMANDI AHMED AND SEONGUN JEON

Many companies use incentives to encourage their customers to write reviews on the assumption that incentives will increase the number of reviews. But could these incentives further motivate customers to write positive reviews? Dr. Kaitlin Woolley and Dr. Marissa A. Sharif's (2021) recent Journal of Marketing Research article examines this possibility across a series of controlled experiments and suggests that consumers who receive incentives find it more enjoyable to write reviews and thus write positive reviews.

However, Woolley and Sharif further explain that incentives do not always increase positivity when reviewing content. Although incentives can increase enjoyment, they are less effective when (1) they are weakly associated with the experience of reviewing (i.e., when customers receive incentives for participating in an experiment) and (2) when they are not perceived positively (i.e., when customers are writing reviews for the company they dislike). As such, this research offers an actionable guideline for marketing managers who want to phase in review incentive programs.

We reached out to the authors to gain additional insights on their motivations for this research and to obtain some useful recommendations for peer scholars and marketing managers.

This article shows that customers enjoy writing online reviews when they are incentivized. What inspired this research idea? What is your story behind it?

The idea for this project came from a conference I attended where a researcher presented a finding on how incentives can reduce bias in online reviews. The idea was that because there is selection in who writes reviews, encouraging more people to write reviews through the use of incentives could reduce the bias from self-selection. At the time, I was working on a research project showing that incentives can increase intrinsic motivation (i.e., interest and enjoyment in the rewarded activity). After the conference I had the idea that incentives could actually create more bias in reviews, by changing the positivity of what people write. I joined up with Marissa and we started to investigate this question together.

Fake reviews are also incentivized and written in a positive way. How can we ensure that positive online reviews are written by real customers and not by fake reviewers who also get paid to write reviews?

For this reason, it was important for us to show in our pilot data that effects held even when using only verified reviewers (which are less likely to be fake). In our research, we were more interested in examining how the content of reviews change for those who actually experience the product. Future research should explore if there is anything systematically different in a review from a fake reviewer (who did not experience the product) versus a reviewer who was paid.

One might argue that customers write reviews voluntarily when they enjoy their experience with the company. Any explanation as to why participants with no incentives did not enjoy writing a review?

The importance is the comparison – it is not that participants without incentives don't enjoy writing reviews, but that they enjoy writing reviews less than a person who reviews the same product or experience and receives an incentive.

The incentives given in the studies are either 20 cents or $1. Does this imply the higher the incentives given to customers to write reviews, the more they will enjoy writing reviews?

We did not systematically compare how the size of the incentive influences enjoyment of review writing, although our theory would predict that an incentive that people are more excited to receive ($5.00) would increase enjoyment of review writing to a greater extent than an incentive people are less excited to receive ($0.05). This is because our underlying process is about affect transfer – the positive effect of receiving an incentive transfers over to the experience of writing reviews. So, if people are more excited about the reward, this should theoretically translate into greater enjoyment of review writing.

You employed multiple natural language processing tools to assess the review content. While using these tools, what were some challenges you faced? Do you have any recommendations for scholars or marketing managers who want to make use of these tools for their research?

This research benefited immensely from other papers (and researchers) utilizing NLP. I had some familiarity with LIWC, a text analysis program, when starting this project, but I learned a lot from reading other papers and talking to other scholars about what worked for them. Through my conversations and in reading the literature, I learned about other software for analyzing text. The biggest challenge I faced was when I wanted to use a specific tool (Hedonometer), but it was not publicly available. On the other hand, a tool (The Evaluative Lexicon 2.0) is publicly available and free to download, which was a huge help. My suggestion for other scholars who want to use these tools is 1. read other papers utilizing NLP and 2. connect with researchers who have used these tools in the past. I followed both of these strategies, which helped improve the paper.

What is your recommendation to marketing managers who want to encourage customers to write reviews? Should they focus on paying customers to write reviews or encouraging organic reviews (i.e., non-incentivized)?

Prior research has shown that incentives can motivate behavior. Our research suggests that if companies decide to increase their volume of reviews by paying their customers, they should be wary that it will also make their reviews more positive. This could be good in that consumers reading reviews may now be more motivated to purchase this (and related) products; however, it can have a backlash if customers purchase a product based on a positive review, and then end up being disappointed if the product doesn't live up to the hype.

Reviews labeled as incentivized can trigger consumer reactance such that incentivized reviews might not work as intended. If so, should companies transparently disclose the fact they used incentives or is it legally (or at least ethically) okay to hide this fact? What would you suggest to marketing managers?

It is becoming increasingly common for companies to disclose when a review was written by an incentivized customer (in part because of changes in federal guidelines requiring this). Our research did not investigate how consumers react to such disclosures, but companies may be able to frame these disclosures in a way that causes less reactance. More research is needed on this! MN

A New Strategy for Counteracting the Impact of Negative Online Brand Reviews

BY NAILYA ORDABAYEVA,
LISA A. CAVANAUGH AND DARREN DAHL

Managing online reviews is critical for businesses. Most consumers consult online reviews before making purchase decisions and seeing just a few negative reviews can damage sales and other business outcomes. Negative reviews are particularly influential because consumers view them as more authentic and informative than brand advertising copy. Thus, managers understandably worry about negative reviews and attempt to downplay or minimize them to avoid negative effects. In fact, type "negative online reviews" into a browser search and top results will include: "Bury Negative Reviews Online," "How to Remove Negative Online Reviews," and "Delete Negative Content Fast." Such practices are prominently promoted as a marketing solution. However, new research challenges the assumption that negative reviews are necessarily bad for business.

A new Journal of Marketing study suggests that negative reviews may not always be detrimental to brands. In fact, they might even yield positive outcomes when consumers personally identify with a brand and see facets of their personality or identity in the brand. When consumers identify with a brand, they are more likely to scrutinize negative reviews, seeking to protect the brand and by extension themselves, from negative feedback. In particular, consumers scrutinize the social distance of reviewers to themselves using various dimensions (demographic, social, group) to justify dismissing negative feedback from socially distant reviewers. This ultimately protects identity-relevant brands from negative reviews. It sometimes even yields upsides for brands relative to positive reviews. Notably, consumers do not similarly scrutinize reviewer social distance (or similarity) following positive reviews. They heed such reviews regardless of social distance because positive feedback about identity-relevant brands, and self, is always welcomed.

Data collected and analyzed in controlled lab settings, as well as hundreds of thousands of real consumer reviews posted online, provide support for this phenomenon. In one study, we examine the extent to which real consumers listen to actual reviews posted online about popular restaurants that they consider to be identity-relevant. We find that consumers downplay the usefulness of negative reviews by socially distant reviewers. In contrast, we find that consumers do not scrutinize the social distance of reviewers who write positive reviews.

In a different study, we survey NFL fans, who have a strong personal connection to the NFL brand, about their reactions to a negative or a positive online review of an NFL-branded sweatshirt. We find that NFL fans responded to a negative review quite differently depending on the social distance that they perceived with the reviewer. In fact, a negative review by a socially distant reviewer boosted participants' interest in purchasing the NFL sweatshirt by up to 27 percent relative to a positive review by such a reviewer. This occurred because a negative review from a distant reviewer prompted participants to strengthen their relationship with the NFL brand as a way to protect it from negative feedback.

A similar upside of negative emerges in another study when Canadian respondents read either a negative review or no review of President's Choice, a beloved packaged coffee brand in Canada. Seeing a negative review by a distant user who expressed consistent negativity in prior reviews bolstered consumers' interest in the brand by six to 12 percent compared to seeing no review. Thus, managers of identity-relevant brands may be better off keeping and perhaps even emphasizing negative online reviews (relative to positive or no reviews) among brand fans and when faced with consistent negativity from socially distant reviewers.

Our findings have useful implications for marketers who wish to effectively manage negative online reviews. Displaying reviewers' profiles and review histories on online platforms to highlight reviewers' social distance and consistency may protect and even benefit identity-relevant brands following negative reviews. Our findings further emphasize the importance of cultivating consumers' brand relationships as a strategy for protecting identity-relevant brands and benefiting from negative reviews. Thus, it is critical for managers to understand their brands' relevance and strengthen their connection to consumers' identities to move more consumers into the strong-brand-relationship segments. These insights are especially actionable in the age of big data when companies can quickly and accurately analyze consumers' brand relationships and identify strong-relationship segments.

Sales and Self: The Non-Economic Value of Selling the Fruits of One's Labor

BY BENEDIKT SCHNURR, CHRISTOPH FUCHS, ELISA MAIRA, STEFANO PUNTONI, MARTIN SCHREIER AND STIJN M.J. VAN OSSELAER

The number of people selling their handcrafted goods on electronic platforms such as Etsy, Amazon Handmade, Artfire, Aftcra, and Folksy is at an all-time high. The increase in sellers on these platforms has become a major source of competition for traditional firms in several industries. For example, in 2020, Etsy reported a total transaction volume of around $10 billion, with almost 4.4 million sellers offering handmade products to almost 82 million buyers. Its revenue growth accelerated to 185% in 2020 compared to 2017. A new Journal of Marketing study suggests that the rise of people selling their products on these electronic platforms cannot be explained by a desire to make money. Our research finds that selling self-made products increases individuals' happiness beyond any economic returns from sales.

Specifically, we show that individuals who sell their self-made products are happier than individuals who do not sell or sell less of their self-made products, even when those who sell more do not earn more money from those sales. We demonstrate that this effect exists because individuals offering their self-made products interpret sales as a positive signal from the market. The sales are like customers telling them they are skilled and competent producers. In other words, artisans who sell more of their self-made products feel more competent, which in turn makes them happier.

In total, we conducted eight studies to examine the non-economic benefits of selling. In the first study, we analyze survey data of Etsy sellers reporting their happiness during the last four weeks. We find that Etsy sellers were happier when they sold more products even when we control for the profits and revenues from their sales. We validate this finding among artisans from the Australian marketplace Madeit.com.

We conducted several experiments that reveal the following:

- First, sales increase sellers' happiness more when buyers make a deliberate choice to purchase sellers' products than when buyers choose sellers' products at random.
- Second, sales increase sellers' happiness more when buyers incur higher monetary costs, even when those higher costs do not translate to higher monetary income for the seller (such as when buyers have to bear higher shipping costs).
- Third, individuals who sell more of their self-made products are happier than individuals whose self-made products receive more "likes," even when the monetary cost of liking a product to a customer equals the monetary cost of buying a product.
- Fourth, sales increase sellers' happiness more when they sell their self-made products than when they sell products that are made by someone else.
- Finally, there is also a flipside to the positive effect of sales. Failing to sell a self-produced item decreases artisans' happiness. In fact, they are less happy than those who are not trying to sell their own products, even when both make the same amount of money.

Overall, our research elucidates the non-economic value of sales: Selling makes people happy above and beyond the monetary rewards from those sales. As a result, our findings show that engaging in market exchanges can provide a positive source of meaning and happiness for people.

Crowdsourcing for Marketing Success

BY DARREN W. DAHL AND RETO HOFSTETTER

The term "crowdsourcing" was first defined in 2005 by the editors of Wired magazine to describe how organizations began leveraging internet users to outsource tasks. Over the years, the notion has been defined in a variety of ways (e.g., crowdfunding, crowdvoting, and crowdsolving), with specific application to business, government, and nonprofit organizations' innovation efforts. Indeed, companies in almost every business vertical— from Lego to BMW to Frito Lay—have embraced crowdsourcing to gather new ideas and engage the broader consumer marketplace.

In response, researchers have done significant work to define crowdsourcing's advantages and limitations. The work has broadly shown crowdsourcing provides organizations enhanced innovation performance, increased sales, and better customer engagement (Boudreau and Lakhani 2013; Kohler 2015). Ramamurti (2020) even suggested the strategy could be used to address the COVID-19 pandemic.

Other scholars have identified significant limitations to crowdsourcing, including idea quality variability, brand reputation risks (Verhoef, van Doorn, and Beckers 2013), and misleading idea quality signals (Hofstetter, Aryobsei, and Herrmann 2017).

Most recently, several Journal of Marketing Research articles have sought to add insight to the crowdsourcing discussion. Specifically, researchers have examined how to manage innovation crowdsourcing to optimize success probability in the context of online platforms and innovation contests. Other scholars have explored the value of signaling to potential customers that a product has been crowdsourced.

MANAGING THE CROWD FOR SUCCESS

Stephen, Zubcsek and Goldenberg (2016) have investigated the role of social networks in facilitating innovation in crowdsourcing platforms. The authors note that many crowdsourcing platforms have adopted interdependent ideation, whereby customers can be exposed to or inspired by others' ideas when defining their own. The researchers used an experimental approach to determine how a network of other customers' inspirations affected individual customers' innovativeness. They showed that a high level of interconnectivity between the social network defined on a crowdsourcing platform could negatively impact innovativeness among ideas produced. The researchers suggest the outcome is due to the redundancy and similarity of ideas shared when a social network is defined and when its members actively communicate with one another. The authors advise that firms can attenuate the issue by explicitly instructing crowdsourcing participants not to rely on other customers' ideas for inspiration.

Building on the research, Hofstetter and colleagues (2021) show that the number of potential solutions to a task shown on crowdsourcing platforms can significantly impact innovation outcomes. Using an innovation contest (a common modern crowdsourcing mechanism), the authors found that exposure to numerous competitive ideas harmed rather than stimulated creative performance. Importantly, they found the competitive display of others' ideas underlay the effect, as exposure to an increasing number of ideas demotivated participants. The researchers found noncompetitive exposure to an increasing number of ideas benefited participants by inspiring creative efforts. The authors spotlight multiple strategies firms can use to mitigate the harmful influence of competitive exposure, including limiting the number of crowdsourced ideas shown or categorizing the ideas.

COMMUNICATING CROWDSOURCING TO CONSUMERS

While researchers have done considerable work to define crowdsourcing's value, few have sought to understand consumers' feelings and attitudes toward crowdsourced products and services. So, does marketing products to consumers as crowdsourced have benefits?

Recent research by Nishikawa and colleagues (2017) shows that labeling new products as crowdsourced can improve market performance. The authors used field studies to show that marketing products as crowdsourced increased sales by up to 20%. Their follow-up, controlled studies showed that a quality inference for crowdsourced products drove the positive outcome. In other words, the researchers found some consumers believed crowdsourced products would address their needs more effectively and be more likely to be successfully designed than non-crowdsourced products.

Song, Jung, and Zhang (2021) provide additional insight into when communicating crowdsourcing to consumers is likely to be beneficial. They found consumers preferred either consumer-designed or designer-designed products depending on context. The researchers showed that the consumer's power distance belief (PDB) moderated which type of product was preferred. Specifically, they found that low-PDB consumers, identifying more with crowdsourcing companies, preferred consumer-designed products, whereas high-PDB consumers preferred designer-designed products. The authors found the effect pattern at both the country and individual PDB levels. The research suggests that crowdsourcing's positive effect is not ubiquitous, and marketers are best served by the approach if it resonates with their target consumers and fits their product context.

Crowdsourcing has become an essential instrument in every marketer's toolbox, and recent research provides guidance for how firms can best use the strategy. Although putting a brand in a crowd's hands poses risks, the benefits prevail when the firm implements crowdsourcing judiciously. Managers should ensure that the crowd is heterogeneous so consumers truly benefit from finding each other's ideas inspirational rather than competitive. As it pays to market products as crowdsourced, marketers should find effective ways to communicate their efforts. And they must carefully balance the efforts, as some consumers such as those with high power distance belief, prefer designer-based products.

The Pet Exposure Effect: Exploring the Differential Impact of Dogs Versus Cats on Consumer Mindsets

BY LEI JIA, XIAOJING YANG AND YUWEI JIANG

Pets are prevalent and play important roles in consumers' daily lives. For example, 68 percent of U.S. households, or 84.6 million homes, own a pet. Dogs and cats are the most popular pets, with 48 percent of U.S. households (60 million homes) owning at least a dog and 37 percent of U.S. households (47 million homes) owning at least a cat. Pet adoption rates have climbed significantly, with about one in five households having acquired a dog or cat since the outbreak of the COVID-19 pandemic. Pets also frequently appear in popular culture, mass media, and marketing communications. For example, Target chose a dog as its brand mascot, Microsoft featured dogs in its 2020 holiday commercial to inspire people to find joy, and Wells Fargo used a cat in its commercial to advertise its suspicious card activity alert services. A new Journal of Marketing study shows that people's pet-related experiences impact their consumption-related decisions.

Specifically, our research team examines the effects of pet exposure (e.g., recalling experience interacting with dogs or cats or viewing ads featuring a dog or a cat as the spokesperson) on consumers' subsequent judgments and decision making, even in pets-unrelated domains. We demonstrate that exposure to dogs (cats) makes consumers subsequently more promotion- (prevention-) focused, meaning that consumers will become more eager (cautious) in pursuing a goal and more risk-seeking (risk averse) when making decisions. These effects occur because pet exposure experiences remind consumers of the stereotypical temperaments and behaviors of the pet species.

Our hypotheses are supported across multiple product and service contexts. For example, exposure to dogs (cats) led research participants to choose riskier (risk-averse) options in decision making, such as choosing the riskier stock investment option (the less risky mutual fund investment option), and more willing to risk monetary compensation for a chance to win an even a bigger payment. In addition, exposure to dogs (cats) led participants to prefer ad messages that are framed with a promotion (prevention) focus or messages featuring eagerness (vigilance) appeals. Furthermore, our secondary data results show that people in US states with a higher percentage of dog ownership are more interested in searching promotion- (prevention)-focused words online and are more likely to get COVID-19 during the pandemic. We also demonstrate that the proposed effects are moderated by pet stereotypicality, such that the effects of pet exposure on consumer behavior only persist to the extent consumers are reminded of the stereotypical temperaments and behaviors of the pet species.

Our findings offer novel implications to marketers. First, marketers should consider crafting their advertising messages differently or recommending different products and services when they target consumers depending on their pet exposure situations. For example, to enhance the effectiveness of advertising appeals or communication messages, marketers should emphasize promotion-focused goals such as gains and non-gains if they are targeting dog owners or after consumers are exposed to dogs or dog-featuring stimuli (e.g., after just watching an ad about dogs). Conversely, they should focus on prevention-focused goals such as losses and non-losses if they are pursuing cat owners or after consumers who are exposed to cats or cat-featuring stimuli. Importantly, our findings show that this advice holds even when the advertised product or service has nothing to do with pets or pet products.

Second, our findings offer important insights into how to incorporate pets into marketing communications. One consideration, according to our findings, is the type of product or service being advertised. For products or services mainly perceived as promotion-focused (e.g., stock investments, sports cars), featuring dogs in the ad is likely to increase the ad's persuasiveness. For products or services deemed more prevention-focused (e.g., mutual fund investment, insurance), featuring cats may increase the ad's appeal. According to the findings of the pet stereotypicality study, a caveat is that marketers should ensure that stereotypical pet temperaments are made salient in the message (e.g., the eagerness [cautiousness] aspect of the dog [cat] should be highlighted). Otherwise, the intended effects of featuring pets in the ad may not be achieved.

Lastly, our findings that pets and pet ownership are potentially related to COVID-19 transmission rates and prevention behaviors could shed new light on policies related to the prevention of COVID-19 and potentially other infectious diseases. For example, policymakers in states with more dog owners could design more customized educational programs and materials related to the diseases. Alternatively, when designing ads to prevent the transmission of COVID-19 and other infectious diseases, cats could be incorporated as a spokesperson and/or the cat temperament can be referenced in the message to enhance the effectiveness of the ad.

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Tell Us a Story (Don't Sell Us an Advert)

With traditional advertising yielding diminishing returns, how can brands more authentically share their stories?

BY BEN JURA | CREATIVE DIRECTOR, MARKS

The ecosystem of consumer interaction with brands has evolved significantly in recent years. Mainstream social influence culture, the explosion of video content, on-demand services across categories and the cynicism as a response to the increasingly post-modern world, have rendered it increasingly difficult to deliver meaningful advertising to consumers. If brands want to successfully connect with consumers in a meaningful way, they need to tell stories and create content, rather than ads, sharing their values and purpose. Due to the accelerated transition to an ecommerce-dominated shopping paradigm, price and quality have been reduced to table stakes, leaving other criteria like purpose-related factors as key differentiators in this arena.

Spirits brand Pernod Ricard's North American CEO Ann Mukherjee recently noted: "Purpose could be about fun. Purpose could be about indulgence. Purpose could be about being a rebel. Purpose could be about saving the world. But purpose must be intrinsic to what the brand's narrative is."

Despite a shifting landscape, consumers continue to gravitate toward brands whose purpose aligns with their interests and beliefs, and are still weary of anything perceived as inauthentic. So how can brands communicate their purpose and draw in advocates if traditional advertising is yielding diminishing returns?

The authenticity of any offering made by a brand to a consumer is paramount in determining the effect that it will have and how strong the reaction will be. Reciprocity holds true for brands just as it does for individuals. In a consumer study conducted by Steve Martin of Influence at Work, one-third of customers visiting a fast-food restaurant went to the counter to order their food without distraction, one-third were handed a key chain as a thank you for coming in and one-third received a cup of yogurt as a welcome as they walked through the door. The recipients of the keychain bought 12% more than the control but those that received food bought 24% more than the control. They bought food—engaging with the brand—at the deepest level of all test groups because the brand offered them something that was high in their goal hierarchy at the time (people go to restaurants because they are hungry). While economists may think this a foolish approach, a brand offering a consumer what they want—not in response to a desired action, and without seeking engagement in return—has huge effect. This strategy can work with material items, but information works as well if it is highly desirable to the recipient. The latter approach is often least costly, considering that, regardless of the value of views and engagement, scale is needed to profitably monetize a large audience.

As more and more brands begin developing experiential, interactive or engaging content in an opt-in framework, there are a few ways to approach that will help ensure authenticity. Brands can lean into their expertise to make the useful yet inaccessible, accessible. They can highlight initiatives in an engaging way that are important to both the brand and its customers. Or they can live their purpose and attempt to have their desired effect outside of their primary customer journey, to connect back to the core offering.

Creating expert content could mean developing spaces where customers can benefit from their knowledge. This could be interactive trial opportunities where experts provide guidance (think free fifteen-minute makeovers at Sephora or department stores like Nordstrom who are adding in photobooths for social sharing and digital shop-alongs). Brands can also share information from their unique knowledge base, that consumers might not otherwise have access to. This is what Neutrogena did with their "In the Sun" film about skin cancer. Free from overt branding and deployed as a public awareness tactic, this documentary film follows Dr. Chi, a dermatologist treating seven families with the goal of educating viewers about misconceptions and methods of safely enjoying the sun. While it may be somewhat self-serving for a brand that does sell sunscreen as a small part of their large portfolio of skincare products, the tone and lack of brand presence helps communicate the brand as genuine and inspirational, especially when viewed in the context of other self-help and educational tools on their website.

For brands who want to create content in support of purpose, highlighting initiatives is another great way for brands to illustrate shared value with an audience. Take Patagonia with its values rooted in environmental preservation; it was possible for the brand to leverage its powerful position to create buzz for emerging river ecosystem restoration groups. The effort was win-win. The film that Patagonia helped to produce won audience awards as SXSW Film Festival when it premiered. It increased awareness of, and advocacy for, an effort to shift attitudes around the impact of hydroelectric power on river ecosystems. It helped an external effort, re-enforced core brand values, and showed the scope of their purpose in an engaging and interesting way.

The authenticity of any offering made by a brand to a consumer is paramount in determining the effect that it will have and how strong the reaction will be. Reciprocity holds true for brands just as it does for individuals.

Having a presence in spaces of shared interest outside of the primary engagement environment, is another strategy to communicate a brand's purpose. Offering an individual what they are seeking, where they already are, can show that a brand is committed to providing something, beyond promoting their core product or offering. For an individual scanning through HBO Max looking for a comforting escape from the pressures of the everyday, "A World of Calm" might do the trick. The non-traditional portrayals of animals and vegetation with absolutely no entertainment value or inspiring titillation (by design) lulls viewers into a deep state of relaxation. This may help to generate interest in their app as a way to pursue a similar relief in contexts beyond the environment already adopted. Of course, the deep contradiction in the idea of celebrity narrated, venture-backed "mindfulness" brought to you by the same platform presenting "Game of Thrones" or "Real Time with Bill Maher" may be too much to handle for those already sold on the benefits of meditation. Calm is following a proven strategy of using partnerships to expand their impact and show their purpose to new prospects, but time will tell if this execution is seen as a good articulation of that purpose or not.

Today, brands are both expected to represent something larger than their product or service and are limited by the efficacy of their advertising to tell that story. An Edelman earned brand study shows that 64% of respondents would choose, switch, avoid or boycott a brand based on its position relative to values held by the consumer. Additionally, communicating those values and purpose has a greater effect on advocacy than understanding product or service features. Creating shared value content can be one of the most effective ways for brands to show their purpose and whether it's authentic, not used as a device intended to drive sales and provides something high in the consumer's value hierarchy at the time it is provided.

Do that and the declining reach of advertising shouldn't keep you up at night. But if it does, there is always footage of sea turtles sleeping on the ocean floor to help you nod off, brought to you by a curious partnership. MN

Does the World Really Need More Brands?

Confronting capitalism and brand purpose in the age of anxiety

BY JENNIFER MURTELL | VICE PRESIDENT OF STRATEGY, ASIA PACIFIC AT MARKS

Capitalism has fueled countless human achievements. The Industrial Revolution, big tech, modern medicine and the green movement have all unequivocally benefited humanity by lifting people out of poverty, raising our standards of living and extending life expectancy. It has provided the tools to innovate against some of the toughest problems humanity has faced.

But the shortcomings of our paradigm have also never been more glaring. In a world of free markets, brand-building, omnichannel strategies and new product innovation, talk of managing our capital-driven predicament seems almost rude, or even politically incorrect.

The trade-off of short-term profits for what was once seen as vague, distant problems have returned to us with urgency, like the Ghost of Christmas Past. As the world faces an uncertain future of pandemics and climate consequences, political unrest and polarization, we seem to have crossed a Rubicon of discontent with the status quo. In fact, Edelman's 2020 Trust Barometer found that 57% of people worldwide said that "capitalism as it exists today does more harm than good in the world."

Under capitalism, people enjoy greater individual, political and economic freedom. But in many developed nations, the myth of infinite growth has contributed to a significant gap between the wealth of the richest and poorest people, a gap that grows wider every day.

Purpose vs. Infinite Growth

It is in this deep complexity that brands may face their toughest challenges. As we endure our current interconnected crises (implications of climate collapse, looming economic downturn, global pandemic, geopolitical uncertainty and pervasive human inequity), brands and their stakeholders need to ask themselves whether we are contributing to the problem or embodying solutions. Consumers are already asking this question, and brands without answers, even category leaders, risk losing their relevance. Shifting our understanding and our definitions of growth doesn't mean we need to shrink, but it does require imagination, a keen understanding of the future landscape, and a fresh approach to innovation. Old metrics, models and assumptions may be our own worst enemy in a market where consumer demands have shifted to value trust over newness, lasting quality over flashy features, and humancentric purpose over hype.

Today, over 60% of consumers look for brands they can trust before they look at price. And their definition of trust has shifted; they expect brands to take an active stand on the issues that matter to them, while the products solve everyday problems. The tried-and-true emotional and aspirational drivers like image and status are taking a backseat to health, family, quality and social responsibility.

Evidence of this consumer shift reveals itself in Edelman's Trust Barometer Special Report "Brands Amidst Crisis." Eight thousand people in eight countries were surveyed to uncover powerful insights that illuminate the shifting priorities of consumers.

Consumer fear has escalated.
Fear levels continue to tick upward around physical health and psychological resilience, economic stability and educational challenges. Trust in brands that alleviate their fears jumped a whopping 400%. Trust builds loyalty like never before: High-trust consumers demonstrate marked increases in brand loyalty, repurchase, engagement, sharing personal data and word of mouth brand advocacy.

Consumer values have evolved.
Spending time with family, making smarter purchases, and helping other people were top responses, while creating an external image, being seen as a trendsetter and indulging in the finer things have all dropped in priority. Brands are overwhelmingly expected to speak to the bigger societal problems of our time, and to act on these problems.

Brand action is the new price of entry.
Brand storytelling has shifted to brand-doing, where actions speak louder than taglines. Future plans and future talk mean little to these consumers, who want brands to act now. There's a huge opportunity for brands to redefine their role by contributing to larger solutions, acting as advocates and change agents. There is no skirting this expectation, particularly with younger consumers: if a brand lacks purpose and societal value, they will deselect.

These findings mark a dramatic evolution in the way consumers make purchase decisions. If a problem has a powerful impact on the lives of consumers, and brands are contributing to that problem, how can consumers build trust? From safe working conditions and workplace discrimination to economic and environmental impact, brands are now accountable for their decisions.

Purpose-Driven Innovation: The New Rules

Through the lens of Maslow's hierarchy, consumers are now living on the lower rungs of physiological and security needs. In many ways, we are back to basics. Consumers want to know that we understand and empathize, and they need us to meet them where they are. So how does this impact our innovation practice?

First, use it to find your purpose. And if you have one, use it to ensure that every facet of your business is living up to that purpose. This is easier said than done, and the fundamentals of brand-building is not the place where we typically think of innovation investment. But living up to a purpose that resonates with consumers, and that delivers on its promises in holistic and tangible ways may take some serious innovative thinking. It may even require revolutionary thinking. A successful brand can answer three pivotal questions: Who are you, what do you do, and why does it matter? A successful, purpose-driven brand answers these additional questions: What do we care about? What part of the world can we improve? How are we uniquely suited to improve it? What action must we take?

New action requires change. Change requires innovation. Innovating requires action. It's a virtuous cycle that is inherently authentic and cannot be faked.

Janet Balis in The Harvard Business Review articulated the "new truths" of marketing in a time of crisis, with a few powerful shifts:

- **Old truth:** Your brand should stand behind great products.
- **New truth:** Your brand should stand behind great values.

In this crisis of trust, living up to your values and delivering on your promises carries new weight. Invest time in innovating how you live up to the values and promises your brand articulates, even if it takes radical ideas: What could the brand do? What partnerships help create your virtuous cycle? What will your brand action be?

- **Old truth:** Relationships matter.
- **New truth:** Relationships are everything.

Trust has always been important. But a brand promise is more sacred than ever, and if your product, service or experience fails to deliver on that promise, consumers can't build authentic relationships with you. You will have betrayed their trust, and trust isn't easily regained. In the current virtual retail environment, building these relationships can be challenging. Invest innovation resources to uncover surprising and delighting ways to create authentic connections with consumers.

- **Old truth:** You are competing with your competitors.
- **New truth:** You are competing with the last best experience your customer had.

Younger generations have grown up with technology woven into their day-to-day experiences, and today's brand landscape is full of customized experiences and highly personalized product offerings. Consumers today expect more, in a time when we are all starved for immersive experiences. Invest innovation resources in developing experiences that put your brand purpose at the center, without the hype of borrowed interest.

The Future of Big Brands

Imagine this scenario: a global consumer packaged goods category leader, recognizing an opportunity and a gap in their portfolio, decides to act on these shifts. They develop a sub-brand with an ethical sourcing story, no harmful ingredients, zero carbon footprint, and an initiative to restore the Amazon rainforest. Their Masterbrand uses the worst types of plastics, pollutes the ocean, and exploits a workforce overseas. How successful will this new product innovation be?

The reality of innovation is, it's hard work, full of uneasy decisions and calculated risk. And the bigger the brand, the riskier change can feel. But innovating your innovation practice is the most important work your teams can do, in an era of profound uncertainty and fear. We owe this work to our consumers, to ourselves and to our long-term resilience and growth. MN

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