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The Allure of Controversial Brands: The Effect of Consumers' Power on Purchase Intentions

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Brands are more frequently engaging with controversial issues and clearly taking a stand on them, making it important to understand how consumers view and react to these brands. The present research focuses on analyzing if controversial brands are perceived as more powerful and risk-taking, and how this can lead to compensatory consumption, by assessing consumers' purchase intentions. An online experiment was conducted, where participants were primed with low or high power followed by a manipulation of controversy. It was possible to infer that low-power individuals tend to have higher brand perceptions, even though the hypotheses were inconclusive.

Keywords: consumer behavior, controversial brands, power, compensatory consumption

1. Introduction

Controversial subjects have been gaining relevance, especially through the enhanced use of social media. Just with one click, people can share their opinions with the rest of the world. In a matter of hours or days, what happens on one side of the world can already be shared, talked about, criticized, or supported on the opposite end. Generally, topics with an associated moderate level of controversy are the most likely to increase conversation (Chen and Berger 2013), leading people to be more engaged and eager to share their opinions on it. Many issues can fit in the spectrum of controversy, from politics to sexual orientation, feminism or religion. Politics, in particular, have been a constant issue of disagreement, vocally discussed for many centuries, triggering wars and leading to polarized opinions. In this work, a controversial political topic will be explored.

It does not come as a surprise that companies are often vocal on controversial topics, through statements, actions, advertisements, and so on. In fact, with an increase in advertising competition, companies tend to experiment more. This includes the use of controversial elements, in order to obtain harsh emotions from consumers, attract interest, cause outrage or even disgust (Bachnik and Nowacki 2018). Not only do brands compete on this matter but also consumers are demanding this through their purchases, as they depend on "the brand's willingness to live its values, act with purpose and, if necessary, make the leap into activism", as Richard Edelman, president and CEO of Edelman stated. It must be kept in mind that consumers might disagree, which can generate backlash to the brand, as studies show that two thirds of consumers are making purchase decisions based on beliefs, by either buying or boycotting the brand (Edelman 2018). Thus, there should be an evaluation of the possible reaction of the target audience and carefully choose whether to position on political and social issues.

Throughout this research, it will be argued that brands taking a stand on a controversial topic are perceived as more powerful. It will also be added that this happens because the brand is seen as more risk-taking. Moreover, it will be further hypothesized that controversial brands are attractive to those who lack power, because they in fact signal power and therefore a compensatory behavior is pursued by consumers to fulfill that self-discrepancy (Mandel et al. 2017). Additionally to these hypotheses, it will be considered that controversial brands lead to increased purchase intentions when individuals have a higher need for uniqueness, as the consumer tries to recur to unique

products to improve one's own self-image (Tian, Bearden, and Hunter 2001) and lower purchase intentions for individuals with a lower need for uniqueness. To complement the main theory, it will also be proposed that controversial brands are perceived as having high agency. Thus, individuals that lack agency would be the ones with higher purchase intentions towards the brand, once again with the goal of making up for a self-discrepancy. The following research helps in setting these hypotheses, which will be analyzed through the experiment developed, in order to draw conclusions on this topic.

2. Literature Review

2.1 Power, Controversy and Risk-taking

Power was described by Galinsky, Gruenfeld, and Magee (2003) as the capacity to control resources, both own and others', without social interference. These researchers also gathered from previous literature several determinants for power: basic human motives; individual-difference variables (e.g. authoritarianism, motivational style); interpersonal variables (e.g. control, dependence, social exchange); sociostructural variables (e.g. relative expertise, legitimate authority). It is possible to realize the varied sources from which power can be obtained, indicating that individuals can feel powerful in different stages, situations, and levels of their life. In addition, power can be approached in different ways. Social power is present between individuals and groups and focuses on intentionally exercising the ability to influence. Personal power differs, by referring to the individual's ability to act for oneself, through agency (Overbeck and Park 2001). A powerful position has also been associated with allowing individuals to take nonconforming stands, without the risk of losing their place in the social hierarchy (Bellezza, Gino, and Keinan 2014). This can be extended to brands taking controversial positions.

Additionally, brand leadership has been characterized with a variety of elements: being the number one brand leading in sales; having a growing popularity; being innovative and the first to advance with certain products or services (Aaker 1996). From consumers' point of view, brand leadership stands as the dominance a brand has relative to category market share. Brand leaders are able to exert influence over varied domains, whether it is market centric (e.g. channel negotiations) or related to ordinary life such as developing a consumer culture (Beck, Rahinel, and Bleier 2020).

Another relevant concept to mention is Corporate Sociopolitical Activism (CSA). CSA has been described as "a firm's public demonstration (statements and/or actions) of support or opposition to one side of a partisan sociopolitical issue" (Bhagwat et al. 2020). Research by Bhagwat et al. (2020) has also shown support of CSA, as being a tool to obtain positive sales growth and having a lasting positive impact in the firm, when it is closely aligned with customers' values. Consumers are increasingly willing to recur to consumption or restrain from it, in order to strive for social responsibility in the marketplace (Sen and Morwitz 1996).

Supplementarily, risk has been traditionally characterized as the variation of how possible outcomes are distributed, along with their probabilities and subjective values (March and Shapira 1987). A riskier alternative has therefore a higher variation than one with a low risk. Risky decisions have also been said to have a higher tendency to occur when they come from a place of power, leading individuals to focus more on rewards rather than punishments (Maner et al. 2007). This can of course vary with the stability of power and lead to a stronger risk aversion, if individuals are in fact aiming at keeping the status quo (Jordan, Sivanathan, and Galinsky 2011; Maner et al. 2007). All in all, risky behavior tends to send the message that the person or entity can afford to undertake such behavior (Anderson and Galinsky 2006). It is important to note that when associating risk-taking with controversial brands, that arises from the perceptions that people or customers have towards the brand, either through its actions, statements or stands.

Following the research presented, it is now argued that controversial brands are considered as having higher power, when compared with non-controversial brands. It will be additionally posited that this possession of power is associated with the brands being seen as more risk-taking. Thus, the following set of hypotheses is proposed:

H$_{1A}$: *Controversial brands, when compared with non-controversial brands, are perceived as more powerful.*

H$_{1B}$: *Controversial brands, when compared with non-controversial brands, are perceived as more powerful because they are seen as being more risk-taking.*

2.2 Purchase Intentions and Compensatory Behavior

Self-discrepancy lies on the disparity of how an individual would idealize to view oneself and the actual perception of oneself (Higgins 1987). The theoretical model named Compensatory Consumer Behavior Model aims at understanding why there is an

incentive to reduce a self-discrepancy and how that affects consumer behaviors, i.e. acquisition, usage, or consumption of products or services (Mandel et al. 2017). Low power is an uncomfortable state, which leads individuals that feel powerless to seek, acquire, or exhibit power in some form. Accordingly, these individuals will tend to look for products with a high status (Rucker, Hu, and Galinsky 2014) and purchases that help them reestablish control (Consiglio, De Angelis, and Costabile 2018). Power indeed leads people to have an inflated sense of control over a series of outcomes and events that are uncontrollable and unrelated to this power, including events of chance (Fast et al. 2009).

Through past experiments, people have been found to increase word of mouth and purchase-related behaviors in environments of high social density, i.e. high number of people in a certain area (Consiglio, De Angelis, and Costabile 2018; Andrews et al. 2015). This can be related to the behavioral constraint theory, stating that individuals can acquire learned helplessness after persistent efforts do not lead to a gain of control over excessive or undesirable environmental stimuli (APA Dictionary n.d.). In turn, this influences people to recur to adaptive strategies, such as shifting the focus of their attention inwards (e.g. to personal mobile phones) (Andrews et al. 2015). By extending this research, it is possible to hypothesize that individuals recur to purchases, in order to restore a feeling of control over their life and surrounding environment.

Adding on the previous hypotheses, it is suggested that low-power individuals showcase higher purchase intentions towards controversial brands, in order to restore one's own internal lack of power. The following hypothesis is proposed:

H_2: Controversial brands, when compared with non-controversial brands, should lead to higher purchase intentions among the powerless and lower purchase intentions among the powerful.

2.3 Need for uniqueness

A person's actions can be strongly determined by the need to feel different from others and thus wanting to display differentiating consumer goods, this can be labeled as "counter-conformity motivation". Furthermore, need for uniqueness in consumers can be defined as "the trait of pursuing differentness relative to others through the acquisition, utilization, and disposition of consumer goods for the purpose of developing and enhancing one's self-image and social image." (Tian, Bearden, and Hunter 2001). Three

behavioral dimensions were theorized from the previous concept: creative choice counter-conformity, unpopular choice counter-conformity and avoidance of similarity.

Research has concluded that there is a tendency for consumers to follow norms, and that the need of social approval dominates autonomy and need for uniqueness. However, if consumers are led to clarify their decisions without being worried about criticism from others, expressions of uniqueness tend to be more prominent and what was at first considered a lesser option can become a popular one. Moreover, consumers are most times aware that unconventional reasonings and options deviate from the norms and are not only due to taste differences but also preference for being unique. (Simonson and Nowlis 2000)

Belk (1988) has stated that need for uniqueness could relate to a theory of consumption and provide understanding of consumer behavior, as a way to extend oneself. Furthermore, consumers with high need for uniqueness try to avoid popular consumer preferences and in order to reach optimal levels of excitement, products will have to bring more novelty or complexity (Tian, Bearden, and Hunter 2001).

Going even further, a consumer with a high need for uniqueness tries to enhance one's own self-image through the purchase of a unique product. This purchase allows consumers to transfer the symbolic meaning inherent to the product to themselves (Tian, Bearden, and Hunter 2001). From previous research, it is possible to conclude that high need for uniqueness individuals seek to acquire products that do not conform to norms nor societal expectations. Also, consumers search for products that make statements and deviate from normality. It is then posited that these individuals will be more drawn to controversial brands, that are standing out in society and differentiating from the non-controversial state that other brands opt for. On this basis, the following hypothesis is proposed:

H₃: Controversial brands, when compared with non-controversial brands, should lead to higher purchase intentions among the powerless (and powerful) when individuals have a higher need for uniqueness and lower purchase intentions when individuals have a lower need for uniqueness.

2.4 Agency and Compensatory Behavior

Brand Agency has been characterized as the ability a brand has to exert influence on varied outcomes (Beck, Rahinel, and Bleier 2020). Similarly, personal agency has

been defined as the "beliefs that one possesses the resources necessary to perform a behavior or set of behaviors required to produce certain outcomes or achieve certain ends" (Landau, Kay, and Whitson 2015). Personal control has been held to derive from personal agency. Finally, external agency is considered as the "perception that the self has recourse to external entities … capable of influencing outcomes on one's behalf". This external agency can be linked further to individuals relying on brand's agency.

Research states that people tend to affiliate with highly agentic entities, to restore control, by increasing their personal agency beliefs. It is relevant to mention that high agentic entities are seen as external agency sources, which can be a God, governments, or brand leaders. There is a connection between brand leadership and brand agency, as according to the previous definition, brand leaders can exert a greater influence. Consumers are indeed aware of brand leaders' agency for the simple fact of being consumers plus being exposed to discourse around these brands. (Beck, Rahinel, and Bleier 2020).

To supplement the main theory that controversial brands are perceived as more powerful, it is posited that they might be perceived as more agentic, which represents a similar mechanism to power but considering agency as the main driver. Individuals that lack agency can seek brands that are high agentic entities, as they feel the brand has the ability to take action on their behalf, which otherwise they would not do. This would consequently lead to stronger purchase intentions towards that brand on behalf of low control individuals (Beck, Rahinel, and Bleier 2020). According to Cutright and Samper (2014), low control individuals go even further in preferring products that require them to expend more of their own effort in order to have stronger feelings of control restoration, instead of pursuing low-effort products.

It is also argued that risk-taking is inherent to being a leader, as it implies readiness to act and change, making progress, and innovating (Hess 2018). As said by Norman Augustine "Any attempt to zero-out risk merely assures mediocrity" (as cited in Hess 2018). This previous idea that high agency brands have the capacity to act and influence outcomes is thus posited to be connected with risk-taking through those same actions.

The following hypotheses were constructed to complement the main theory and the initial hypotheses. It is proposed that controversial brands are perceived as more agentic, and that agency is the main driver of the final effect on purchase intentions. This effect will be higher for individuals lacking agency, which is linked to the mechanism explained previously to restore control. The hypotheses are as follows:

H₄ₐ: Controversial brands, when compared with non-controversial brands, are perceived as more agentic.

H₄ᵦ: Controversial brands, when compared with non-controversial brands, are perceived as more agentic because they are seen as being more risk-taking.

H₅: Controversial brands, when compared with non-controversial brands, should lead to higher purchase intentions among low agency individuals and lower purchase intentions among high agency individuals.

3. Methodology

3.1 Participants

The type of sampling carried out was a voluntary response sampling - non-probability technique (McCombes 2019). As it was a public online survey, people could volunteer to respond. 278 participants took part in this study, however a selection had to be done to ensure the quality of responses. Completion of the power manipulation and completion of the survey were determinant factors in selecting the final sample of respondents. Ultimately, this led to the exclusion of 75 answers and a final sample of 203.

Participants' age ranges from under 18 to 64, with most respondents being part of the interval 18-24 years of age (57.6%). A majority of respondents are female (59.6%), with male accounting to 38.4%. Regarding country of residence, most subjects reside in Portugal (24.6%). Most of the respondents possessed a bachelor's degree (45.3%). Finally, and regarding political ideology, the mean was of 2.77 (0- left, 6- right), which indicates a tendency to position on the left. (All demographics in Appendix I)

3.2 Design

To test the aforementioned hypotheses, an experiment was performed through an online questionnaire developed in Qualtrics. The questionnaire firstly presented the manipulation of power, followed by the manipulation of controversy scenarios, then questions regarding perceptions of the brand presented and finally items on a more personal level. In order to attribute different manipulations of power and scenarios randomly and evenly to respondents, the randomizer tool in Qualtrics was utilized.

One goal was to manipulate people's level of power and seeing how that would affect purchase intentions and other perceptions towards the brand. Namely, participants

were either asked to recall and write about a time where they possessed power over someone else or to write about a time someone else possessed power over them. This manipulation would then prime high power and low power. This type of technique is effective, as it is meaningful to participants (Galinsky, Gruenfeld, and Magee 2003).

The controversy presented in this study was based on Amazon's stand regarding anti-government protests in Hong Kong. The online retailer had several t-shirts on its website, back in August of 2019, with messages such as "Free Hong Kong Democracy Now" and "Hong Kong is not China" (Horwitz 2019). This followed three months of protests in Hong Kong against a perceived erosion of civil liberties related to an extradition bill and police violence. From the side of Chinese nationalists and the media, these protesters were shown as separatists and Amazon was criticized for questioning China's sovereignty (Shepherd 2019). The focus of the scenarios developed lied on initially describing pro-democracy movements. For the controversial scenario, it was explained that in China this topic causes disagreements and therefore some people are for it and others against it. This topic goes accordingly to the definition of controversy described as "a discussion marked especially by the expression of opposing views" (Merriam-Webster 2003). As for the non-controversial statement, Germany was given as the reference, considering that it is an undoubtedly pro-democratic country and thus it is consensual that in this country pro-democratic movements are beneficial.

"Zoma" was utilized as a fictional name for the brand described in the scenarios. It was opted to use a fictitious brand name, in order to avoid some preconceptions that respondents could have had towards the real brand, in this case Amazon, that could lead to biased responses. It was then stated that the brand took a stand in favor of pro-democracy movements, through the launch of t-shirts including slogans. A picture of one of these t-shirts was included for illustrative purposes, with the slogan "Hong Kong is not China".

To assess the hypotheses previously argued, several brand perceptions referring to "Zoma", along with individuals' preferences were measured in the following sections of the questionnaire. To assess the first hypotheses, brand power and brand risk-taking were measured. Furthermore, to evaluate the second hypothesis, purchase intentions towards the brand had to be evaluated together with the previously explained power manipulation, to distinguish among low-power and high-power individuals. Additionally, for the third hypothesis, measurement of individuals' need for uniqueness was included.

Finally, regarding the complementary mechanism hypothesized, both brand agency and individuals' sense of agency were included.

3.3 Procedure

Participants were assigned randomly to one of four possible conditions of a 2 (high-power, low-power) x 2 (controversial, non-controversial) between-subjects design (full questionnaire in Appendix II).

Firstly, participants had to complete the experiential prime. The high-power condition had the subsequent instruction:

> Please recall a particular incident in which you had power over another individual or individuals. By power, we mean a situation in which you controlled the ability of another person or persons to get something they wanted, or were in a position to evaluate those individuals. Please write about this situation in which you had power - what happened, how you felt, etc.

The instruction for the low-power condition was the following:

> Please recall a particular incident in which someone else had power over you. By power, we mean a situation in which someone had control over your ability to get something you wanted, or was in a position to evaluate you. Please write about this situation in which you did not have power - what happened, how you felt, etc.

Next, the topic regarding pro-democracy movements was introduced and participants were presented with the controversial condition:

> Pro-democracy movements advocate for the protection and preservation of democratic government systems through activism. In China, this topic sparks a lot of disagreements and discussion. Some people in this country consider that pro-democracy activism is beneficial to society, but others are strongly against it.

Accordingly, the non-controversial condition would provide respondents with the following:

> Pro-democracy movements advocate for the protection and preservation of democratic government systems through activism. In Germany, this topic does

not spark disagreements nor discussion. People in this country share the consensus that pro-democracy activism is beneficial to society and no one is strongly against it.

Subsequently, participants would be shown a description of a brand that took a stand in favor of this topic, along with a picture of the t-shirts described. Both conditions would read as follows:

Zoma is a renowned European online retailer that has several t-shirts on its platform. Recently, it has willingly decided to take a stand on the pro-democracy topic by adding to its catalog t-shirts with slogans that are advocating for pro-democracy movements in Hong Kong. The following slogans can be read in the t-shirts: "Free Hong Kong. Democracy now." and "Hong Kong is not China" (see example below). Pictures and comments regarding these t-shirts have been widely shared through social media.

A manipulation check followed, to assess if the controversy manipulation was successful. Participants were expected to rate on a 7-point Likert scale (1- Strongly disagree; 7- Strongly agree) whether the brand was standing for an issue that generates discussion among people.

Next, several perceptions regarding the presented brand were assessed, specifically brand leadership, brand influence, level of risk-taking, brand power, brand agency and personal-brand sense of agency. The set of items appeared randomly and were all rated on a 7-point Likert scale (1- Strongly disagree, 7- Strongly agree). Brand leadership was measured with a three-item scale (e.g. "Zoma is likely to have a high market share."; Beck, Rahinel, and Bleier 2020). Regarding brand influence, a three-item scale also based on Beck, Rahinel, and Bleier (2020) was utilized (e.g. "Zoma has the potential to have an effect on society."). The level of risk-taking was measured with an ad-hoc three-item scale (e.g. "Zoma is not afraid of taking risks."). Brand power was evaluated with a four-item scale, adapted from the Sense of Power scale (e.g. "Zoma has a great deal of power."; Anderson, John, and Keltner 2012). Brand agency was assessed through a scale with three items (e.g. "Zoma's stand can have an impact on the pro-democracy topic."; Beck, Rahinel, and Bleier 2020). Participants also reported feelings of personal agency towards the brand (e.g. "Zoma makes me feel like I have more responsibility for my outcomes."; Beck, Rahinel, and Bleier 2020). Finally, in this section a single-item was also included to assess one's support of the stand taken by the brand ("I

agree with the stand taken by Zoma."). Following this, purchase intentions towards the mentioned brand were measured by a three-item scale on a 7-point Likert scale (1- Very unlikely; 7- Very likely) (e.g. "How likely is it that you would purchase a product from Zoma, if it was available at a good price?"; Kozup, Creyer, and Burton 2003).

Furthermore, a set of statements regarding individual preferences were presented. The items in this section were also in a random order and rated on a 7-point Likert scale (1- Strongly disagree, 7- Strongly agree). More specifically, need for uniqueness was weighted on a scale with four items (e.g. "I often look at one-of-a-kind brands to create my own style."; Tian, Bearden, and Hunter 2001), as well as the personal sense of agency (e.g. "My actions just happen without my intention."; Tapal et al. 2017). Participants' demographics were also inquired. Finally, one last question was included as a manipulation check, to assess the extent to which respondents were aware of the hypotheses under analysis ("What do you think is the purpose of this study?"). This allows to rule out any further biases in the responses obtained, in order to draw more accurate conclusions.

5. Results

5.1 Reliability

Initially, a reliability analysis was conducted for all variables by observing the Cronbach's alpha and it was concluded that most of the variables had sufficient reliability ($\alpha > .70$), except for two. This problem can arise when there is a low number of items per scale (Cortina 1993). Consequently, further analysis had to be performed for the scales of risk-taking and personal agency. Regarding risk-taking, an initial $\alpha = .60$ (3-items) was obtained. It was observed that upon removal of one of the items (i.e. "By adding this t-shirt to its catalog, Zoma has more to lose than to gain."), Cronbach's alpha would increase ($\alpha = 0.76$). By analyzing this item with the other items of the scale, it is possible to verify a lack of face validity for it to be part of the risk-taking scale.

As for personal agency, initially $\alpha = 0.51$ (4-items) was obtained, and in order to reach a sufficient level of reliability, two items had to be removed (i.e. "My actions just happen without my intention." and "My behavior is planned by me from the very beginning to the very end."). This resulted in $\alpha = 0.73$, which is an acceptable value. The first item mentioned was phrased negatively and thus had to be reverse scored, however this led to an even lower Cronbach's alpha than before. Looking further into why this might have happened, it is possible that respondents did not pay enough attention or that

cognitively they could not establish the difference with the positively worded items (Van Sonderen, Sanderman, and Coyne 2013). The second item might have a lack of face validity, considering how the items of the scale are phrased.

Finally, an average for all the variables was performed, excluding the items mentioned previously.

5.2 Manipulation check

Through the manipulation check, it was possible to analyze if participants viewed the issue the brand was taking a stand on, as sparking more discussion among people (M_c = 1.97, SD_c = 1.10; M_{nc} = 2.21, SD_{nc} = 1.20). A slight difference can be observed between both scenarios. However, to get a better grasp of the significance, a difference between the means was conducted (t (201) = 1.47, p = .14). As verified, the difference between the means approaches but fails to reach a customary level of statistical significance. This allows to conclude that the manipulation of controversy was not entirely successful, as participants did not significantly perceive one scenario as more controversial than the other. Thus, the hypotheses that were posited have to be analyzed carefully, since it is not possible to discriminate differences between both scenarios, which will lead to inconclusiveness of the overall hypotheses. Despite of this, exploratory analysis of the posited hypotheses will be conducted to possibly redeem conclusions from the remaining variables measured. Albeit, controversy will not explain possible differences found and it will not be possible to entirely confirm nor reject the hypotheses.

In addition, the type of relationship (e.g. peers, parent-child) described by the respondents in the power priming question was coded, following the research done by Galinsky, Gruenfeld, and Magee (2003). A breakdown of these relationships can be found in Appendix III.

5.3 Hypotheses

For two of the conditions of the 2 (high-power, low-power) x 2 (controversial, non-controversial) between-subjects design, the threshold of 50 respondents was not met, which could jeopardize the meaningfulness of results (see Appendix IV). Nonetheless, participants did not seem to be suspicious of the hypotheses being tested, according to the answers to the last question of the questionnaire. Additionally, normality tests were performed for all variables (see Appendix V), and most revealed to be not normally

distributed. However, considering that n=203 and following the Central Limit Theorem, the tests presented further are valid.
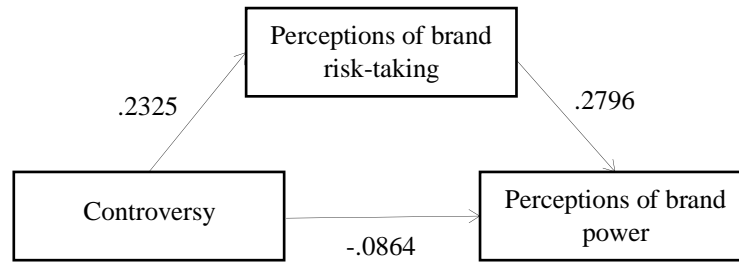
H_{1A}*: Controversial brands, when compared with non-controversial brands, are perceived as more powerful.*

H_{1B}*: Controversial brands, when compared with non-controversial brands, are perceived as more powerful because they are seen as being more risk-taking.*

As the manipulation of controversy was not significantly successful, it is possible to predict that respondents will not have striking differences of brand power perceptions. It is in fact verified that the means between the controversial and non-controversial scenarios are extremely similar (M_c = 3.66, SD_c = 1.11; M_{nc} = 3.68, SD_{nc} =1.02). To confirm this, an independent sample t-test was conducted (t (201) = .14, p = .89), which presents no significance between difference in means. This leads to considering ***H_{1A}*** as inconclusive, due to the previous failure of the manipulation check.

Now continuing with ***H_{1B}***, an independent sample t-test was run, however significance was not obtained for perceptions of risk-taking between controversial and non-controversial scenarios (M_c = 2.52, SD_c = 1.15; M_{nc} = 2.29, SD_{nc} = 1.14; t (201) = -1.45, p = .15), meaning respondents in the controversial scenario do not perceive the brand as taking more risks than the ones in the non-controversial scenario.

Brand perceived risk-taking takes the role of mediator between controversy and perceived brand power in ***H_{1B}***, as illustrated (Figure I). It is relevant to understand how controversy and brand risk-taking are interacting and having an effect on brand power, following the research done by Hayes (2009). Firstly, analyzing the impact of controversy on respondents' perceptions of risk-taking, it is shown that it fails to reach significance, as previously confirmed (R^2 = .01, F (1, 201) = 2.1, p = .15; B = .2325, p = .15). The direct effect of controversy on brand power also reveals to be non-significant (R^2 < .001, F (1, 201) = .02, p = .89; B = -.0864, p = .55). Finally, the effect of risk-taking on brand power (R^2 = .09, F (2, 200) = 9.95, p < .001; B = .2796, p < .001) proves to be significant and indicates that brand risk-taking does predict brand power. Moreover, the bootstrapped confidence interval of the indirect effect of controversy on brand power confirms that the indirect effect is not significant. Due to the lack of perceived differences between controversial conditions, it is not possible to reach a conclusion regarding the model of ***H_{1B}***.

Figure I: Model of **H_{1B}**

H_2: *Controversial brands, when compared with non-controversial brands, should lead to higher purchase intentions among the powerless and lower purchase intentions among the powerful.*

Regardless of the previous results, the second hypothesis will still be tested. To evaluate it, a 2 (controversy) x 2 (power) between-subjects ANOVA was performed, using the ratings of purchase intentions as the dependent variable (see Appendix VI). The effect of controversy manipulation on purchase intentions was not significant ($M_c = 3.46$, $SD_c = 1.63$; $M_{nc} = 3.49$, $SD_{nc} = 1.6$; $F (1, 199) = .0$, $p = .98$), along with the effect of power manipulation ($M_{high} = 3.39$, $SD_{high} = 1.64$; $M_{low} = 3.55$, $SD_{low} = 1.59$; $F (1, 199) = .5, p = .48$). The interaction of both independent variables on purchase intentions revealed to be non-significant as well ($F (1, 199) = 1.06, p = .30$).

Additionally, it is interesting to complete this analysis for perceptions of brand power, in order to understand how respondents were affected by both the manipulation of controversy and power. Once again, a 2 (controversy) x 2 (power) between-subjects ANOVA (see Appendix VII) was conducted, this time with the ratings of brand power as the dependent variable. It can be verified the interaction of the variables did not reach a level of significance ($F (1, 199) = 2.07, p = .15$). The effect of controversy on brand power revealed the same conclusion ($F (1, 199) = .06, p = .8$). In contrast, power manipulation showcased an effect on brand power ($F (1, 199) = 8.37, p = .004$). In fact, high-power individuals perceived the brand as having less power (M = 3.45, SD = 1.08), whilst low-power individuals perceived the brand as possessing more power (M = 3.88, SD = 1.01). Nevertheless, the hypothesis is inconclusive.

H_3: *Controversial brands, when compared with non-controversial brands, should lead to higher purchase intentions among the powerless (and powerful) when individuals have a*

higher need for uniqueness and lower purchase intentions when individuals have a lower need for uniqueness.

For the third hypothesis, a univariate ANCOVA test was conducted. The interaction terms between individuals' need for uniqueness with both controversy manipulation (F (19, 127) = .72, p = .79) and power manipulation (F (18, 127) = .53, p = .94) revealed to not have any significance. The interaction term between these three variables simultaneously also revealed to not be significant (F (12, 127) = .71, p = .74). However, the effect of need for uniqueness on respondents' purchase intentions showed to be significant (F (23, 127) = 1.75, p = .03). It was possible to further analyze how these variables correlate (r = .25, p < .001) and conclude that they are positively correlated, with a high level of significance. Therefore, individuals with a higher need for uniqueness showcase higher purchase intentions, whilst respondents with a lower need for uniqueness present lower purchase intentions. However, it is not possible to validate the hypothesis as a whole.

H₄ₐ*: Controversial brands, when compared with non-controversial brands, are perceived as more agentic.*

H₄ᵦ*: Controversial brands, when compared with non-controversial brands, are perceived as more agentic because they are seen as being more risk-taking.*

Previously, a complementary mechanism to explain the main theory had been posited, i.e., the mechanism of agency. An independent sample t-test was firstly handled to assess if perceptions of brand agency differed between the controversial and non-controversial scenario (M$_c$ = 2.94, SD$_c$ = 1.14; M$_{nc}$ = 2.85, SD$_{nc}$ = 1.08; t (201) = -.58, p = .57). It is possible to conclude that the difference is not significant between scenarios and the hypothesis is inconclusive.

Referring once again to the research carried on by Hayes (2009), it is relevant to repeat that analysis for the ***H₄ᵦ***. It will help to illustrate how brand risk-taking, and controversy are interacting and how they are predicting brand agency. The effect of controversy on brand risk-taking will remain equal to the one mentioned in ***H₁ᵦ***. As for the direct effect of controversy on brand agency, it is verified to be non-significant (R^2 = .002, F (1, 201) = .33, p = .57; B = -.0202, p = .88). Brand risk-taking is in fact significant in predicting brand agency (R^2 = .2383, F (2, 200) = 31.29, p < .001; B = .4729, p < .001).

The bootstrapped confidence interval of the indirect effect of controversy on brand agency confirms that the indirect effect is not significant. The controversy conditions do not allow to redeem conclusions for the predictive model and to H_{4B}.

H_5: Controversial brands, when compared with non-controversial brands, should lead to higher purchase intentions among low agency individuals and lower purchase intentions among the high agency individuals.

Additionally, a between-subjects ANOVA was performed, with the dependent variable being purchase intentions and the independent ones' controversy manipulation and personal agency. The effect of personal agency on purchase intentions was not significant (F (17, 174) = .61, p = .89), along with the interaction between controversy manipulation and personal agency (F (10, 174) = .42, p = .94).

It is relevant to understand how brand agency is affected by both controversy and personal agency. An ANCOVA was performed with personal agency as the covariate to assess the relationship between these variables. For the controversy manipulation, no significance effect was found (M_c = 2.94, SD_c = 1.14; M_{nc} = 2.85, SD_{nc} = 1.09; F (1, 200) = .96, p = .33). Personal agency, however, has a significant effect on perceptions of brand agency (F (1, 200) = 5.04, p = .03).

5.4 Exploratory analysis

Further analysis was conducted to assess other significantly different brand perceptions that respondents could have between the different scenarios. Therefore, for all remaining brand perceptions the same type of analysis, as performed before, will be presented through a 2 (controversy) x 2 (power) between-subjects ANOVA. The interaction between controversy manipulation and power manipulation will not be explored, as its effect on all brand perceptions revealed to be non-significant (p > .10).

Firstly, perceptions of brand leadership were compared, and they revealed to be non-significant for controversy (M_c = 3.72, SD_c = .96; M_{nc} = 3.79, SD_{nc} = 1.02; F (1, 198) = .02, p = .89). However, there was a considerate effect of the manipulation of power on leadership (M_{high} = 3.53, SD_{high} = .93; M_{low} = 3.97, SD_{low} = 1.01; F (1, 198) = 9.87, p < .005), showcasing higher brand leadership perceptions among individuals of the low-power condition, conversely to the ones in the high-power condition (see Appendix VIII).

Next, the same analysis was conducted for brand influence. The same conclusion was obtained for controversy manipulation ($M_c = 3.14$, $SD_c = 1.1$; $M_{nc} = 3.12$, $SD_{nc} = 1$; $F(1, 198) = .18$, $p = .67$), whereas for power manipulation, significance was once again found ($M_{high} = 2.95$, $SD_{high} = 1.02$; $M_{low} = 3.3$, $SD_{low} = 1.05$; $F(1, 198) = 5.98$, $p = .02$). This reflects that respondents in the low-power condition perceived the brand as being more influential than the ones in the high-power condition (see Appendix IX).

Agreeableness of individuals with the stand taken by the brand was also measured. Therefore, it is interesting to analyze if any striking differences are observed between conditions. No significance for controversy was detected ($M_c = 2.55$, $SD_c = 1.25$; $M_{nc} = 2.49$, $SD_{nc} = 1.25$; $F(1, 199) = .33$, $p = .57$). Power manipulation failed to register significance regarding agreeableness ($M_{high} = 2.39$, $SD_{high} = 1.21$; $M_{low} = 2.63$, $SD_{low} = 1.28$; $F(1, 199) = 2.09$, $p = .15$), which could indicate that individuals in the low-power condition are similarly prone to agree or disagree with the stand taken (see Appendix X).

Respondents' perceptions of risk-taking had been compared against manipulation of controversy, leading to no significance between conditions. However, for power manipulation, it was possible to obtain significance ($M_{high} = 2.27$, $SD_{high} = 1.16$; $M_{low} = 2.53$, $SD_{low} = 1.13$; $F(1, 199) = 3.27$, $p = .07$), which confirms that respondents with higher levels of power perceive the brand as less risk-taking than individuals with lower levels (see Appendix XI).

Perceptions of brand agency had also previously been compared against the manipulation of controversy, and no significance was found. Conversely, for the power manipulation, significance is observed ($M_{high} = 2.74$, $SD_{high} = 1.09$; $M_{low} = 3.05$, $SD_{low} = 1.12$; $F(1, 198) = 4.36$, $p = .05$). Individuals in the low-power condition report once again having higher perceptions towards the brand, i.e. higher brand agency perceptions (see Appendix XII).

Finally, personal agency towards the brand was assessed. Looking firstly between the controversial scenarios, no significance is portrayed ($M_c = 3.7$, $SD_c = 1.24$; $M_{nc} = 3.71$, $SD_{nc} = 1.15$; $F(1, 198) = .07$, $p = .79$). Subsequently, significant differences between power manipulations were observed ($M_{high} = 3.46$, $SD_{high} = 1.12$; $M_{low} = 3.94$, $SD_{low} = 1.21$; $F(1, 198) = 8.36$, $p < .005$). Here, it is verified that individuals in the low-power condition presented higher personal agency relatively to the brand, when compared with individuals in the high-power condition (see Appendix XIII).

In sum, it was not possible to find evidence to support or reject any of the hypotheses posited. Nevertheless, some two-way interactions were found. Therefore, the reasons and conclusions for these results will be analyzed and discussed further.

6. Discussion

The overall results of this work were highly impacted by failing to accurately manipulate controversy, and since it was the basis for this study, it led to all hypotheses being inconclusive. Thus, it is important to explore why that happened. Going back to the controversy presented in the questionnaire, there were distinct opinions regarding Amazon's actions supporting Hong Kong protesters, with many Chinese citizens, celebrities and the media making accusations against the brand's actions (Horwitz 2019). At the same time, Hong Kong's protests are part of the democratic movement that aims at establishing democracy and restoring freedom to the citizens of Hong Kong (Griffiths 2019), which is being supported by many people and other brands besides Amazon.

Considering that the protests get violent at times and took place for over a year, one wonders why the difference between the controversial and non-controversial scenario did not present significance. Both scenarios were considered as raising discussions, although clearly in Germany democracy is stable. One possible option associated with this is the western bias, that represents a lack of interest, ignorance and even a sense of superiority regarding the "non-western" society (Mcquail 2000). This can be confirmed by looking at different sources and identifying the short attention span in the U.S. that is dedicated to global disasters, either in google searches, television news or Facebook's global news (Leetaru 2016). Therefore, the western society, which majorly answered the survey, might associate closer with Germany rather than China, leading to the biased answers obtained.

Another possible reason is the design of the study itself and that respondents actually did not perceived significant differences between one scenario and the other. By looking at the topic descriptions (see Appendix II), it is possible to see how similarly both topics are written. Even though that is the goal in this type of manipulations, to reduce noise as much as possible, the manipulation was not strong enough. Connecting the western bias with the lack of significant differences, one can conclude that people might have not been familiar with the situation in Hong Kong or the reason behind protests. If that was the case, then extra information should have been provided to clarify the state of affairs in Hong Kong.

Besides the inaccuracy of the controversy manipulation, some conclusions from other measurements can still be drawn. It is possible to focus on the other two conditions of the study derived from the power manipulation (i.e. high and low power), as they were impactful in most brand perceptions. Respondents' perceptions of the brand regarding power, leadership, influence, agency, and personal agency towards the brand all revealed to have significant differences between power conditions. Low-power individuals generally presented a higher mean of brand perceptions compared to high-power respondents. These results support the idea that when individuals are in an uncomfortable state, they tend to look for ways to restore their normal state. Consumer behavior research has confirmed that the experience of power by consumers has an influential impact on thoughts, perceptions and behaviors (Rucker, Hu, and Galinsky 2014). In this particular study, the effect on behavior of respondents cannot be confirmed, as there were no significant differences between purchase intentions of individuals from different conditions of power.

Interestingly, perceptions of brand risk-taking were also confirmed to have a direct effect on brand power and brand agency, which reinforces the connection between these three mechanisms. It also adds to the idea that risky decisions are usually associated with a place of power, leadership and capability to act (Maner et al. 2007; Hess 2018). In addition, there was a significant relation between need for uniqueness and purchase intentions, that confirmed what was partially posited by *H₃*: individuals with higher need for uniqueness exhibit higher purchase intentions towards Zoma and the opposite applies to participants with lower need for uniqueness. These findings confirm what has been verified by prior studies where individuals with higher need for uniqueness have a tendency to give preference to the non-conforming option (Bellezza, Gino, and Keinan 2014). Moreover, individuals in this condition aim at strengthening their unique self even more through preferring distinctive products (Wan, Xu, and Ding 2014).

6.1 Implications

This type of research is especially relevant for managers and companies. It can help in understanding how to adequately draft marketing campaigns and adapting them to different cultures and expectations. Also, it allows to assess how customers will react according to various actions or stands taken by brands in a multitude of issues. These studies are crucial in giving direct insights to managers and helping them take decisions that will be beneficial and align with stakeholders' interests. Previous studies have

reflected that controversies can indeed increase discussion but only in moderate amounts. So, it is crucial that managers know their audience and adapt to its own characteristics. For instance, analyze if consumers are seeking to enhance their unique self by associating with the brand or in fact are using it to associate with a powerful entity. Having a solid knowledge of the brand's audience can be the key for succeeding and for deciding whether to associate with controversial issues and leveraging on that or deterring from it.

Adding to the previous point and looking at international companies, many times the way opted to expand is through franchising (e.g. McDonalds). This implies that the responsibility is transferred to someone in the new location, who will be much more familiar with the culture, traditions and adaptations needed. Through this type of studies, new possibilities are presented on how to address expansions and maintaining a successful continuation of activities. Managers are able to understand reactions and perceptions that can be expected in different countries and therefore adapt their communication, approach and identifying key issues attached to those geographies.

6.2 Limitations

Starting by referring to the sample used, it clearly has some limitations. Firstly, it is important to describe the sampling bias, which reflects the systematic favoring of certain outcomes due to the way the sample is obtained and thus not accurately representing the population (Penn State n.d.). It is possible to identify a difference between the country of residence that respondents selected, as being quite biased towards Portugal, amounting to 24.6% of the total respondents in the sample. Moreover, it is relevant to consider the controversy described takes place in China and no respondent chose China as the current country of residence, while only 5.42% are residing in Asia at all. Therefore, the analysis associated with this study cannot be generalized and applied to other populations, as perhaps the results would be very different.

One could argue that the receptivity of respondents to the survey was also not ideal. This can be illustrated by the data cleaning process, during which from the initial sample of 278 responses, around 27% were excluded, amounting to the final sample of 203 entries. The main reason for these exclusions was the first question being blank and thus leaving the manipulation of power incomplete, jeopardizing any subsequent conclusions. In a way, online surveys come to facilitate and accelerate collection of data but that does not necessarily translate to a high response rate due to the unwillingness of people to answer either by not responding or leaving missing data (Fang, Wen, and Pavur

2012). Moreover, the dropout rate of this survey was high, which could also be given to this first question, as studies have found, participants' dropout mainly occurs in the completion of initial items (Hoerger 2010). In this particular case, it is clear that this was the most effortful question and could immediately deter participants from continuing. Another important factor to mention is the low situational demand inherent to online questionnaires, making dropout more likely (Hoerger 2010).

Furthermore, and related with the argument made regarding flaws in the study design, it is also possible that the picture of the t-shirt included in the survey led to biased answers. This picture was simply illustrative and one of the many options of t-shirts that was launched both in support of the Hong Kong protests and available in Amazon's website in general. It is nevertheless possible that respondents were primed by that particular t-shirt when answering the questions on purchase intentions. Possibly, to reduce biases, it would have been beneficial to include more examples of t-shirts or to not include pictures at all and only the slogans.

6.3 Conclusion and Future Research

To build on top of this research in the future, it could be interesting to run two different studies and compare the results. One in the so-called western society, encompassed by Europe, Oceania and North America and the other either in Asia or China specifically. Once again, significant differences could be found by looking at Asia or China, as Chinese citizens are much closer to the situation and would have stronger opinions on it, so a clear distinction should be made. Regarding the study directed to western countries, additional contextualization should be provided to make sure respondents are clarified. Furthermore, it could be relevant to do it reversely, by using a controversial situation taking place for instance in Europe and see how that is viewed in Asian countries and even the U.S. The compilation of such research could be tremendously insightful in assessing how different countries and cultures view issues that do not affect them directly. This type of comparative research would allow to draw conclusions regarding the distance of relationships or distance to the situation itself and see how that impacts people's perceptions of brands or concerns in general. This would also vary considering the type of culture of each country, comparing China with the U.S. and Germany. For instance, in China, the power distance is much higher than in the U.S. or Germany and reflects the societal belief that inequalities between people are acceptable, whilst individualism is much lower, meaning that people give preference to

the interests of the group and not themselves (Hofstede Insights n.d.). These cultural reflections, help not only understanding the situation taking place in Hong Kong but also people's stance depending on their country of origin.

Going further, and knowing the complexity of this field of research, it reveals difficult to derive definitive and comprehensive conclusions that will always hold in every situation considered. Controversial issues are not stagnant, what reveals to be an extremely dividing issue today might not be five years from now or in a different country. Besides, it is not certain how consumers will react to certain stands taken by brands, perhaps the approach or means of communication will not be adequate, perhaps the consumers will not agree or perhaps the needs of the target audience have changed. Hence, it is key to be aware that consumers are also in constant change, which is why it is crucial for firms to dedicate time to research and development and trying to understand how their audience, along with society are changing.

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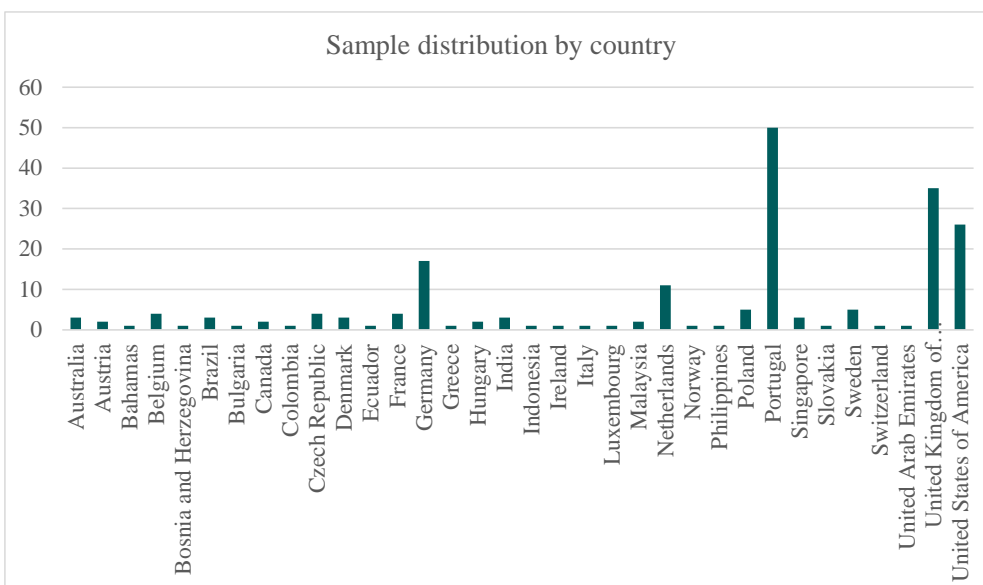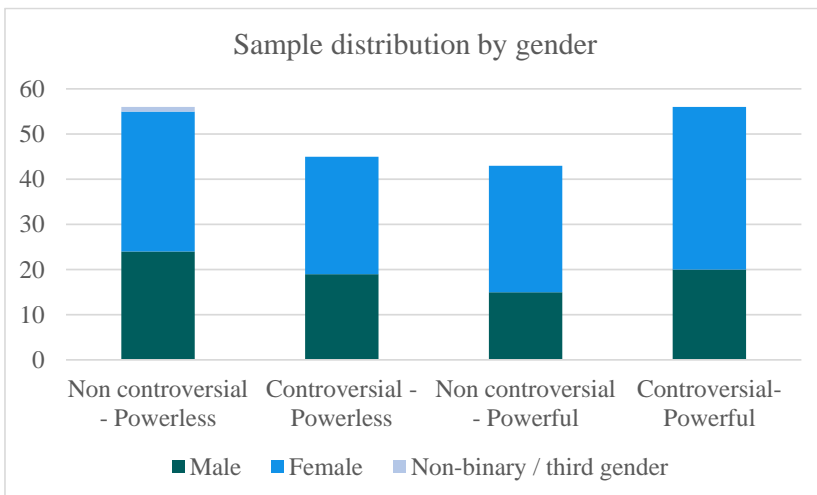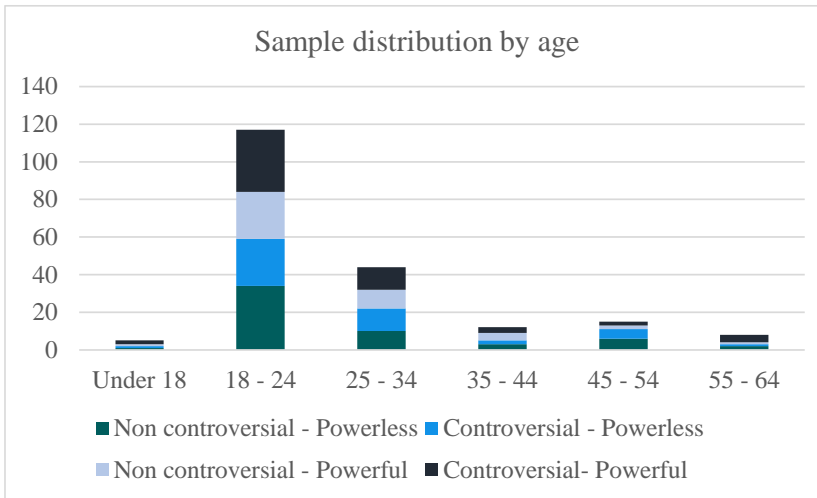
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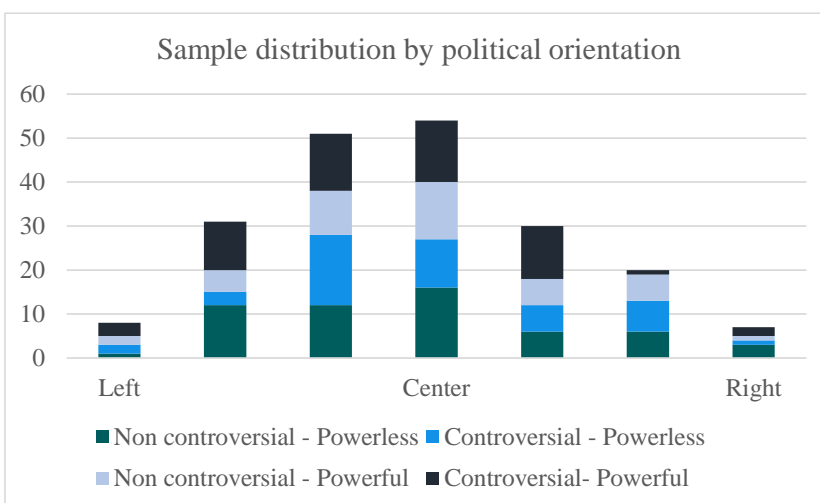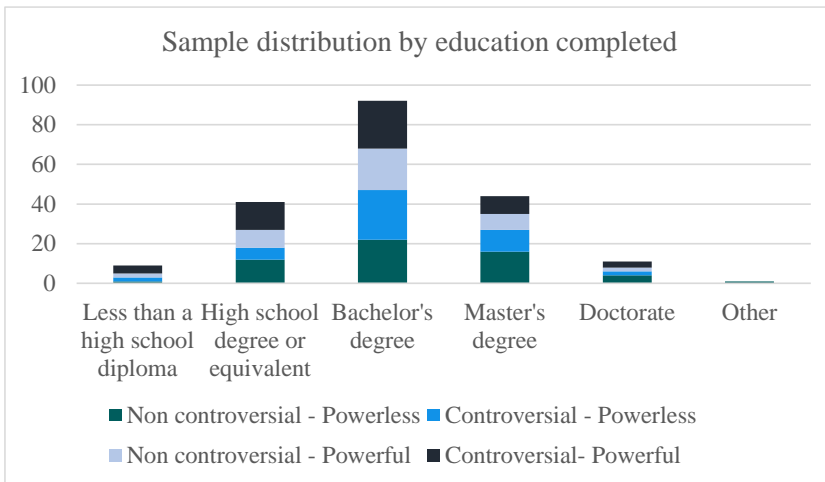
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Appendix

Appendix I: Demographics of the sample

Sample distribution by age

Sample distribution by gender

Sample distribution by country

Sample distribution by education completed

Sample distribution by political orientation

Appendix II: Online Questionnaire

Manipulate individual's power:

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

OR

Please recall a particular incident in which someone else had power over you. By power, we mean a situation in which someone had control over your ability to get something you wanted, or was in a position to evaluate you. Please write about this situation in which you did not have power what happened, how you felt, etc.

Please read about the following topic carefully:

Pro-democracy movements advocate for the protection and preservation of democratic government systems through activism. In Germany, this topic does not spark disagreements nor discussion. People in this country share the consensus that pro-democracy activism is beneficial to society and no one is strongly against it.

OR

Please read about the following topic carefully:

Pro-democracy movements advocate for the protection and preservation of democratic government systems through activism. In China, this topic sparks a lot of disagreements and discussion. Some people in this country consider that pro-democracy activism is beneficial to society, but others are strongly against it.

Brand description:

Zoma is a renowned European online retailer that has several t-shirts on its platform. Recently, it has willingly decided to take a stand on the pro-democracy topic by adding to its catalog t-shirts with slogans that are advocating for pro-democracy movements in Hong Kong. The following slogans can be read in the t-shirts: "Free Hong Kong. Democracy now" and "Hong Kong is not China" (see example below). Pictures and comments regarding these t-shirts have been widely shared through social media.

Manipulation check:

Rate the extent to which you agree with the following statement:

Zoma is taking a stand on an issue that sparks discussion among people.

(1- Strongly disagree; 7- Strongly agree)

Assess brand perceptions:

Rate the extent to which you agree with the following statements:

Leadership:

1. Zoma is probably a leader compared to other companies in the same industry.
2. Zoma is likely to have a high market share.
3. Zoma is among the top brands in its field.

(1- Strongly disagree, 7- Strongly agree)

Influence:

4. Zoma has the potential to have an effect on society.
5. Zoma has the ability to have an influence in the world.
6. Zoma has the ability to shape outcomes in the world.

(1- Strongly disagree, 7- Strongly agree)

Risk-taking:

1. Zoma is taking risks by taking a stand on this topic.
2. Zoma is not afraid of taking risks.
3. By adding these t-shirts to its catalog, Zoma has more to lose than to gain.

(1- Strongly disagree, 7- Strongly agree)

Brand power:

1. Zoma can get people to listen to what it says.
2. Zoma can get people to do what it wants.
3. Zoma has a great deal of power.
4. If it wants to, Zoma gets to make the decisions.

(1- Strongly disagree, 7- Strongly agree)

Brand agency:

1. Zoma has the power to make a difference.
2. Zoma's stand can have an impact on the pro-democracy topic.
3. Zoma's stand can have an effect on society.

(1- Strongly disagree, 7- Strongly agree)

Personal-brand sense of agency:

1. Zoma makes me feel like I determine my outcomes.
2. Zoma makes me feel like I have more responsibility for my outcomes.
3. Zoma makes me feel like my outcomes are more under my control.

(1- Strongly disagree, 7- Strongly agree)

Support of brand's stand:

I agree with the stand taken by Zoma.

(1- Strongly disagree, 7- Strongly agree)

Assess purchase intentions:

Given the information shown:

1. How likely is it that you would purchase a product from Zoma, if it was available at a good price?
2. Assuming you were interested in buying a t-shirt, if it was available at a good price, how likely would it be for you to purchase it from Zoma?
3. How probable is it that you would consider buying from Zoma, if you were interested in buying a t-shirt and it was available at a good price?

(1- Very unlikely; 7- Very likely)

Assess individual preferences:

Rate the extent to which you agree with the following statements about yourself:

Assess people's need for uniqueness:
1. I often look at one-of-a-kind brands to create my own style.
2. I often combine possessions in such a way that I create a personal image for myself that cannot be duplicated.
3. I actively seek to develop my personal uniqueness by buying special products or brands.
4. The products and brands that I like best are the ones that express my individuality.

(1- Strongly disagree, 7- Strongly agree)

Assess Personal sense of agency:

1. I am in full control of what I do.

2. Things I do are subject only to my free will.

3. My actions just happen without my intention.

4. My behavior is planned by me from the very beginning to the very end.

(1- Strongly disagree, 7- Strongly agree)

Demographics:

1. Age

2. Gender

3. Nationality

4. Level of education completed

5. Political stance

Assess suspicion of hypotheses tested:

What do you think is the purpose of this study?

Appendix III: Type of power relationships described by respondents

	Frequency	%
Manager-subordinate	46	22.7
Teacher-student	27	13.3
Peers	24	11.8
Interview/admissions/tryouts	23	11.3
Miscellaneous	21	10.3
Parent-child	20	9.9
Friends/relatives	9	4.4
Siblings	8	3.9
Supervisor-child	5	2.5
Customer service-customer	4	2.0
Landlord/neighbors	4	2.0
Law enforcement-citizen	4	2.0
Club leader-member	3	1.5
Romantic/dating partners	3	1.5
Scouts	2	1.0
Total	203	100.0

Appendix IV: Distribution of respondents per condition
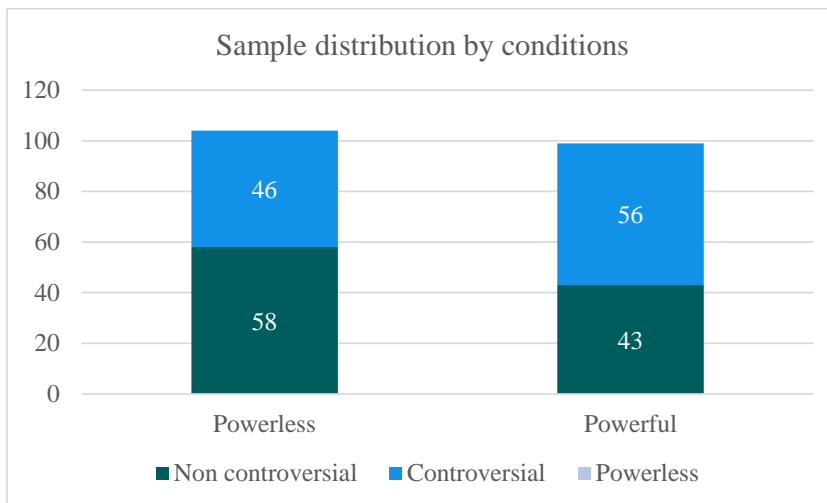
Appendix V: Tests of Normality

|	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Brand Power	.058	202	.091	.991	202	.254
Leadership	.116	202	.000	.975	202	.001
Influence	.103	202	.000	.960	202	.000
Risk-taking	.207	202	.000	.894	202	.000
Brand Agency	.166	202	.000	.935	202	.000
Brand Personal Agency	.089	202	.000	.986	202	.043
Purchase Intentions	.138	202	.000	.945	202	.000
Need for Uniqueness	.063	202	.049	.988	202	.080
Personal Agency	.096	202	.000	.985	202	.027
Risk-By adding this t-shirt to its catalog, Zoma has more to lose than to gain.	.146	202	.000	.947	202	.000
I agree with the stand taken by Zoma.	.221	202	.000	.890	202	.000
Personal Agency - My actions just happen without my intention.	.199	202	.000	.922	202	.000
Personal Agency - My behavior is planned by me from the very beginning to the very end.	.212	202	.000	.926	202	.000

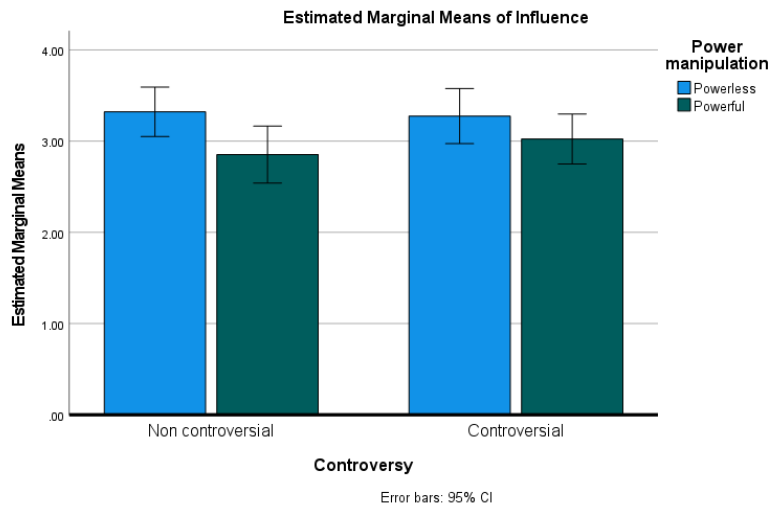**Appendix VI**: Graph with estimated marginal means of purchase intentions

Estimated Marginal Means of Purchase Intentions
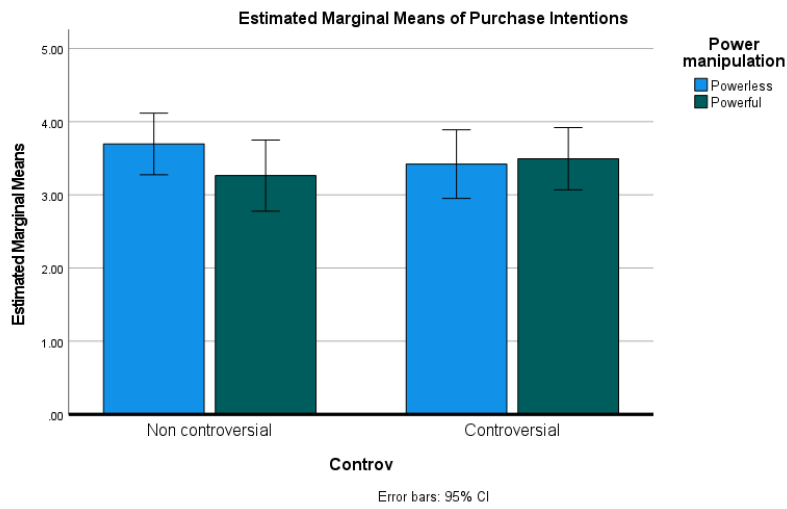
Appendix VII: Graph with estimated marginal means of brand power

Estimated Marginal Means of Brand Power
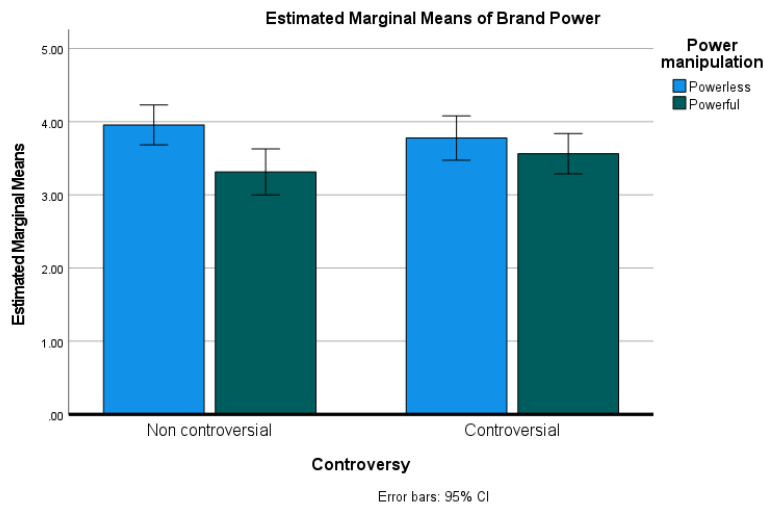
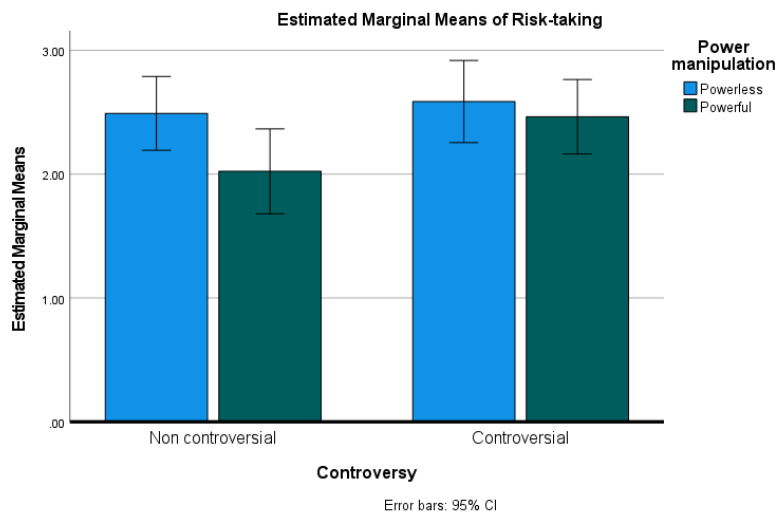**Appendix VIII**: Graph with estimated marginal means of brand leadership

Estimated Marginal Means of Leadership
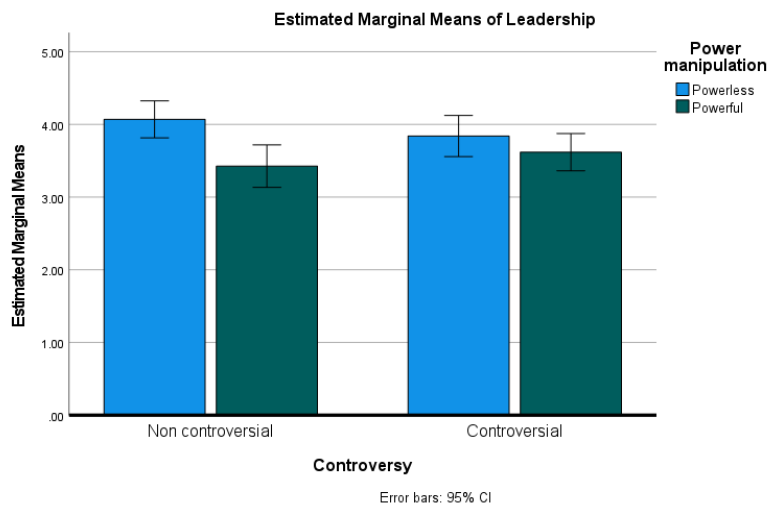
Appendix IX: Graph with estimated marginal means of brand influence

Estimated Marginal Means of Influence

Appendix X: Graph with estimated marginal means of agreeableness

Estimated Marginal Means of Agreeableness
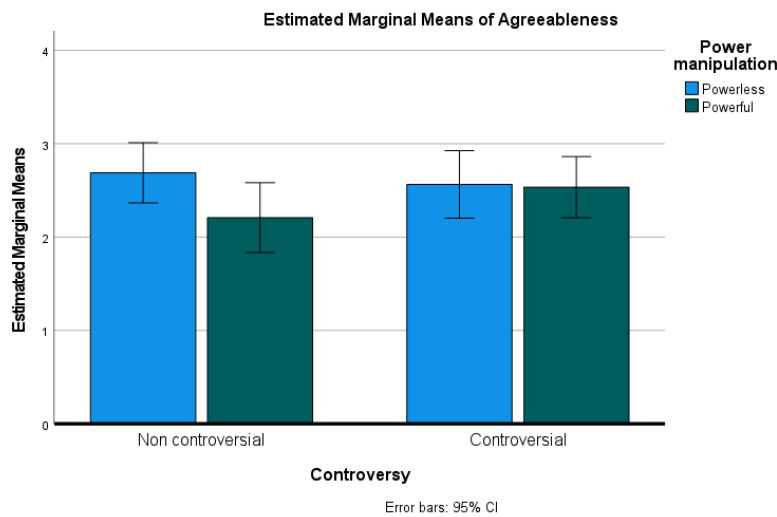
Appendix XI: Graph with estimated marginal means of brand risk-taking
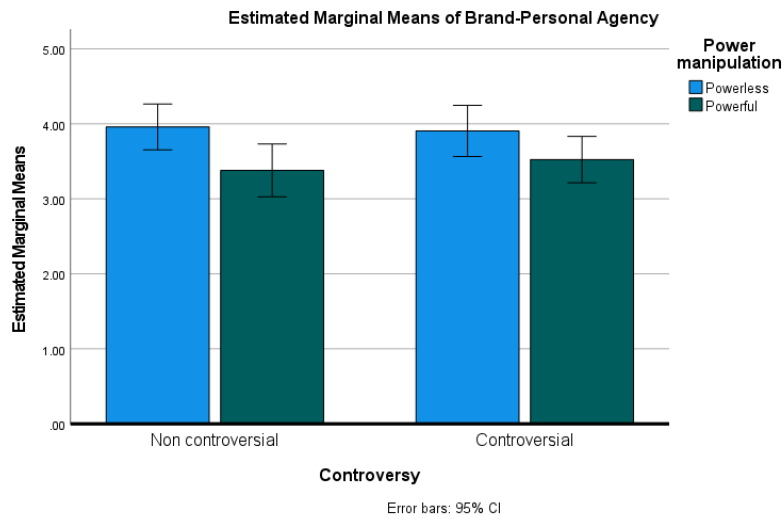

Estimated Marginal Means of Risk-taking

Appendix XII: Graph with estimated marginal means of brand agency

Estimated Marginal Means of Brand Agency

Error bars: 95% CI
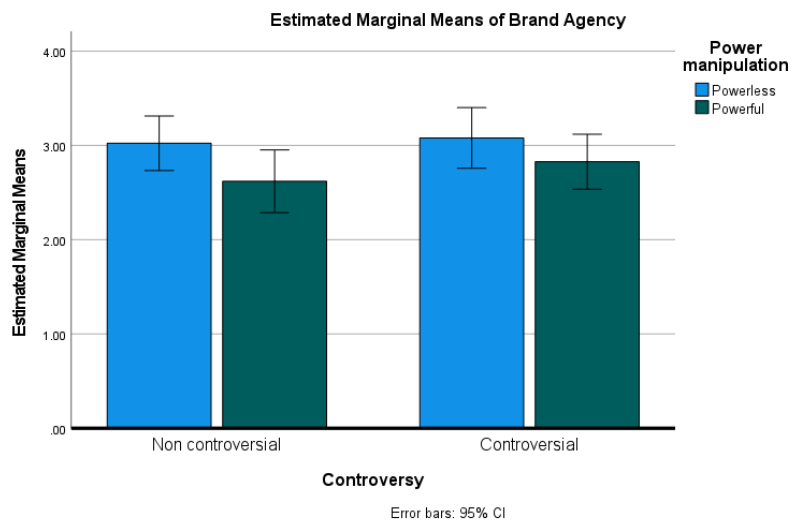
Appendix XIII: Graph with estimated marginal means of brand-personal agency

Estimated Marginal Means of Brand-Personal Agency

Error bars: 95% CI

The Allure of Controversial Brands – Group context

Team members:

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

1. Introduction

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

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

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

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

2. Controversy and Controversial Brands

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

Although controversy is not always predictable, organizations can have some intuition of how controversial a campaign will be. Previous literature puts controversy as something that brings backlash and has negative or neutral effects for brands. In 2017, P&G released their "We See Equal" campaign. This campaign was done to promote gender equality and shows young boys and girls defying gender stereotypes. Although this campaign touched the topic of gender bias, it seems the reaction to it was neutral as gender equality has been in P&G's values statement claims for a long time (Gilliland, 2021). Another brand that engaged in controversy and got backlash was Uber. Shortly after Donald Trump, former U.S president, announced its banned immigration law in which he forbade citizens predominantly from Muslim countries to enter the country,

New York Taxi Workers Alliance called for a strike for lifts to and from NYC's airport. Immediately after, Uber reduced its prices also to and from the NYC airport not only to show that the company did not want to make a profit out of the taxi strike but also that it supported the strike. This stand against Donald Trump's immigration law backfired since people perceived the decrease in ride price to be supportive of the President. Furthermore, a great number of people deleted the Uber app and downloaded Lyft, Uber's direct competitor, in hopes to boycott the former (Hollingsworth, 2017).

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

3. Theoretical backbone

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

Furthermore, theory holds that personal control originates from personal agency (Landau, Kay, and Whitson 2015). Feelings of loss of control or power may lead individuals to seek compensatory behaviors (Consiglio, De Angelis, and Costabile 2018), hence consumers may restore this through brands. In addition, brand leadership associates with influencing and impacting consumers, depending on the level of control they have. Beck, Rahinel, and Bleier (2020) showed that brand leaders may indirectly enhance personal agency due to being perceived as influential – and thus restoring feelings of control, through purchases. It is also argued that risk-taking is inherent to being a leader (Hess 2018) and that risky decisions can be more propense to occur when they come from a place of power (Maner et al. 2007). Thus, by signaling risk-taking, controversial brands are more likely to be seen as powerful.