

HARVARD BUSINESS SCHOOL

Rising Scholars Conference Marketing Student Research Presentations

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Serena is a PhD Candidate in Marketing at Harvard Business School and a Stone PhD Research Fellow in Inequality and Wealth Concentration at the Harvard Kennedy School. Her research investigates social judgments that arise from wealth inequality. In one stream of research, she explores why lower-income individuals are scrutinized and unfairly judged for their consumption decisions. In another stream of work, she investigates when and why consumers retaliate against firms for prioritizing higher-earning employees and customers.

ABSTRACT:

Inequality in Socially Permissible Consumption Serena F Hagerty, PhD Candidate, HBS Kate Barasz, DBA, ESADE

Lower-income individuals are frequently scrutinized and scorned for their consumption decisions. For instance, a round of social media shaming commenced after Syrian refugees were photographed coming ashore with smartphones in hand (1), and a U.S. politician chastised lower-income Americans for buying iPhones instead of health insurance (2). American welfare recipients have been chided for buying "lavish" grocery items, such as seafood (3) or organic produce (4)--a phenomenon so prevalent that it was parodied in a headline by satirical publication *The Onion*: "Woman a leading authority on what shouldn't be in poor people's grocery carts" (5). Even at more official levels, federal agencies have reprimanded lower-income, natural-disaster victims for the ways in which relief funds were spent (6), and the leader of an international nonprofit warned against giving lower-income individuals unconditional cash transfers because they may buy the "wrong" things (7). In the present research, I examine and empirically document such judgments against lower-income individuals' consumption decisions, and explore why these discrepant judgments emerge.

Eleven preregistered studies (*N* = 4,179) document systematic differences in *permissible consumption*, such that lowerincome individuals' decisions are subject to more negative and restrictive evaluations. Indeed, the exact same consumption decisions are deemed less permissible for a lower-income individual than for an individual with higher or unknown income (Studies 1A & amp; 1B)--even when purchased with windfall funds. This gap persists among participants from a large, nationally representative sample (Study 2) and when testing a broad array of "everyday" consumption items (Study 3). Additional studies investigate why: the same items are often perceived as less necessary for lower- (versus higher-) income individuals (Studies 4 & 5). Combining both permissibility and perceived necessity, further studies (Studies 6 & 7) demonstrate a causal link between the two constructs: a purchase decision will be deemed permissible (or not) to the extent that it is perceived as necessary (or not). However, because--for lower-income individuals--fewer items are perceived as necessary, fewer are therefore socially permissible to consume. This finding not only exposes a fraught double standard, but also portends consequential behavioral implications: people prefer to allocate strictly "necessary" items to lower-income recipients (Study 8)--even if such items are objectively and subjectively less valuable (Studies 9A & 9B)--which may result in an imbalanced and inefficient provision of resources to the poor.

Overall, I demonstrate that lower-income individuals are held to more restrictive standards of permissible consumption. I rule out the explanation that higher-income people are permitted to consume more simply because they can afford more; instead, I find lower-income people are permitted to consume less because they are presumed to need less. These findings suggest that--in addition to economic disparities that restrict what lower-income individuals financially can consume--there is an inequality in what they are socially permitted to consume.

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- 2. Nelson, L. (2017, March 7). Chaffetz: Americans should forgo new iPhone to afford health care.
- 3. Abrams, N. (2013, June 21). Gohmert: People Buy King Crab Legs With Food Stamps.
- 4. Olson, J. G., McFerran, B., Morales, A. C., & Dahl, D. W. (2016). Wealth and welfare: Divergent moral reactions to ethical consumer choices. *Journal of Consumer Research*, 42(6), 879-896.
- 5. The Onion. (2014). Woman A Leading Authority On What Shouldn't Be In Poor People's Grocery Carts.
- 6. Hersher, R., & Benincasa, R. (2019, March 5). How Federal Disaster Money Favors the Rich.
- 7. NPR. (2013, October 25). What Happens When You Just Give Money To Poor People?

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Serwaa is a doctoral candidate in marketing at Morgan State University. Her research focuses on brand activism, online consumer behavior, influencer marketing, and the implications of COVID-19 for consumption.

ABSTRACT:

Shock Activism Appeals: Examining Consumer Responses to Moderately Incongruous Brand Activism

Consumers these days are demanding more from brands: they expect brands to take a stance on sociopolitical issues. Brand activism (BA), the phenomenon of brands taking a stance on sociopolitical issues, gives brands visibility in a fractured marketplace. Activism by brands and corporations evolved naturally beyond corporate social responsibility (CSR), that is, a business' commitment to advance the wellbeing of the community by engaging in discretionary business practices and contributing corporate resources. For decades, the extant literature has emphasized the values-driven CSR as a solution to social problems. However, to achieve real change in society, there is the need to go beyond CSR and take stronger positions on issues. Activism by corporations and brands represent this stronger stance on issues. To this end, scholars have called for more insight into the emergent phenomenon of BA. In response to the calls for more research into activism by brands, corporations, and CEOs, the present research investigates brand activism as a nascent marketing strategy. Scholars posit that the absence of brand activism data spanning several years reflects a tepid interest in the phenomenon despite the many prominent cases. Moreover, research on BA has largely focused on the brand's perspective at the expense of the consumer perspective. Thus, BA research focusing on the consumer perspective is scant. In view of this, the present paper examines consumer responses to BA, specifically brands taking public stances on sociopolitical issues. I propose a conceptual framework that emphasizes that moderately incongruous activist messaging may startle consumers by violating social norms and serves as a form of shock advertising appeal, which increases consumers' attention, improves memory, and influences their behavior. Additionally, the framework proposes that consumers who fall within the openness to change value dimension will perceive an activist stance that departs from social norms as harmless and will respond more positively than consumers who fall on the conservation dimension. This framework also emphasizes that consumer responses may be determined by salience that the issue holds for consumers as well as consumers' identification with the brand. Finally, the framework highlights the impact of branding strategy on consumers' response to brand activism; specifically, corporate branding allows facilitates the transfer of consumer responses to the corporation and other brands in the corporate brand portfolio, and elicits a stronger response that affects the corporation and its other brands. This research makes some noteworthy contributions. The proposed conceptual model expands our understanding of the brand activism literature from a consumer perspective. For practitioners, this research offers insight into the possible consumer responses to moderately incongruous brand activism. Finally, policymakers may consider collaborating with brands on activist causes as a means for bringing awareness and acceptance to a variety of social issues. BA has been identified as key to stimulating social change; therefore. practitioners and policymakers could work together for the betterment of society.

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Andre Martin draws on his engineering training and 15 years of industry experience to address marketing strategy problems using modern econometric and computer science techniques. His research focuses on predicting marketing myopia and the effects of a privacy data breach on brand reputation. When he's not working in Kenan-Flagler, he enjoys working out and cooking with his family.

ABSTRACT:

When Words Speak Louder than Actions: Can Top Management Team Voice Detect Marketing Myopia?

It is well known that myopic marketing actions of top management teams (TMT) may improve firm performance in the short-run, often at the expense of long-run. However, this literature has one important gap: myopic actions can only be measured post-hoc, i.e. observable to an investor after the actions have been undertaken. We propose a theoreticalframework to examine whether analyzing TMT voice can detect future myopic actions, specifically unexpected reduction in marketing and R&D expenses. We develop and validate a dictionary to measure the exploitative and

explorative TMT voice from transcripts of quarterly earnings calls. Our data consists of over 10,000 quarterly observations from 609 firms in healthcare and technology industries between 2008 to 2019. We demonstrate that text analysis of TMT voice can detect marketing myopia up to four quarters in advance. With an increase in exploitative (explorative) voice, the extent of marketing myopia in the future increases (decreases). We find that ability of TMT voice to detect myopia improves in competitive and myopic industries but is impaired during a recession. We also show that the return from an investment strategy that leverages advance detection of marketing myopia outperforms both a post-hoc approach and following financial analyst recommendations.

Keywords: top management team, TMT voice, marketing myopia, exploration, exploitation, text analysis, panel data

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Prof. Jen Riley is sales faculty at Kansas State University and a 3rd year doctoral candidate at Kennesaw State University. Prior to entering academia, Prof. Riley was an award-winning entrepreneur and corporate marketing consultant. Prof. Riley's cross-disciplinary research studies the intersection of professional sales and technology adoption.

ABSTRACT:

The Evolution of Sales: Assessing the Integration of Social Selling into Professional Sales and the Sales Cycle

Technological advancements, such as social selling, the leveraging of social media platforms within the sales process, have played a key part in the progression of professional sales as a career and aided salespeople in building client relationships and achieving sales success. Although social selling usage has increased within the sales process, there are competing thoughts and skepticism as to its effectiveness and integration within sales teams.

The purpose of this manuscript is to explore social selling's place within the sales process and salesperson practices to address the technological changes in society. Specifically, this research addresses four objectives: (1) identify social selling attributes and tools used within the sales process; (2) further develop the understanding of which social selling attributes are usedin each given step of the traditional sales process; (3) to categorize and examine the frequency ofsalesperson social selling use within each step of the traditional sales process; (4) understand the impact of social selling throughout the sales process on salesperson outcomes of adaptive selling, customer orientation, and salesperson ambidexterity. Exploring the phenomenon of social selling use.

To better understand the influence of social media and knowledge dissemination within the modern sales environment, addressing research objectives one and two, study one will utilize salesperson semi-structured interviews regarding social selling's integration into the sales process. Study two, a quantitative survey-based study, seeks to understand salesperson social selling frequency and practices within the sales process as informed by study one, addressing research objectives three and four. Leveraging the innovation diffusion theory, the second study hypothesizes that social selling's presence within each of the traditional sales process positively impacts a salesperson's adaptive selling behaviors, customer orientation practices, and their salesperson ambidexterity. Contributions of this research include highlighting what steps of the sales process social selling impacts, activities salespeople execute via social selling within the sales process, and how social selling belongs within the sales. Additionally, by examining the outcome variables adaptive selling, customer orientation, and salesperson ambidexterity, this research highlights salesperson value-gained through social selling, a value co-creation activity mostly attributed to buyer value thus far.