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When and Why Targeted Products for Underserved Consumers Backfire

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WHEN AND WHY TARGETED PRODUCTS FOR UNDERSERVED CONSUMERS BACKFIRE

by

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DEDICATION

To all women and people of color who have felt excluded in the marketplace.

ACKNOWLEDGEMENTS

To this day, I still vividly remember that, on the first day of the Ph.D. orientation, all new students were asked to write about their goals in the next five or six years. I wrote that I wanted to learn and grow. Six years later, here I am. Have I achieved these goals? I think I have, with the support from my advisors, colleagues, family, and friends.

There have been many ups and downs, and I am deeply grateful for having Lin Yang and Abhijit Guha as my advisors. I am so proud of calling myself their student and could never thank them enough for their training, guidance, and support. I would like to express my sincere gratitude to Rafay Siddiqui for always being there for me and believing in me, even in the darkest moment. I also want to thank Eva Buechel for setting an example for me and teaching me what it means to be a top-notch researcher. In addition, I am grateful for Ashwani Monga who has not only taught me the important skills in conducting rigorous research but has also shown me the important qualities to be a person with kindness and integrity. Equally important, I want to offer my thanks to Elise Chandon Ince, Xiaojing Yang, Anastasiya Pocheptsova Ghosh, Priyali Rajagopal, and the Department of Marketing at Darla Moore School of Business for the invaluable, insightful comments and support throughout the years. Last but not least, my appreciation also goes to my parents, my better half, and my friends for their encouragement and unconditional love.

ABSTRACT

As the demand for creating and embracing a diverse marketplace increases, marketing strategies that over-generalize the needs of different consumer groups are no longer viable. Thus, many brands and companies have begun offering inclusive products that accommodate the specific needs of historically underserved consumers (e.g., women, people of color). One important question for marketers to answer is how these inclusive products should be promoted to appeal to these previously undervalued consumers. While prior research suggests that consumers will favor products with more explicit descriptions of the target consumer (i.e., blatant targeting) because doing so makes the targeted identity salient, I find that explicitly identifying underserved consumers as the target consumer can backfire because doing so can raise the suspicions of underserved consumers. In turn, these heightened suspicions negatively impact assessments of the company's intentions and ultimately evaluations of the product. In addition, my research also provides actionable solutions for managers to communicate effectively to these consumer segments. Specifically, I show that featuring an ingroup product creator can effectively reduce underserved consumers' suspicions surrounding blatant targeting.

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CHAPTER 1

INTRODUCTION

With Euromonitor naming "Inclusive for All" a top 10 consumer trend of 2020 (Anderson and McClain 2020) and more consumers demanding that companies embrace diversity (Anderson and McClain 2020; Brodzik et al. 2021; Brown et al. 2022), more and more companies start to realize that prioritizing mainstream (i.e., White) consumers over other consumer groups (e.g., women and people of color) is no longer a viable strategy and have begun to offer products that work for a broader range of consumers (Patrick and Hollenbeck 2021).

However, products aimed at appealing to the needs of consumers from underserved groups have been met with varying success. For example, in the midst of the Black Lives Matter (BLM) Movement, Band-Aid announced on social media their plan to create bandages "for the Black Community." Since Band-Aid's bandages had previously only matched lighter skin tones, the company expected consumers with Brown and Black skin tones to react positively to the introduction of OurTone bandages that blended well with deeper skin tones. However, to Band-Aid's surprise, their announcement was met with skepticism and ridicule, especially from the consumers they wished to serve (Gardner 2020; see Pilot Study in Chapter 4).

Given the negative reactions to recent efforts to create and promote products to underserved consumers whose needs are often excluded in the marketplace, important questions that need to be answered are: Why do products that appear to serve real needs

and support inclusivity backfire? How should these products be positioned to appeal to underserved consumers? Prior research suggests that consumers will favor more explicit over more subtle descriptions of the target consumer because doing so makes the targeted identity salient (Deshpandé and Stayman 1994; Forehand and Deshpandé 2001). In turn, consumers are more attracted to products aimed at serving that salient identity (Forehand, Deshpandé, and Reed 2002). However, as demonstrated with Band-Aid's OurTone bandages, which were explicitly described as "for the Black community," directly naming the target consumer proved ineffective in this context.

In this research, I use the term "underserved consumers" to refer to consumers who have historically felt excluded in the marketplace (Patrick and Hollenbeck 2021). I examine underserved consumer groups defined by gender and race/ethnicity because these distinctions are well studied in the literature and are also commonly used to segment consumers in the marketplace[1] (Pooler 2002). Underserved consumers must navigate a marketplace designed primarily for someone else (i.e., mainstream consumers) and are therefore often confronted with products that work only sub optimally (Patrick and Hollenbeck 2021; Perez 2019), such as office buildings that are too cold for women and eyeglasses that constantly slide down Asian faces. Thus, blatantly indicating (relative to subtly suggesting) that a product is made for underserved consumers may rub them the wrong way. In a pilot study and five experiments, I find consistent evidence that singling out an underserved group as the target consumer can raise these consumers' suspicions. In turn, these heightened suspicions negatively impact assessments of the company's intentions and ultimately evaluations of the targeted product. Importantly, given that the

[1] A consumer group's "underserved" status can depend on numerous factors, such as power, social status, and numerical size, but how a group becomes underserved is beyond the scope of this research.

needs of mainstream consumers are well served in the marketplace (Patrick and Hollenbeck 2021; Perez 2019), I also demonstrate that blatant targeting does not backfire for mainstream consumers. In addition, the results show that when cues to mitigate suspicion are present (e.g., a product creator comes from an underserved consumer group), blatant relative to subtle targeting will be less likely to elicit negative reactions from underserved consumers.

This research makes a number of contributions. Patrick and Hollenbeck (2021) noted that "the majority of our literature at the current time reflects the preferences, choices, and biases of the most served consumer groups without much understanding of the preferences of underrepresented groups." My dissertation fills this research gap highlighted by Patrick and Hollenbeck by shedding light on the unique consumption experiences of underserved consumers. Moreover, by focusing on targeted products rather than targeted advertising, I distinguish between two approaches, namely blatant targeting and subtle targeting. This work highlights how to the extent that underserved consumers view targeted products with distrust, heightened suspicions and negative assessments of a company's intentions can undermine the positive effects of inclusive design in the marketplace. This research also provides important insights for marketers by highlighting the dangers of blindly targeting underserved consumers. In addition, I offer feasible solutions for communicating effectively to this segment: marketers can incorporate cues, such as featuring an ingroup product creator, to reduce suspicions among underserved consumers.

CHAPTER 2

LITERATURE REVIEW

2.1 Target Marketing

Broadly speaking, target marketing involves the identification of consumer groups that share similar needs or characteristics for companies to serve (Kotler, Armstrong, and Starr 1991; Aaker, Brumbaugh, and Grier 2000). In execution, a key component of target marketing is positioning a brand or product to appeal to a specific segment of consumers, oftentimes based on readily observable demographic characteristics like gender, ethnicity, and age.

Perhaps the most well-researched method of targeting is the use of ingroup members in advertising (Aaker 1999; Deshpandé and Stayman 1994; Forehand et al. 2002; Jaffe 1991; Ruggs, Stuart, and Yang 2018; Whittler 1989). According to this line of research, target marketing can be effective for underserved consumers in two ways. First, featuring ingroup members from the target consumer segment in advertising can build a positive association between consumer's identity and the brand (Mercurio and Forehand 2011), which can foster a strong affinity for the brand and thus form positive attitudes (Aaker 1999). Second, this targeting strategy can increase the accessibility of a particular identity through cultural cues and identity relevant symbols (Forehand and Deshpandé 2001; Reed et al. 2012), and identity salience can lead to more favorable evaluations toward targeted products and their brands (Aaker, Benet-Martinez, and

Garolera 2001; Reed 2004; Reed et al. 2012). Importantly, these positive targeting effects are strongest amongst consumer groups that are likely to be underserved in the marketplace, such as numeric minorities (e.g., Asian Americans; McGuire 1984; McGuire et al. 1978) and consumers with lower social status (e.g., Black, women; Grier and Deshpandé 2001).

Given that inclusivity has only recently become a priority and a major concern for mainstream society (Anderson and McClain 2020), products designed for underserved consumer groups have only become more commonplace in recent years. Thus, while much research has examined the effectiveness of targeted *advertising* that positions general, mainstream products to appeal to underserved consumers (Deshpandé and Stayman 1994; Forehand et al. 2002; Jaffe 1991; Ruggs et al. 2018; Whittler 1989), less scholarly attention has been paid to the promotion of targeted *products*, which are inherently designed to serve the needs of a specific segment. Work that has examined the promotion of targeted products for underserved consumers primarily focuses on understanding how they may be promoted to appeal to mainstream (i.e., white) consumers. For instance, although Grier and colleagues (2006) measured African Americans evaluations of ethnic-oriented movies starring Black actors, their primary focus was on disentangling the drivers of crossover appeal and identifying when White consumers might find ethnic-oriented movies more appealing. Therefore, although prior work on targeted advertising and targeted products provides a valuable starting point for this research, it does not explore how targeted products should be effectively marketed to underserved consumers.

In this research, I note that target marketing can vary in how blatant or subtle it is in identifying the target consumer. At the most blatant, targeting involves explicitly identifying who the targeted product is intended for. For instance, Oakley's "Asian Fit," directly addresses the target consumer, Asian Americans, so there is no doubt for whom these products are meant for. In contrast, the most subtle targeting involves highlighting product features that marketers know appeal to specific segments without explicitly naming a particular consumer group. These appeals open the door to a broader set of consumers but may also run the risk of failing to reach the target consumers they wish to serve the most. For instance, not all Asian Americans may realize their nose shape is the cause of sliding glasses so they may not recognize the benefits of Warby Parker's "low bridge fit."

In prior research, target marketing cues aimed at underserved consumers have included spokespeople, symbols, advertising copy, and media outlets associated with the target consumer group (e.g., Aaker et al. 2000; Brumbaugh 2002). In these forms of targeting, the target consumer is never explicitly identified, and therefore, prior work has primarily focused on the more subtle end of the targeting spectrum. However, prior research does suggest that blatant targeting enhances the salience of the targeted identity. For instance, compared to those not exposed, Asian Americans exposed to a Vidal Sassoon advertisement promoting shampoo "for Asian Hair" were more likely to spontaneously mention their ethnicity when describing themselves (Forehand and Desphandé 2001; Forehand et al. 2002). However, only identity salience was measured in these studies and not Asian American consumers' assessments of the brand Vidal Sassoon and its products. Since identity salience increases the likelihood that target

consumers will detect, connect with, and respond favorably to targeting cues (Desphandé and Stayman 1994), one would expect that underserved consumers may respond more favorably to blatant compared to subtle targeting appeals. However, I posit that blatantly targeting underserved consumers differs from previously studied forms of (subtle) targeting because it is also likely to elicit negative feelings that stem from being disregarded and excluded in the marketplace.

2.2 Historical Marketplace Exclusion of Underserved Consumers

Given that companies often design products with mainstream consumers in mind (e.g., White, male), underserved consumers are often forced to use products that work only sub optimally (Patrick and Hollenbeck 2021; Perez 2019). When facing a mismatch between their needs and a product's features, underserved consumers experience exclusion, a negative emotional response that permeates day to day life especially if these seemingly small slights occur repeatedly (Patrick and Hollenbeck 2021). For instance, with every "unisex" ill-fitting helmet, over-sized pair of pants, and duct taped glove, women in engineering and construction are reminded that these items are not designed with them in mind, making them feel excluded in their chosen field of work. Moreover, people of color often struggle with finding the right products for their skin tones.

Even products that claim to be tailored to the needs of underserved consumers may offer only superficial access and fall short of optimizing the consumption experience. For instance, although many are products purportedly created for women, given the tendency for companies to "shrink and pink" these products without truly considering women's unique needs, women represent an underserved consumer group

that may still be wary of products that claim to be "for women" (Contrera 2016). Similarly, many mainstream beauty brands have recently begun offering foundation that matches a broader range of skin tones, but most foundation shades are still clustered around the lighter end of the spectrum (Shapiro 2018). Thus, darker foundation shades may still fail to blend seamlessly into all darker skin tones.

Although Patrick and Hollenbeck (2021) highlight the challenges underserved consumers face daily and offer potential solutions through inclusive design, they do not discuss how companies should effectively promote their products to underserved consumers once inclusive design is achieved. They largely assume that when product design is inclusive and serves a broader range of consumers' needs, previously excluded consumers will respond positively. However, I posit that this may not always be the case. Considering underserved consumers' prior, long-term experiences of being excluded in the marketplace, I propose that underserved consumers have many reasons to be wary of any positive treatment, especially if the messaging explicitly names them as the target consumer, despite the fact that these treatments may better serve their needs.

2.3 Underserved Consumers Are Suspicious, Especially When Identities Are Made Salient

I contend that after being poorly served for so long, underserved consumers hold a healthy skepticism towards products that claim to serve their needs and are reluctant to take these positive claims at face value. Consistent with this notion, a 2020 Pew Research Center survey finds that Black consumers are more likely to believe outside pressures – more than genuine concern for Black people – drive public corporate condemnations of racism (Anderson and McClain 2020). Given increasing demands on companies to take a

stand on sociopolitical issues, such as promoting inclusion, consumers are quick to pass judgment and view inauthentic social activism as "woke-washing" and a marketing ploy to increase profits (Edelman 2019; Vredenburg et al. 2020). Along the same lines, Lamberton (2019) notes how a company's broader inclusion efforts can backfire and be viewed as empty virtue signaling rather than a genuine attempt to be inclusive. Taken together, this line of work highlights the skepticism underserved consumers often feel toward the inclusion attempts of companies more generally.

While this line of conceptual research does not directly address how and why underserved consumers might react negatively to products designed to meet their specific needs, especially when products are promoted using blatant targeting, social psychology research in the context of interpersonal interactions may provide useful insights for these questions. Specifically, individuals from underrepresented groups (e.g., women and people of color) often approach overtly positive overtures from men and White people, respectively, with suspicion and apprehension: Strong social norms discouraging prejudice can make it more difficult for individuals from underrepresented groups to take overtly positive behaviors at face value because they are often uncertain if these behaviors reflect genuine sincerity or simply the desire to appear unprejudiced (Crocker et al. 1991; Hoyt et al. 2007; Mendes et al. 2008). For instance, when African Americans assessed a White person's smile, increased suspicions were related to more negative interpretations of the overtly positive behavior (e.g., viewing the White person as less trustworthy, genuine; Kunstman et al. 2016). Similarly, when Latinas received direct, positive feedback from a White peer who read their "about me" profile (i.e., their Latinas identity was made salient to the White peer), increased suspicions regarding the White

peer's desire to appear unprejudiced were associated with lower perceptions of the peer's sincerity (Major et al. 2016).

In parallel, strong social norms discouraging prejudice and mandating inclusion from companies also exist in the current marketplace (Anderson and McClain 2020). On the one hand, these norms can raise awareness and encourage solutions to improve underserved consumers' experiences in the marketplace. On the other hand, when norms for marketplace inclusivity are made salient, companies will conceal their true beliefs that are not in line with these norms and may be pressured to fake advocate for inclusion out of the fear of being labeled as prejudiced and racist. Thus, I propose a similar process of feeling uncertain about the company's true intentions will unfold when underserved consumers are offered inclusive products in the marketplace. I posit that the intentions become especially difficult to interpret when these consumers are being blatantly targeted. This is because, blatant targeting not only further highlights the positive product offering is designed "for underserved consumers" but also reminds these consumers of their prior (negative) experiences of being excluded in the marketplace: these mixed signals may add more uncertainty for underserved consumers to decode a company's true intentions.

CHAPTER 3

CURRENT RESEARCH

In this research, I posit that strong norms for inclusivity in the marketplace make it difficult for underserved consumers to interpret the company's true intentions and thus make them less likely to take a company's positive behaviors at face value. I expect that when promoting products aimed at underserved consumers, blatant (relative to subtle) targeting will raise their suspicions, which will in turn make them question the company's seemingly positive intentions. Consequently, I predict these more negative assessments of the company's intentions will adversely affect evaluations of and interest in the products:

H1a: Underserved consumers will evaluate a product more negatively when it is promoted using blatant compared to subtle targeting.

H1b: Heightened suspicions and, in turn, more negative perceptions of company intentions will drive the negative effect of blatant versus subtle targeting on product evaluations.

Because I argue that prior experiences of marketplace exclusion underlie underserved consumers' negative reactions to blatant targeting, I predict that blatant compared to subtle targeting is less likely to adversely affect the responses of mainstream consumers who have generally felt included in the marketplace (and perhaps society

more broadly). When needs are oftentimes well-met by readily available products in the marketplace, blatant targeting may instead create a sense of inclusion and communicate to mainstream consumers that they are valued (Chaney, Sanchez, and Maimon 2019; Patrick and Hollenbeck 2021). Thus, blatant targeting should be less likely to elicit the suspicions of mainstream consumers:

H2: Blatant compared to subtle targeting will elicit more negative reactions only from underserved and not mainstream consumers.

I also anticipate that providing cues that the targeted product is created without ulterior motives (e.g., reacting to external pressures) will mitigate the negative effect of blatant targeting. One such cue is the group membership of the product creator. Prior research has found that women and people of color are less likely to anticipate prejudice from and be suspicious of an ingroup member's positive overtures. For instance, people of color respond less negatively to an ingroup evaluator's positive feedback compared to that of a White evaluator's (Major et al. 2016), and they find an ad spokesperson from their own ethnic minority group (relative to a White spokesperson) to be more trustworthy (Deshpandé and Stayman 1994; Whittler 1989; Williams and Qualls 1989). Given that ingroup members are expected to empathize with and endorse the marketplace inclusion of their own group, I predict that underserved consumers will be less wary of blatant targeting if the targeted product is created by an ingroup member:

H3: When the targeted product creator is an ingroup member, blatant relative to subtle targeting will be less likely to elicit negative reactions from underserved consumers.

I test the proposed conceptualization across different underserved consumer groups (i.e., women, Black, and Asian Americans) because it allows me to establish both external and ecological validity. First, while I acknowledge that these consumer groups have fundamentally different experiences in the marketplace, one common characteristic of these groups is that they all have been historically excluded at the expense of companies focused on mainstream White consumers (Patrick and Hollenbeck 2021). Therefore, testing the propositions using multiple underserved groups helps generalize the effects. Second, as inclusivity becomes more important, the majority of the targeted products in the marketplace are directed to women, Black, and Asian American consumers, perhaps because these consumers have gained substantial purchasing power in the last decade. Recent report shows that women will be in charge of 75% of the discretionary spending by 2028 (Nielsen 2020). In addition, while the purchasing power of all people of color together is estimated to be $3.9 trillion, Black consumers alone have the buying power of $1.6 trillion, and Asian American consumers take up another $1.3 trillion (Melancon 2021). These statistics show that women, Black, and Asian American consumers represent huge opportunities for purchase. Thus, examining these consumer groups not only establishes the generalizability of the effects but can also provide important insights relevant to the real marketplace.

One pilot study and five experiments examine how and why underserved consumers react to inclusive products that are promoted using blatant relative to subtle targeting (see the conceptual model in Figure 3.1). Specifically, in Pilot Study, I examine people of color's authentic reactions to Band-Aid's announcement to launch inclusive products using blatant targeting on social media. I demonstrate that people of color

responded negatively to products promoted using blatant targeting (H1a) and that they perceived more negative company intentions (H1b). In a series of controlled experiments, I replicate these effects and provide further evidence for the underlying process. In a real choice study (Study 1), I adapt existing campaigns in the marketplace for targeted products to demonstrate that Black consumers are less likely to choose an inclusive product promoted using blatant targeting compared to a similar product promoted using subtle targeting (H1a). Study 2 shows that a product garners more negative reactions from Asian American consumers when it is promoted with blatant compared to subtle targeting (H1a). Serial mediation reveals that blatant relative to subtle targeting makes Asian American consumers more suspicious, driving more negative perceptions of company intentions, and ultimately more negative product evaluations (H1b). In Study 3, I replicate the hypothesized effects with another underserved consumer group, women. Supporting H1a and H1b, women become more suspicious and perceive more negative company intentions when they are presented with a blatantly compared to subtly targeted product. However, this effect does not hold for men who tend to be well served in the marketplace (H2). In Studies 4a and 4b, I establish the group membership of the product creator as another boundary condition (H3). Here, I focus on women (Study 4a) and Asian American women (Study 4b) and show that when the product's creator is an ingroup member, the negative effect of blatant targeting is mitigated. However, when the product creator is an outgroup member, the effects found in previous studies are replicated. Across all studies, I show the effects with various stimuli based on real-world targeted products and marketing messages, further enhancing the external and ecological validity of the results.

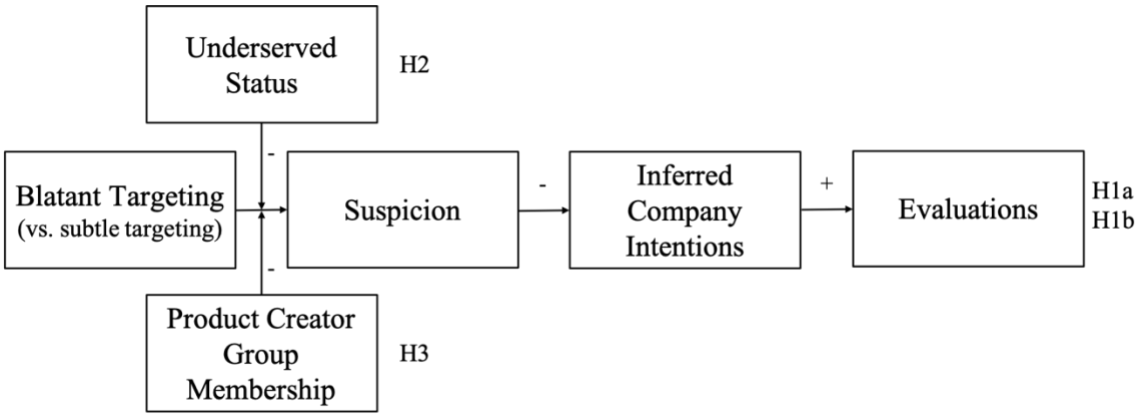

Figure 3.1 Conceptual Framework

CHAPTER 4

PILOT STUDY: BANDAGES FOR PEOPLE OF COLOR

Pilot Study examines how people of color respond to inclusive product offerings using blatant targeting in the marketplace. On June 10th, 2020, Band-Aid revealed on their social media page that they would launch a new product line, OurTone, featuring three shades of brown for consumers with darker skin tones. In the announcement (see Figure 4.1), Band-Aid communicated to their target consumers using relatively blatant targeting by indicating that they intended to offer OurTone bandages to "embrace the beauty of diverse skin" and "create tangible change for the Black community". Thus, this campaign serves an opportunity to examine people of color's unprompted reactions to product offerings via blatant targeting.

Figure 4.1 Band-Aid's Instagram Announcement

In this study, I extracted and text-analyzed social media responses from people of color regarding Band-Aid's announcement to provide bandages with darker shades for them. I predicted that people of color would be more likely to respond negatively rather than positively to the announcement about OurTone bandages. In addition, I expected to find that people of color would be more likely to perceive Band-Aid's intentions of offering the bandages as negative (e.g., wanting to bandwagon the Black Lives Matter (BLM) movement) rather than positive (e.g., genuinely caring about these consumers).

4.1 Method

I first collected the consumer comments to Band-Aid's announcement on their social media page over the first two-week period from June 10th, 2021 to June 24th, 2021. I was able to extract a total number of 7,583 comments. Among these comments, I excluded 1,015 comments from 384 duplicate commenters, which resulted in a sample of 6,568 responses (86.61% of the extracted comments).

4.1.1 Identifying People of Color

I trained independent coders who were blind to the hypotheses to identify people of color commenters using the following criteria. First, one of six independent coders assessed whether a response mentioned any information related to the commenter's racial identity. For example, when a commenter responded "*Yay, finally a Band-Aid for me!*", I considered the commenter as a target consumer (i.e., people of color) of the product offerings. Second, independent coders checked each commenter's profile picture to identify whether OurTone bandages would match their skin tones. Third, coders checked commenter's social media account (if it was publicly available) to identify whether they were the target consumer of OurTone bandages. If a commenter met at least one of the

three criteria, I considered the commenter as a person of color and thus a target consumer to the new bandages. The final sample size consisted of 2,698 non-duplicate comments from people of color.

4.1.2 Content Coding

The primary dependent variable for this investigation was the valence of the responses. To capture this, two independent coders blind to the hypotheses were instructed to determine whether the comments were positive, neutral, or negative. If the valence of the comment could not be determined (e.g., the commenter only referred to another account), it was coded as "Cannot tell/Ambiguous". The interrater reliabilities were high at 85.1% agreement and a Cohen's Kappa of .694.

As an additional proxy for target consumer's response to the campaign, I instructed the independent coders to indicate if the commenter mentioned any purchase interests in OurTone bandages. Initial inter-coder reliability tests showed high agreement at 95.5% and a Cohen's Kappa of .367. During the training, I noticed that many target consumers not only rejected Band-Aid's OurTone bandages but also advocated for other existing brands that make bandages with darker shades. Thus, independent coders also assessed whether the commenter mentioned their support for competing brands. The coding was highly reliable with an agreement of 96.6% and a Cohen's Kappa of .886.

The coders also evaluated perceived company's intentions as either being positive or negative. If perceived company's intentions could not be determined, it was coded as "Cannot tell/Ambiguous". The inter-rater reliabilities were high at 94.9% agreement and a Cohen's Kappa of .921. In addition, because Band-Aid focused on their intentions to fight against systematic racism and their commitment to the BLM movement, two coders

also assessed whether the commenter believed Band-Aid cared about BLM (inter-rater reliability: 95.5% agreement and a Cohen's Kappa of .909).

All coding disagreements were resolved by a third independent coder.

4.2 Results

4.2.1 Valence

The results suggest that, similar to the findings in the context of interpersonal interactions, people of color respond to overtly positive claims to support them and serve their needs with strong suspicion, inferences of negative intentions, and subsequent backlash (see Figure 4.2). Descriptive analysis revealed a strong negative backlash from target consumers, with 71.30% of the comments being negative, 1.80% being neutral, and 17.80% being positively. Specifically, people of color were more likely to respond to the announcement negatively than neutrally (B = 5.18, SE = .152, Wald = 1155.41, $p < .001$), or positively (B = 2.70, SE = .071, Wald = 1458.48, $p < .001$).

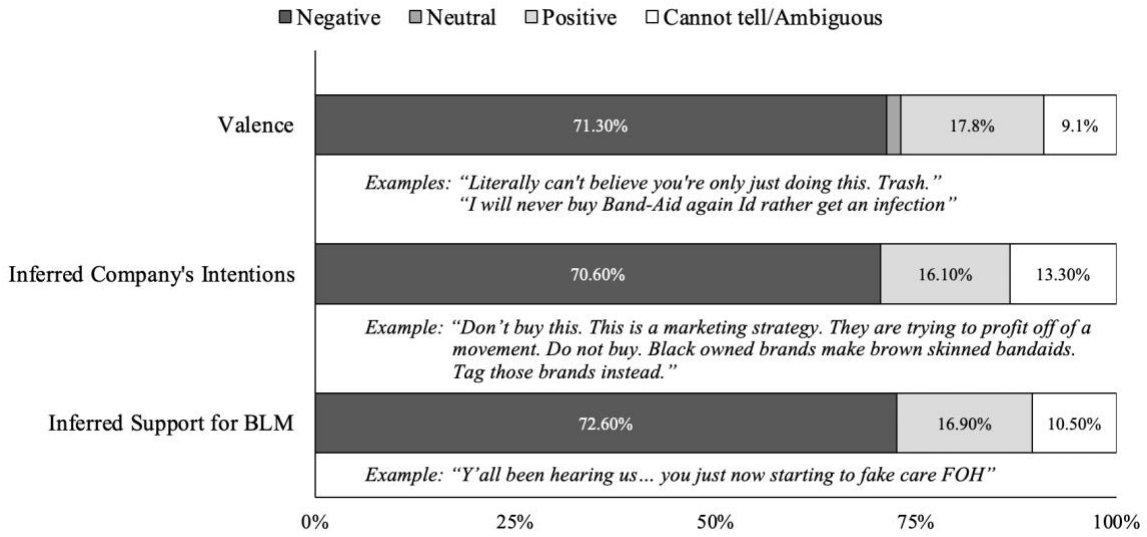

Figure 4.2 People of Color's Responses to Band-Aid's Blatant Targeting on Instagram

4.2.2 Purchase Interests and Reference of Competing Brands

I found that, out of the 110 commenters spontaneously mentioned purchase interests (4.08% of all the comments from people of color), 90 people of color (81.81%) actively encouraged boycotting the brand. Only 20 target consumers (18.19%) indicated that they may be interested in purchasing the product. Logistic regression analysis revealed that POC were less likely to express purchase interests toward the product offerings (Purchase = 18.19% vs. Not Purchase = 81.81%, B = -3.24, SE = .365, Wald = 78.87, $p < .001$). Interestingly, among the 90 comments rejecting OurTone bandages, I also found that 78.9% of people of color explicitly advocated for other competing brands offering similar products (vs. 21.1% only rejected and did not explicitly support other brands, B = -2.64, SE = .365, Wald = 52.09, $p < .001$).

4.2.3 Suspicion and Perceived Company's Intentions

Consistent with my conceptualization, people of color were also suspicious of Band-Aid's true intentions behind introducing Ourtone (see Figure 4.2), with 70.60% suggesting Band-Aid had negative intentions (vs. 16.10% inferred positive intentions; B = 2.95, SE = .075, Wald = 1543.63, $p < .001$) and 72.60% questioning Band-Aid's support for BLM (vs. 16.9% did not; B = 3.11, SE = .076, Wald =1671.66, $p < .001$).

4.3 Discussion

The results of this pilot study provide initial evidence for the proposed conceptual framework in a real-world setting. I find that people of color respond negatively to OurTone bandages. The responses were so strong that many people of color not only refused to purchase from Band-Aid but also avidly advocated for other competing brands offering similar products. In addition, the results indicate that people of color were more likely to infer negative intentions from Band-Aid's inclusive efforts.

It is worth reiterating that Band-Aid was very explicit and direct in communicating who they were creating their new line of bandages for – people of color with darker skin tones, particularly the Black Community, which aligns closely with my conceptualization of blatant targeting. I posit that if Band-Aid was less overt in their appeal to people of color and did not directly tie their support "for the Black Community" with the introduction of Ourtone, that is, if they used more subtle targeting, the response of people of color may have been less negative. In the following studies, I test these propositions in a more controlled setting.

CHAPTER 5

STUDY 1: BANDAGES FOR BLACK CONSUMERS (REAL CHOICE)

In Study 1, Black participants evaluate and choose between bandages in dark shades from two real brands. The two brands I use are Browndages (https://browndages.com) and Tru-Colour (https://trucolour.com). While both brands are specialized to sell bandages in dark shades to Black consumers, they adopt very different targeting strategies. From their brand name to their marketing communications, Browndages are very blatant that their products are for "Brown skin". In contrast, Tru-Colour approaches their target consumers using more subtle targeting: instead of blatantly indicating that the products are for Black consumers or made for Brown skins, Tru-Colour promotes the products as "skin tone bandages" and focuses on the functionality of the products which is to "blend in with darker skin tones". Since these strategies align closely with my conceptualization of blatant targeting and subtle targeting, I use these brands and create the stimuli based on their real advertising campaigns. In this real choice study, I predict that Black participants will 1) evaluate "bandages for Brown skin" and Browndages more negatively and 2) be less likely to choose the "bandages for Brown skin" from Browndages relative to the "skin tone bandages" from Tru-Colour (H1a).

5.1 Method

5.1.1Participants

150 Black Americans (M_{age} = 33.21, SD = 11.26; 68% female, 1.3% preferred to self-describe) from an online panel (i.e., Prolific) participated in the study. Participants were recruited based on their demographic information previously provided to the recruitment platform and were unaware that the study was related to their racial identity. All participants were included in the analysis.

5.1.2 Procedure

Participants were randomly assigned to a single factor (targeting: blatant vs. subtle) within-subjects design. They were presented with two advertisements from the real brands, Browndages and Tru-Colour, in random order. In the advertisement from Browndages (i.e., blatant targeting), it was made clear that the dark-shade bandages were intended "for the Black Community". In the advertisement from Tru-Colour (i.e., subtle targeting), a similar product was labeled as the "Skin Tone bandage" (see Appendix A for stimuli). After participants saw each advertisement, they provided overall evaluations for the product and the brand (Browndages: α = .958, Tru-Colour: α = .961; see Table 5.1 for measures). For example, if one participant first saw the advertisement using blatant targeting, they provided overall evaluations regarding the bandages "for the Black community" and the brand Browndages. Then, they saw the advertisement using subtle targeting and evaluated the "Skin Tone bandages" and the brand Tru-Colour. After participants evaluated both brands, they were told that they would receive free bandages in dark shades of their choice as a thank you gift for participating in the study. Participants then made a choice between bandages "for the Black Community" from Browndages and "Skin Tone bandages" from Tru-Colour. Because I used real brands and products in this study, I also included a measure for brand familiarity at the end of the

study. After the data collection was over, all participants were told that because of an inventory issue, instead of getting the bandages, they were rewarded with an additional $3.00 that is equivalent to the cost of the bandages.

Table 5.1 Measures in Study 1

Overall Evaluations
How much do you like the [product]? *(1=not at all, 7=very much)*
How likely are you to purchase the [product]? *(1=not at all, 7=very much)*
How positively do you feel toward the [brand]? *(1=very negative, 7=very positive)*
How good do you feel toward the [brand]? *(1=very bad, 7=very good)*
How appealing do you find the [brand]? *(1=very unappealing, 7=very appealing)*
Brand Familiarity
How familiar are you with the [brand]? *(1=not at all, 7=very familiar)*

5.2 Results

5.2.1 Evaluations

Consistent with my prediction, a paired sample t-test revealed a significant main effect that Black participants responded to the bandages "for the Black Community" from Browndages (M = 5.16, SD = 1.72) more negatively than "Skin Tone bandages" from Tru-Colour M = 5.43, SD = 1.64, $t(149) = 2.99$, $p = .003$).

5.2.2 Choice

A chi-square analysis showed that Black participants were less likely to choose bandages "for the Black Community" from Browndages (40%) compared to "Skin Tone bandages" from Tru-Colour (60%; $\chi^2(N=150) = 6.00$, $p = .014$).

5.2.3 Brand familiarity

Because I used real products and brands in this study, I also measured consumers' brand familiarity. There was no difference in brand familiarity ($M_{Browndages}$ = 1.52, SD = 1.24 vs. $M_{Tru\text{-}Colour}$ = 1.54, SD = 1.27, $t(149) = .30$, $p = .76$).

5.3 Discussion

In a real choice study, I demonstrate that Black consumers responded more negatively to blatant targeting and were less likely to choose a product promoted by blatant targeting. While the results from Study 1 using real-world brands and stimuli support my prediction, one could argue that these effects may be driven by participants essentially evaluating two different advertisements (e.g., different design and aesthetics). Thus, to better control for these differences, I conducted the following studies using the same stimuli with different labeling to manipulate targeting approach, in order to provide more evidence for my propositions.

CHAPTER 6

STUDY 2: READING GLASSES FOR ASIAN AMERICANS

In Study 2, I focus on Asian American consumers. People of Asian descent tend to have different facial structures than people of Caucasian descent (Farkas, Katic, and Forrest 2005). Given that Asian Americans are a numeric minority in the United States, they often find that mainstream eyeglasses fit poorly. Indeed, some companies have offered products to tailor such needs, such as Oakley's "Asian Fit" (oakley.com/en-us/product/W0OO9269) and Warby Parker's "low bridge fit" glasses (warbyparker.com/low-bridge-fit). Inspired by this marketplace observation, I adopt these terms to manipulate targeting style in this study. I predict that compared to subtly targeted products, blatantly targeted products should increase consumer suspicion. As a result, Asian American consumers should perceive more negative intentions from the firm, which will drive more negative overall evaluations (H1a; H1b).

6.1 Method

6.1.1 Participants

127 Asian Americans (M_{age} = 34.65, SD = 10.58; 45.7% female) from an online panel (i.e., Mturk) participated in the study. Participants were recruited based on their demographic information previously collected by the recruitment platform and were unaware that the study was related to their racial identity. Because Asian Americans and people from Asia (i.e., Asian) differ in their cultural experiences (Kim and Drolet 2003;

Ross, Xun and Wilson 2002; Tsai, Ying and Lee 2000) and the focus is on the U.S. marketplace, the current test only includes U.S.-born Asian American consumers, following previous research examining this population (Siy and Cheryan 2013). To confirm that participants were U.S.-born Asian Americans, I asked them to indicate their birthplace at the end of the study. 44 participants indicated they were not born in the U.S. and thus were excluded from analysis.

6.1.2 Procedure

Participants were randomly assigned to a single factor (targeting: blatant vs. subtle) between-subjects design. They were first presented with an advertisement for a pair of reading glasses from the brand i-glasses. The advertisements in the blatant and subtle targeting conditions were identical except for the product label. Half the participants saw the advertisement for "Asian fit" reading glasses (i.e., blatant targeting condition) and the other half saw the advertisement for "low bridge fit" reading glasses (i.e., subtle targeting condition).

Then, participants provided overall product evaluations (α = .934), rated their suspicions toward the advertisement (α = .975), and the company's intentions toward the target consumer (α = .939; see Table 6.1 for all items). As a check for the targeting manipulation, I also asked participants, "What kind of consumers do you think the brand i-glasses is trying to sell the [Asian Fit glasses/low bridge fit] glasses to?"

6.2 Results

6.2.1 Target Consumer Identification

An independent coder indicated whether participants were able to explicitly identify the target consumer as "Asian" or "Asian American". A chi-square test revealed

that participants were more likely to recognize Asian Americans as the target consumer in the blatant (78%) compared to the subtle targeting condition (14.3%; $\chi^2(N=83) = 33.98$, $p < .001$), thus confirming the targeting manipulation.

Table 6.1 Measures in Study 2

Suspicion
Scale: 1 = strongly disagree, 7 = strongly agree
This advertisement made me suspicious.
I felt skeptical about this advertisement.
This advertisement felt manipulative.
Company Intentions
Scale: 1 = not at all, 7 = very much
To what extent do you feel the [brand] intends to help their target consumers?
To what extent do you feel the [brand] understands their target consumers' needs?
To what extent do you feel the [brand] cares about their target consumers?
How well do you think the reading glasses developed by the [brand] will serve their target consumers' need?
Overall Evaluations
How much do you like the [product]? *(1=not at all, 7=very much)*
How likely are you to purchase the [product]? *(1=not at all, 7=very much)*
How positively do you feel toward the [brand]? *(1=very negative, 7=very positive)*
How good do you feel toward the [brand]? *(1=very bad, 7=very good)*
How appealing do you find the [brand]? *(1=very unappealing, 7=very appealing)*

6.2.2 Evaluations

Consistent with my hypothesis, I found that when Asian Americans saw an advertisement for Asian fit reading glasses (vs. low bridge fit reading glasses), they evaluated the product and brand more negatively ($M_{Blatant}$ = 4.22, SD = 1.53 vs. M_{Subtle} = 4.78, SD = .90, $t(81) = 2.01$, $p = .048$).

6.2.3 Suspicion

I found a similar pattern for suspicion. Asian American consumers viewing the advertisement for Asian fit reading glasses felt more suspicious (M = 3.88, SD = 2.04) than those viewing an advertisement for low bridge fit (M = 2.70, SD = 1.52, t (81) = -2.99, p = .004).

6.2.4 Perceived Company's Intentions

Results showed that Asian Americans perceived more negative intentions from the company when reading glasses were called Asian fit (M = 4.68, SD = 1.42) than when they were called low bridge fit (M = 5.20, SD = .91 t (81) = 2.01, p = .048).

6.2.5 Serial Mediation

To test the underlying process, I conducted a serial mediation analysis (model 6, Hayes 2013) using targeting style (blatant vs. subtle) as the independent variable, suspicion as the first mediator, perceived company intentions as the second mediator, and evaluations as the dependent variable. First, a factor analysis confirmed these measures loaded on three separate factors as intended (see Appendix B). As predicted, suspicion and perceived intentions mediated the relationship between targeting style and evaluations (B = -.31, SE = .13, 95% CI [-.59, -.08]). The serial mediation model was not significant after changing the order of the two mediators (B = -.03, SE = .04, 95% CI [-.13, .02]).

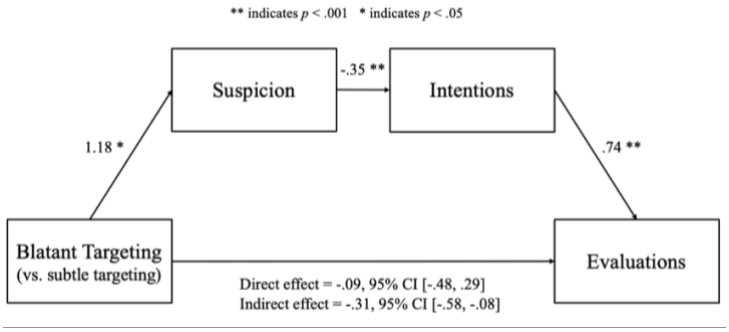

Figure 6.1 Serial Mediation Analysis in Study 2

6.3 Discussion

Study 2 shows that blatant targeting can backfire for underserved consumers, supporting H1a. Underserved consumers, Asian Americans, evaluated a product more negatively when it was promoted with blatant compared to subtle targeting. Importantly, in support of H1b, the serial mediation analysis reveals that this effect is driven by increased suspicion and perceived negative company intentions. Of note, as confirmed by the manipulation check, I do find that blatant targeting makes the target consumer more easily identifiable compared to subtle targeting, but contrary to what would be predicted by prior research (Forehand and Desphandé 2001; Forehand et al. 2002), I find that underserved consumers evaluate a blatantly targeted product more negatively despite being more likely to recognize they are being targeted.

CHAPTER 7
STUDY 3: HER TEA VS. HIS TEA

In Study 3, I replicate my findings in previous studies with another underserved consumer group, women, and a different product category, tea. Given the gender differences in sleep health and behaviors (Basner et al. 2007; Krueger and Friedman 2009; Mallampalli and Carter 2014), women and men may have different needs in improving their sleep. Thus, I choose an herbal tea designed to improve sleep as the focal product in this study. Another goal of Study 3 is to demonstrate that the negative effect of blatant targeting only holds for underserved consumers and not for those who are well served in the marketplace. Thus, I expect that consumer gender will moderate the negative effect of blatant targeting, such that only female and not male consumers will evaluate the blatantly targeted product more negatively relative to the identical subtly targeted product.

7.1 Method

7.1.1 Participants

401 Mturk workers (M_{age} = 38.20, SD = 11.41; 45.6% female) participated in this study.

7.1.2 Procedure

Participants first answered several filler questions that included a question asking their gender. In the blatant targeting condition, women viewed an advertisement for “Her Tea” while men viewed an advertisement for “His Tea.” In the subtle targeting condition,

both women and men viewed an advertisement for "Sleep Tea." In all conditions, the advertisement provided identical details on how the tea blend improved sleep; only the product name differed between conditions (see Appendix A). Then, participants completed the same overall evaluation (α = .947), suspicion (α = .953), perceived company intentions (α = .923), and target consumer measures as in Study 2.

7.2 Results

7.2.1 Target Consumer Identification

An independent coder indicated whether participants were able to explicitly identify the target consumer as women for female participants and as men for male participants. A chi-square test revealed that participants were more likely to recognize the appropriate target consumer in the blatant (69.3%) compared to the subtle targeting condition (4.5%; χ^2(N=401) = 181.79, $p < .001$). The effect holds for both female and male participants if analyzed separately, thus confirming the targeting manipulation.

7.2.2 Evaluations

I conducted a 2 (targeting: blatant vs. subtle) x 2 (gender: female vs. male) between-subjects ANOVA on evaluations. The results revealed a marginal main effect of targeting (F(1, 397) = 3.05, p = .081) and a main effect of gender (F(1, 397) = 6.85, p = .009), which were qualified by a significant two-way interaction (F(1, 397) = 9.89, p = .002). Replicating Studies 1 and 2 and supporting H1a, female participants evaluated Her Tea (M = 4.84, SD = 1.38) more negatively than Sleep Tea (M = 5.51, SD = 1.25; F(1, 397) = 11.00, p = .001). In support of H2, male participants did not evaluate His Tea (M = 4.91, SD = 1.25) and Sleep Tea (M = 4.72, SD = 1.58; $p > .30$) differently (see Figure 7.1).

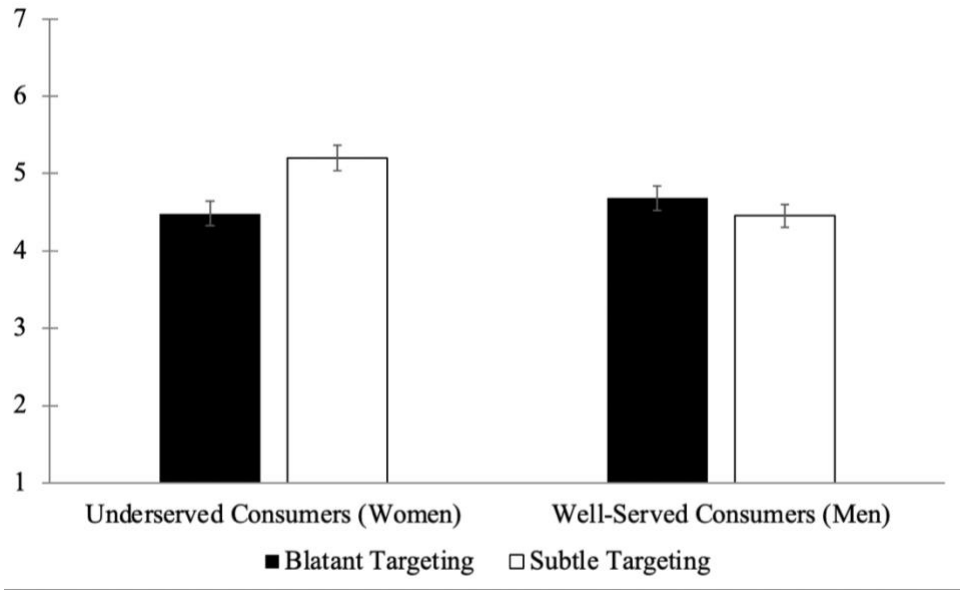

Figure 7.1 Targeting X Underserved Status on Evaluations in Study 3

7.2.3 Suspicion

A 2 (targeting: blatant targeting vs. subtle targeting) x 2 (gender: female vs. male) between-subjects ANOVA on suspicion toward the advertisement revealed a main effect of gender ($F(1, 397) = 11.04$, $p = .001$), which was qualified by the predicted targeting x gender interaction ($F(1, 397) = 12.24$, $p = .001$). There was no main effect of targeting ($p > .45$). Specifically, female participants were more suspicious when they saw the advertisement featuring Her Tea ($M = 2.99$, SD = 1.90) than Sleep Tea ($M = 2.24$, SD = 1.41; $F(1, 397) = 8.13$, $p = .005$). Interestingly, male participants felt less suspicious when the advertisement featured His Tea ($M = 2.95$, SD = 1.67) than Sleep Tea ($M = 3.45$, SD = 1.97; $F(1, 397) = 4.27$, $p = .039$).

7.2.4 Perceived Company's Intentions

A similar pattern emerged for perceived intentions. I found a main effect of targeting ($F(1, 397) = 4.54$, $p = .034$), a marginal main effect of gender ($F(1, 397) = 3.45$, $p = .063$), which were qualified by a significant targeting x gender interaction ($F(1, 397)$

= 7.98, p = .005). As predicted, female participants perceived less positive intentions from the firm in the blatant targeting condition (M = 5.04, SD = 1.24) than the subtle targeting condition (M = 5.64, SD = 1.16; $F(1, 397)$ = 11.29, p = .001). There was no difference for male participants ($M_{Blatant}$ = 5.15, SD = 1.14 vs. M_{Subtle} = 5.07, SD = 1.32; p > .60).

7.2.5 Serial Moderated Mediation

To further test the conceptual model, I conducted a serial moderated mediation analysis (model 85, Hayes 2013) using targeting (blatant vs. subtle) as the independent variable, gender as the moderator, suspicion as the first mediator, perceived intentions as the second mediator, and evaluations as the dependent variable (see Figure 7.2). First, a factor analysis confirmed these measures loaded on the three factors as intended (see Appendix B). Consistent with my prediction, suspicion and perceived intentions mediated the relationship between targeting and evaluations for female participants (B = -.19, SE = .07, 95% CI [-.34, -.07]). Additionally, I found suspicion and perceived intentions also mediated the relationship between targeting and evaluations for male participants, but in the opposite direction (B = .13, SE = .07, 95% CI [.002, 27]). The moderated mediation index indicated that the indirect effect of evaluations was significantly different between women and men (B = -.32, SE = .10, 95% CI [-.54, -.14]). The serial moderated mediation model was not significant after reversing the mediator order for either female participants (B = .002, SE = .01, 95% CI [-.03, .02]) or male participants (B = -.0003, SE = .004, 95% CI [-.008, .008]).

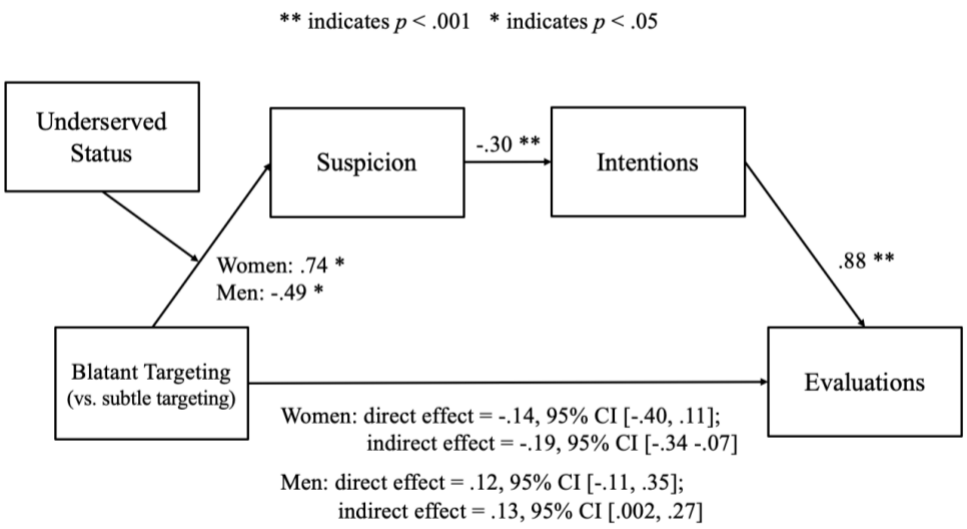

Figure 7.2 Moderated Serial Mediation Analysis in Study 3

7.3 Discussion

Confirming my hypotheses, women evaluated a product more negatively when it was promoted with blatant compared to subtle targeting (H1a). This effect was driven by increased suspicion and perceived negative intentions from the company (H1b). Importantly, this negative reaction was not found with men who evaluated the product similarly regardless of targeting style (H2). Since men are well served in the marketplace and have less difficulty finding products that suit their needs (Patrick and Hollenbeck 2021; Perez 2019), blatant targeting should not elicit the same negative reaction as that found with women, who are underserved in the marketplace.

CHAPTER 8
STUDIES 4A AND 4B: PRODUCT CREATOR GROUP MEMBERSHIP AS A MODERATOR

Thus far, I have demonstrated that blatant relative to subtle targeting elicits more negative reactions from multiple underserved consumer groups, including people of color in general (pilot study), Black consumers (Study 1), Asian Americans (Study 2), and women (Study 3). In Studies 4a and 4b, I identify the ingroup membership of the product creator as a boundary condition. Prior research has found that women and people of color anticipate less prejudice from and are less suspicious of an ingroup versus outgroup member's positive overtures (Major et al. 2016), and they perceive ingroup relative to outgroup spokespeople as more trustworthy (Deshpandé and Stayman 1994). Moreover, ingroup members are expected to be more knowledgeable of the group's needs and care more for its welfare (Chattopadhyay and Duflo 2004; Einiö et al. 2020). As such, I predict that underserved consumers will be less suspicious of blatant compared to subtle targeting if the targeted product is created by an ingroup relative to an outgroup member. I test this hypothesis with both women (Study 4a) and Asian Americans (Study 4b).

8.1 Study 4a: Made for Women by Women

8.1.1 Method

8.1.1.1 Participants

This study was pre-registered (https://aspredicted.org/blind2.php). 1000 women residing in the U.S. were recruited from Prolific (M_{age} = 34.38, SD = 14.18). Based on the pre-registered exclusion criteria, I excluded five participants who identified as male and an additional 119 participants who failed to correctly identify the gender of the company founder who created the product. No response was identified as duplication.

8.1.1.2 Procedure

Participants were randomly assigned to a 2 (targeting: blatant vs. subtle) x 2 (product creator: female vs. male) between-subjects design. As in Study 3, all participants viewed an advertisement for the same herbal tea but with different names. Participants in the blatant targeting condition viewed "Her Tea" whereas those in the subtle targeting condition viewed "Sleep Tea." Product creator group membership was manipulated by the founder's name: Stephanie Wakefield (female) or Steve Wakefield (male; see Appendix A for all stimuli). Then, participants completed the same overall evaluation (α = .942), suspicion (α = .918), perceived company intentions (α = .923), and target consumer measures as in previous studies.

8.1.2 Results

8.1.2.1Target Consumer Identification

An independent coder indicated whether participants explicitly identified women as the target consumer. A chi-square test revealed that participants were more likely to recognize women as the target consumer in the blatant (85.2%) compared to the subtle targeting condition (8.2%; χ^2(N=876) = 522.70, p < .001). The effect holds for both female product creator condition and male product creator condition if analyzed separately, thus confirming the targeting manipulation.

8.1.2.2 Evaluations

A 2 (targeting: blatant vs. subtle) x 2 (product creator: female vs. male) between-subjects ANOVA on evaluations revealed a main effect of targeting ($F(1, 872) = 13.88$, $p < .001$), which was qualified by a two-way interaction on evaluations ($F(1, 872) = 4.59$, $p = .032$). There was no main effect of product creator group membership ($p > .39$). In line with H3, when the product creator was an outgroup member (male), participants evaluated Her Tea ($M = 4.57$, SD = 1.48) more negatively than Sleep Tea ($M = 5.13$, SD = 1.31; $F(1, 872) = 15.50$, $p < .001$). Participants did not differ in their evaluations between Her Tea ($M = 4.85$, SD = 1.45) and Sleep Tea ($M = 5.00$, SD = 1.40; $p > .23$) when the product creator was an ingroup member (female; see Figure 8.1).

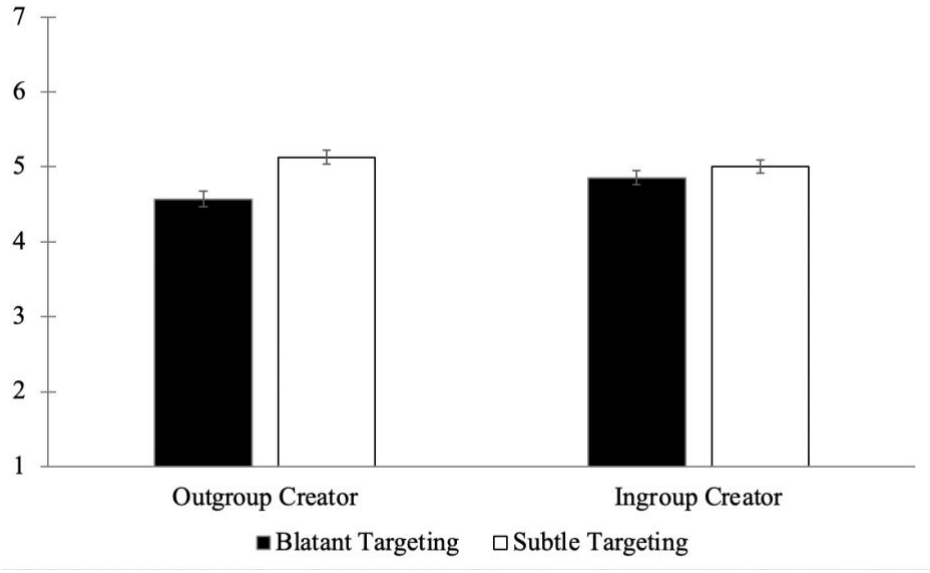

Figure 8.1 Targeting X Product Creator Group Membership on Evaluations in Study 4a

8.1.2.3 Suspicion

I conducted the same between-subjects ANOVA on suspicion toward the advertisement. The results revealed main effects of targeting ($F(1, 872) = 19.23$, $p < .001$) and product creator group membership ($F(1, 872) = 4.83$, $p = .028$), which were

qualified by a two-way interaction ($F(1, 872) = 4.94$, $p = .027$). Specifically, participants were more suspicious toward the advertisement featuring Her Tea ($M = 3.38$, SD = 1.80) than Sleep Tea ($M = 2.65$, SD = 1.53; $F(1, 872) = 19.64$, $p < .001$) when the product creator was an outgroup member (male). However, the effect did not emerge when the product creator was an ingroup member (female; $M_{Blatant} = 2.89$, SD = 1.60; $M_{Subtle} = 2.65$, SD = 1.56; $p > .10$).

8.1.2.4 Perceived Company's Intentions

A similar pattern emerged for perceived intentions. I found a main effect of targeting ($F(1, 872) = 12.53$, $p < .001$), a marginal main effect of product creator group membership ($F(1, 872) = 3.71$, $p = .054$), which were qualified by an interaction ($F(1, 872) = 7.21$, $p = .007$). Supporting our predictions, participants perceived less positive intentions from the firm in the blatant targeting condition ($M = 4.91$, SD = 1.38) than subtle targeting condition ($M = 5.45$, SD = 1.25; $F(1, 872) = 17.44$, $p < .001$) when the product creator was an outgroup member (male). There was no difference when the product creator was an ingroup member (female; $M_{Blatant} = 5.31$, SD = 1.23 vs. $M_{Subtle} = 5.38$, SD = 1.23; $p > .52$).

8.1.2.5 Serial Moderated Mediation

To test the proposed process, I conducted a serial moderated mediation analysis (model 85, Hayes 2013) using product targeting (blatant vs. subtle) as the independent variable, product creator group membership as the moderator, suspicion as the first mediator, perceived company intentions as the second mediator, and evaluations as the dependent variable (see Figure 8.2). A factor analysis confirmed the measures loaded on three separate factors as intended (see Appendix B). Confirming my hypotheses (H1b and

H3), suspicion and perceived company intentions only mediated the relationship between targeting and evaluations when the product creator was male (*B* = -.14, SE = .03, 95% CI [-.21, -.07]) but not when the product creator was female (*B* = -.05, SE = .03, 95% CI [-.10, .01]). Additionally, the moderated mediation index indicated that the indirect effect of evaluations was significantly different in the male product creator and female product creator conditions (*B* = .09, SE = .04, 95% CI [.01, .18]). Although the serial mediation model was still significant after changing the order of the two mediators in the male founder conditions (*B* = -.03, 95% CI [-.05, -.01]), the effect was much weaker, indicating worse model fit (R^2 changed from .029 to .023).

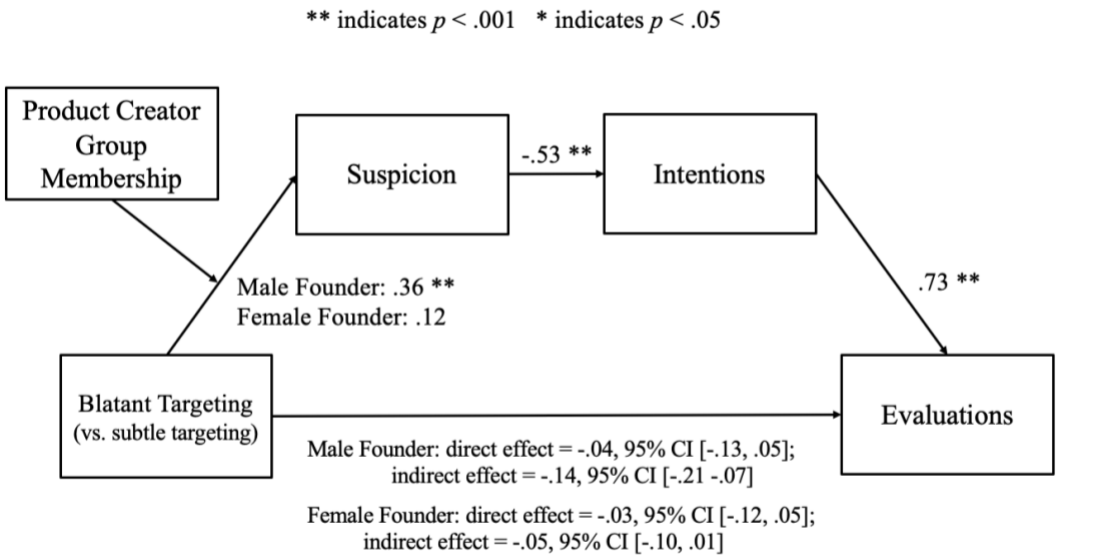

Figure 8.2 Moderated Serial Mediation Analysis in Study 4a

8.2 Study 4b: Made for Asian Americans by Asian Americans

In Study 4b, I replicate the effect in Study 4a by examining the responses of Asian American women toward blatant targeting and manipulating the ethnic identity of the product creator. To do so, I create stimuli featuring an eyelash curler designed for straight lashes. Because Asian American women tend to have straight eyelashes relative to other

ethnic groups (e.g., White women; Na et al. 2006), they often find that eyelash curlers offered to mainstream consumers work poorly and are looking for alternatives that could effectively curl straight eyelashes.

8.2.1 Method

8.2.1.1 Participants

757 Asian American women residing in the U.S. were recruited from Prolific (M_{age} = 24.40, SD = 6.62) during a two-week data collection period. Based on the pre-registered exclusion criteria (see: https://aspredicted.org/blind.php?x=J8D_QCC), I excluded six participants who did not identify as Asian American and one participant who reported to be younger than 18 years old (per IRB requirement). No response was identified as duplication.

8.2.1.2 Procedure

Similar to Study 4a, participants were randomly assigned to a 2 (targeting: blatant vs. subtle) x 2 (product creator: Asian American vs. non-Asian American) between-subjects design. All participants first viewed an advertisement featuring an eyelash curler. In the blatant targeting condition, participants were presented with "Asian Eyelash Curler". In subtle targeting condition, participants were presented with the same product labeled as "Straight Eyelash Curler." Product creator group membership was manipulated by the company founder's name: Jessie Chen (Asian American) or Jessie Smith (non-Asian American). Then, participants completed the same measures (overall evaluation: α = .929), suspicion (α = .907), and perceived company intentions (α = .922) as in previous studies. I also included one exploratory measure about perceived product performance ("How well do you expect the [product] to perform? *1 = not at all, 7 = very well*").

8.2.2 Results

8.2.2.1 Evaluations

A 2 (targeting: blatant vs. subtle) x 2 (product creator: Asian American vs. non-Asian American) between-subjects ANOVA on evaluations revealed a main effect of product creator group membership ($F(1, 746) = 28.09$, $p < .001$), which was qualified by a two-way interaction on evaluations ($F(1, 746) = 16.67$, $p < .001$). There was no main effect of targeting ($F(1, 746) < .33$, $p > .56$). In line with H3, when the product creator was an outgroup member (non-Asian American), participants evaluated Asian Eyelash Curler ($M = 4.36$, SD = 1.64) more negatively than Straight Eyelash Curler ($M = 4.70$, SD = 1.22; $F(1, 746) = 6.16$, $p = .013$). Interestingly, although not predicted, participants evaluated the eyelash curler using blatant targeting ($M = 5.27$, SD = 1.17) more positively than the same product using subtle targeting ($M = 4.82$, SD = 1.22; $F(1, 746) = 10.83$, $p = .001$) when the product creator was Asian American (see Figure 8.3). I found consistent results after controlling for perceived product performance.

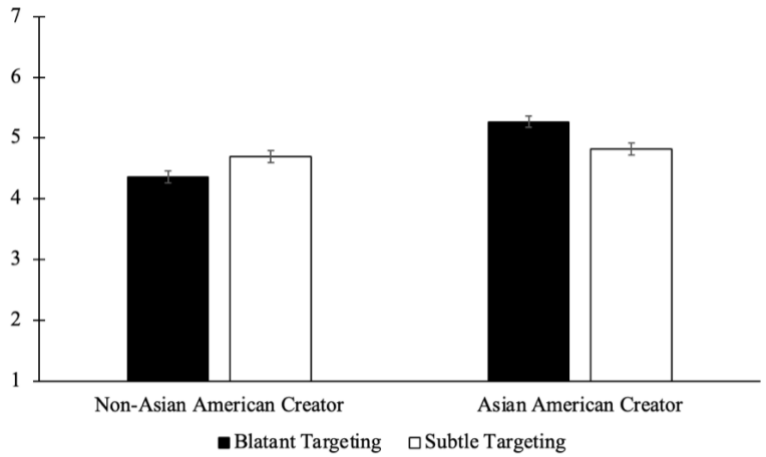

Figure 8.3 Targeting X Product Creator Group Membership on Evaluations in Study 4b

8.2.2.2 Suspicion

I conducted the same between-subjects ANOVA on suspicion toward the advertisement. The results revealed main effects of targeting ($F(1, 746) = 19.55$, $p < .001$) and product creator group membership ($F(1, 746) = 51.89$, $p < .001$), which were qualified by a two-way interaction ($F(1, 746) = 19.81$, $p < .001$). Specifically, participants were more suspicious toward the advertisement featuring Asian Eyelash Curler ($M = 3.61$, SD = 1.75) than Straight Eyelash Curler ($M = 2.70$, SD = 1.33; $F(1, 746) = 39.36$, $p < .001$) when the product creator was an outgroup member (non-Asian American). However, the effect did not emerge when the product creator was an ingroup member (Asian American; $M_{Blatant} = 2.42$, SD = 1.17; $M_{Subtle} = 2.42$, SD = 1.27; $F < .10$, $p > .98$). I found similar results after controlling for perceived product performance.

8.2.2.3 Perceived Company's Intentions

A similar pattern emerged for perceived intentions. I found a main effect of product creator group membership ($F(1, 746) = 31.27$, $p < .001$), which were qualified by an interaction ($F(1, 746) = 22.85$, $p < .001$). Supporting my predictions, participants perceived less positive intentions from the company in the blatant targeting condition ($M = 4.95$, SD = 1.46) than subtle targeting condition ($M = 5.35$, SD = 1.06; $F(1, 746) = 11.13$, $p < .001$) when the product creator was an outgroup member (non-Asian American). More interestingly, there was also a significant difference in perceived intentions between the blatant targeting condition and the subtle targeting condition when the product creator was Asian American ($F(1, 746) = 11.73$, $p < .001$). Specifically, Asian American women perceived more positive intentions from the company after being blatantly targeted ($M = 5.82$, SD = .98) relative to subtly targeted ($M = 5.41$, SD = 1.05). Controlling for perceived product performance did not change the results.

8.2.2.4 Serial Mediation

To test the proposed process and explore the role of perceived product performance, I conducted serial mediation analyses (model 81, Hayes 2013) using product targeting (blatant vs. subtle) as the independent variable, suspicion as the first mediator, perceived company intentions and perceived product performance as the competing second mediators, and evaluations as the dependent variable for both ingroup and outgroup product creator conditions.

Confirming my hypotheses (H1b, H3), suspicion and perceived company intentions mediated the relationship between targeting and evaluations when the product creator was non-Asian American (*B* = -.13, SE = .03, 95% CI [-.19, -.08]). Although there was also a significant indirect effect of suspicion and perceived product performance (*B* = -.09, SE = .02, 95% CI [-.14, -.06]), the mediation index indicated that the indirect effect of suspicion and perceived product performance was significantly weaker than the indirect effect of suspicion and perceived intentions (*B* = -.04, SE = .03, 95% CI [-.09, .00]; see Figure 8.4).

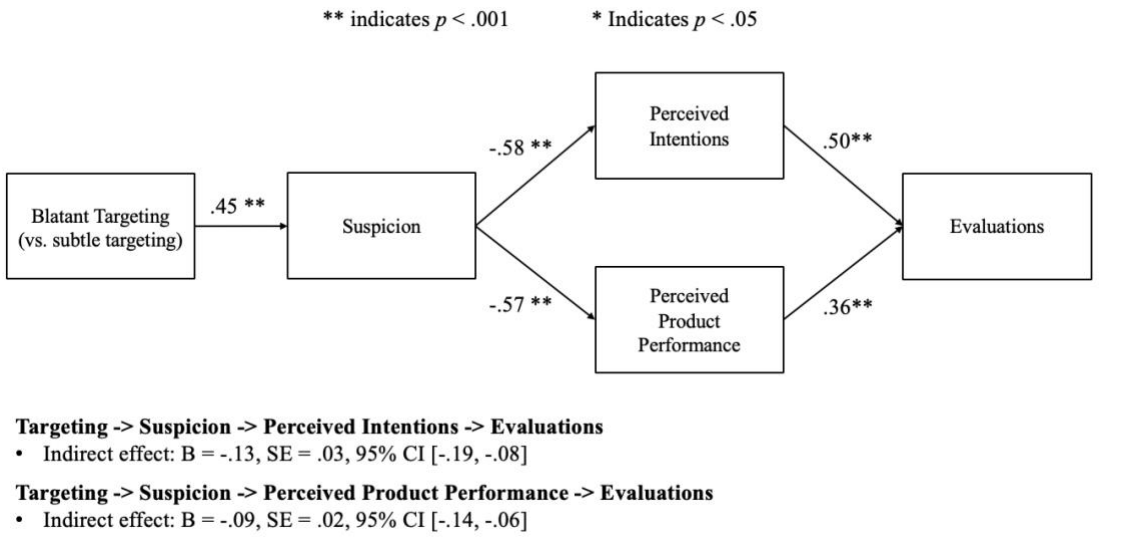

Figure 8.4: Serial Mediation Analysis (Non-Asian American Product Creator Condition)

When the product creator was an ingroup member, however, the same mediation effects did not emerge (suspicion -> perceived intentions: *B* = .0004 SE = .02, 95% CI [-.03, .03]; suspicion -> perceived product performance: *B* = .0003, SE = .01, 95% CI [-.02, .03]).

8.3 Discussion

In these two studies, I find support for H3 by showing that underserved consumers are less suspicious of blatant compared to subtle targeting when the targeted product is created by an ingroup relative to an outgroup member. In Study 4a, I find that when the product creator was female, blatant targeting did not negatively affect women's product evaluations. However, when the product creator was male, the effects found in the prior studies held. In Study 4b, not only did Asian American women not evaluate products using blatant compared to subtle targeting more negatively, but they evaluated blatant targeting more positively than subtle targeting when the targeted product was created by an ingroup member. However, when the product creator was an outgroup member, the negative effects found in our prior studies held. These findings provide important implications for marketers by demonstrating a simple way to mitigate or possibly reverse the negative effects of blatant targeting: marketers can leverage the source of the product design by indicating that the targeted product is created by an ingroup member.

CHAPTER 9
GENERAL DISCUSSION AND IMPLICATIONS

Given recent marketplace observations, marketers need to understand how to promote products to appeal to underserved consumers. In this research, I demonstrate in a pilot study examining consumer responses on social media, one real choice study, and four experiments that (blatantly) targeted products that intend to serve these consumers' needs can backfire. Specifically, I find that underserved consumers react to blatant targeting negatively, because they become suspicious and in turn make negative inferences about the company's true intentions (Studies 2, 3, 4a, and 4b). the effects are robust: I replicate them with three different underserved populations, namely Black Americans (Study 1), Asian Americans (Studies 2 and 4b), and women (Studies 3 and 4a). Furthermore, this negative targeting effect is unique to underserved consumers: When examining consumers who are well served in the marketplace (e.g., men), I do not find evidence of blatant targeting leading to negative evaluations (Study 3). In addition, by highlighting the ingroup membership of the product creator, I show that the negative blatant targeting effect can be attenuated amongst underserved consumers (Studies 4a and 4b).

These findings suggest that while consumers demand that companies embrace inclusivity and diversity (Anderson and McClain 2020), effectively marketing inclusive products to underserved consumers is not a simple task. Given the long history of mismatch between existing products and the needs of underserved consumers, findings

from this research indicate that these consumers require additional evidence to believe that a company's blatant inclusion efforts are genuine. Indeed, I find that when a company highlights cues to signal their sincerity (e.g., introducing a product creator who belongs to the underserved consumer group), the negative targeting effect attenuates. Thus, my research illustrates the dangers of overlooking the prior experiences of underserved consumers in the marketplace and adds to the growing literature on diversity and multicultural marketing (Demangeot et al. 2018; Grier, Thomas, and Johnson 2019; Poole and Garrett-Walker 2016).

This research also makes contributions to the targeting literature. Past work has examined the responses of Black Americans (Whittler 1989), Asian Americans (Forehand and Deshpande 2001; Forehand et al. 2002), and women (Jaffe 1991) to targeted advertising, generally finding positive effects. This research documents a negative response to blatantly targeted products for underserved consumer groups by distinguishing between different styles of targeting. I reckon these opposite findings may originate from two fundamental differences. First, while past research has exclusively focused on the effectiveness of relatively subtle targeting whereby the target consumer is implied by ethnic-oriented cues, such as spokespeople from the same ethnic group, I examine the effectiveness of blatant targeting whereby the target consumer is explicitly identified. This research suggests that being identified may remind underserved consumers of their past exclusion in the marketplace and in turn makes these consumers more suspicious. Thus, this distinction highlights the important nuance when studying the effectiveness of target marketing. Second, given that the sociopolitical climate has changed since these previous studies were conducted (Anderson and McClain 2020), new

approaches for targeting (e.g., making it clear that new products are designed for underserved consumers) have emerged. Thus, in a more contemporary context, these findings also contribute to the current understanding of when and why new approaches for targeting vary in success.

In addition to the contributions to the literature, my research also offers important insights for companies. In recent years, underserved consumers have come to represent huge segments of the market. For example, women alone contribute to more than $20 trillion in annual consumer spending across the world (Silverstein and Sayre 2009) and Black Americans, Asian Americans, Hispanics, and Native Americans together are expected to have a purchasing power of $3.9 trillion (Weeks 2019). These are not small numbers. Thus, the need to understand how to communicate effectively with underserved consumers has become crucial to marketplace success. These findings show that providing cues that the targeted product is created without ulterior motives can mitigate the negative effect of blatant targeting. For instance, the results suggest that the success of Black Girl Sunscreen, marketed as "for women of color," may be due in part to their strategy of highlighting their Black, female founder and product creator, Shontay Lundy. Thus, marketers can benefit by leveraging such cues to signal their sincerity in serving underserved consumers.

My findings also point out new directions for future research. For example, future research could explore other moderators to reduce suspicion toward blatant targeting. One such moderator could be ethnic embeddedness, or how much a product is associated with a consumer group (Williams 1995; Grier et al. 2006), which can lead to positive responses among target consumers (Appiah 2001; Brumbaugh 2002). Given that ethnic-

consistent cues, culture-specific assimilation experiences, and cultural traditions can all increase ethnic embeddedness (Williams 1995), underserved consumers may feel more connected with the products and brands through these signals (Brumbaugh 1997; Meyers-Levy 1988; Whittler 1989; Williams and Qualls 1989) and respond more positively to blatant targeting. In addition, certain company characteristics may also mitigate suspicions originated from blatant targeting. Consumers perceive non-profit organizations to be more well-intended than for-profit companies (Aaker, Vohs, and Mogilner 2010), and they expect higher communion from small-sized companies than large-sized ones (Yang and Aggarwal 2019). Thus, non-profit organizations and small companies may be immune to the negative targeting effect.

In conclusion, this research demonstrates that while inclusive products may better serve underserved consumers' needs, blatantly targeting these products at them can backfire. By highlighting cues that reduce suspicion, I offer a solution to attenuate this negative targeting effect.

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APPENDIX A: STUDY STIMULI

Study 1

Blatant targeting condition

Subtle targeting condition

Study 2

Blatant targeting condition

Subtle targeting condition

Study 3

Blatant targeting condition (women)

Blatant targeting condition (men)

Subtle targeting condition

Study 4a

Female product creator, blatant targeting condition

"After seeing how getting a good night's sleep can be a struggle for so many women, I knew I needed to find a new and different way to solve this problem. My search led me to this special tea."

- Stephanie Wakefield, *Founder of Her Tea*

Founder of the startup company created *Her Tea* to help women find the balance they need to welcome sleep.

Based on personal experiences dealing with sleep issues, the founder consulted with experts on ancient remedies and herbs and hand-picked simple and organic ingredients to assist with:

- Improving sleep
- Reducing anxiety
- Calming the mind
- Reducing heat in the body
- Hydrating the body

Her Tea contains
Black tea, Gynostemma pentaphyllum, rose, Bulbus Lilii, Chinese date, lotus, licorice root, lavender.
40 teabags per box. Each teabag weighs 2.5g.

Male product creator, subtle targeting condition

"After seeing how getting a good night's sleep can be a struggle for so many people, I knew I needed to find a new and different way to solve this problem. My search led me to this special tea."

- Steve Wakefield, *Founder of Sleep Tea*

Founder of the startup company, Steve Wakefield created *Sleep Tea* to help people find the balance they need to welcome sleep.

Based on his personal experiences dealing with sleep issues, he consulted with experts on ancient remedies and herbs and hand-picked simple and organic ingredients to assist with:

- Improving sleep
- Reducing anxiety
- Calming the mind
- Reducing heat in the body
- Hydrating the body

Sleep Tea contains
Black tea, Gynostemma pentaphyllum, rose, Bulbus Lilii, Chinese date, lotus, licorice root, lavender.
40 teabags per box. Each teabag weighs 2.5g.

Study 4b

Asian American product creator, blatant targeting condition

Non-Asian American product creator, subtle targeting condition

APPENDIX B: FACTOR ANALYSIS

Study 2

I first conducted a confirmatory factor analysis with varimax rotation on our main dependent measures. The results indicated three factors, such that product and brand evaluation as one factor (Cronbach's alpha = .934), suspicion as one factor (Cronbach's alpha = .975), and perceived intentions as one factor (Cronbach's alpha = .939). Therefore, I collapsed measures and created indices for evaluations, suspicion, and perceived intentions for analysis.

Table B.1 Factor Loadings in Study 2

	Factor		
	1	2	3
How much do you like the [Field-condition]?	**0.84**	0.225	-0.203
How likely are you to purchase the [Field-condition] from the brand i-glasses?	**0.83**	0.269	0.031
How positively do you feel toward the brand i-glasses?	**0.733**	0.46	-0.383
How appealing do you find the brand i-glasses?	**0.821**	0.329	-0.256
How good do you feel about the brand i-glasses?	**0.719**	0.459	-0.306
This advertisement made me suspicious.	-0.146	-0.224	**0.945**
I felt skeptical about this advertisement.	-0.17	-0.276	**0.915**
This advertisement felt manipulative.	-0.23	-0.241	**0.917**
To what extent do you feel the brand i-glasses understands their target consumers' needs?	0.275	**0.846**	-0.244
To what extent do you feel the brand i-glasses intends to help their target consumers?	0.306	**0.82**	-0.276
To what extent do you feel the brand i-glasses cares about their target consumers?	0.475	**0.751**	-0.254
How well do you think the [Field-condition] developed by the brand i-glasses will serve their target consumer's need?	0.403	**0.792**	-0.256

Study 3

I conducted a confirmatory factor analysis with varimax rotation on the main dependent measures. Consistent with Study 2, the results revealed three factors consisting of product and brand evaluation (Cronbach's alpha =.947), suspicion (Cronbach's alpha = .953), and perceived intentions (Cronbach's alpha = .923). I again collapsed measures and created indices for evaluations, suspicion, and intentions for analysis.

Table B.2 Factor Loadings in Study 3

	Factor		
	1	2	3
How much do you like [Field-tea]?	**0.857**	0.314	-0.115
How likely are you to purchase [Field-tea] from the brand Your Tea?	**0.853**	0.255	-0.116
How positively do you feel toward the brand Your Tea?	**0.778**	0.447	-0.192
How appealing do you find the brand Your Tea?	**0.807**	0.412	-0.149
How good do you feel about the brand Your Tea?	**0.813**	0.426	-0.166
This advertisement made me suspicious.	-0.137	-0.156	**0.948**
I felt skeptical about this advertisement.	-0.157	-0.197	**0.923**
This advertisement felt manipulative.	-0.121	-0.176	**0.917**
To what extent do you feel the brand Your Tea understands their target consumers' needs?	0.367	**0.79**	-0.156
To what extent do you feel the brand Your Tea intends to help their target consumers?	0.37	**0.814**	-0.218
To what extent do you feel the brand Your Tea cares about their target consumers?	0.454	**0.748**	-0.196
How well do you think [Field-tea] developed by the brand Your Tea will serve their target consumer's need?	0.433	**0.753**	-0.26

Study 4a

I conducted a confirmatory factor analysis with varimax rotation on the main dependent measures. The results again revealed three factors consisting of product and brand evaluation (Cronbach's alpha =.942), suspicion (Cronbach's alpha = .918), and perceived intentions (Cronbach's alpha = .923). As in previous studies, I collapsed these measures and created indices for evaluations, suspicion, and intentions for analysis.

Table B.3 Factor Loadings in Study 4a

	Factor		
	1	2	3
How much do you like [Field-tea]?	**0.858**	0.292	-0.202
How likely are you to purchase [Field-tea] from the brand Your Tea?	**0.861**	0.176	-0.214
How positively do you feel toward the brand Your Tea?	**0.72**	0.477	-0.31
How appealing do you find the brand Your Tea?	**0.799**	0.377	-0.216
How good do you feel about the brand Your Tea?	**0.762**	0.417	-0.308
This advertisement made me suspicious.	-0.262	-0.257	**0.876**
I felt skeptical about this advertisement.	-0.311	-0.263	**0.853**
This advertisement felt manipulative.	-0.174	-0.348	**0.803**
To what extent do you feel the brand Your Tea understands their target consumers' needs?	0.345	**0.777**	-0.251
To what extent do you feel the brand Your Tea intends to help their target consumers?	0.304	**0.82**	-0.308
To what extent do you feel the brand Your Tea cares about their target consumers?	0.333	**0.786**	-0.333
How well do you think [Field-tea] developed by the brand Your Tea will serve their target consumer's need?	0.454	**0.659**	-0.375

Study 4b

I conducted a confirmatory factor analysis with varimax rotation on the main dependent measures. The results again revealed three factors consisting of product and brand evaluation (Cronbach's alpha =.942), suspicion (Cronbach's alpha = .918), and perceived intentions (Cronbach's alpha = .923). As in previous studies, I collapsed these measures and created indices for evaluations, suspicion, and intentions for analysis.

Table B.4 Factor Loadings in Study 4b

	Factor		
	1	2	3
How much do you like [Field-targeting]?	**0.839**	0.293	0.205
How likely are you to purchase [Field-targeting] from the brand Jessie Cosmetics?	**0.841**	0.215	0.113
How positively do you feel toward the brand Jessie Cosmetics?	**0.717**	0.421	0.369
Cosmetics?	**0.702**	0.434	0.362
Cosmetics?	**0.743**	0.389	0.34
This advertisement made me suspicious.	-0.238	-0.251	**-0.882**
I felt skeptical about this advertisement.	-0.282	-0.247	**-0.84**
This advertisement felt manipulative.	-0.186	-0.337	**-0.798**
Cosmetics understands their target consumers' needs?	0.396	**0.771**	0.252
To what extent do you feel the brand Jessie Cosmetics intends to help their target consumers?	0.313	**0.843**	0.284
To what extent do you feel the brand Jessie Cosmetics cares about their target consumers?	0.319	**0.781**	0.324
How well do you think [Field-targeting] developed by the brand Jessie Cosmetics will serve their target consumer's need?	0.42	**0.644**	0.384