

# **ANTI-CORPORATE CONSUMPTION**

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Paper 1:

## **Powerful Corporation or Victorious Underdog? Emphasizing the Underdog Narrative in Brand Biography**

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Past research has shown that people are motivated to identify themselves with winners. However, in life, there is considerable anecdotal evidence that people often root for the underdog. In a series of studies we explore why people like underdogs, the use of underdog narratives in brand positioning, how underdog narratives increase brand preference, and how identity mechanisms both mediate and moderate this process. We show that companies can use an underdog brand biography to offset anti-corporate negative brand associations that derive from their large size and market power, thereby increasing brand liking and purchase interest among consumers. Our studies further demonstrate that underdog brand biographies offer important psychological benefits for consumers. Specifically, we find that underdog biographies can increase consumers' self-efficacy and empower consumers to persevere and overcome challenges in their own lives. Since the concept of the underdog is under-explored in consumer research, we begin by developing a scale to measure underdog disposition and conclude with a discussion of the benefits of the underdog biography, for brands, consumers, and society.

Paper 2:

## **Robin Hood is Alive: The Perceived Morality and Social Acceptance of Pirated Products and Counterfeits Usage**

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Piracy is a profound social and economic problem, resulting in billions of dollars lost across multiple industries across the globe. We employ both direct and indirect methods to explore the piracy phenomenon. Our analyses suggest that consumers not only justify the consumption of pirated products and find it acceptable, but under certain conditions view piracy as more socially desirable than purchasing the original, copyrighted product. Specifically, we demonstrate across four studies that the perceived morality of consuming pirated products depends on characteristics of the product and the manufacturer of the

original (copyrighted) product, as well as how the pirated products are obtained. We find that consumers who use pirated product originally produced by a large corporation are viewed as “Robin Hoods.” Implications for research on consumption ethics are discussed.

Long Abstracts:

### **Powerful Corporation or Victorious Underdog? Emphasizing the Underdog Narrative in Brand Biography**

Analyses of sporting events, electoral contests, movies or even a trip to the grocery store will demonstrate a common theme of loving and rooting for the underdog. In the 2008 Superbowl, many people rooted for the New York Giants in large part because the New England Patriots had gone undefeated all season. Amongst the Democrats in this year’s presidential election, John Edwards, Hillary Clinton and Barack Obama positioned themselves as the underdog at various times to gain the support of voters. In the movies, Harry Potter, an inexperienced but passionate orphan who grew up in a closet, is pitted against the powerful dark lord Voldemort. And in the grocery store, precious packaging space is used to tell tales of humble beginnings, such as Clif Bar’s “start in a garage,” to give the impression of a disadvantaged player passionately fighting to bring their product to market. Why is it that sports teams, politicians, movie characters, and brands gain favor with their audiences when they are portrayed as underdogs? How does this reality impact brand positioning in the marketplace? In this paper we explore the use of underdog narratives in branding.

Contrary to previous research in the “basking in reflected glory” phenomenon which argues that consumers want to associate themselves with winners (Cialdini, Borden, Thorne, Walker, Freeman and Sloan 1976; Cialdini and Richardson 1980), we argue that consumers self-identify with underdogs and, therefore, with underdog brands, and that this self-brand connection drives positive brand outcomes. A pretest shows that people identify themselves as more of an underdog as compared to their friends, members of their ethnic group, and social class. Given that there has been a long line of research that shows people choose brands with which they identify (Gardner and Levy 1955; Levy 1959; Kassarian 1971; Sirgy 1982) it would follow that people may have an affinity for brands that are underdogs.

Because the underdog narrative is an under-researched topic in consumer behavior, we began with the fundamentals of developing an underdog disposition scale (using three national samples for a total of more than 1000 respondents). Through an open-ended process we collected various meanings of what an underdog is and generated items that were then used to develop our scale. These items were factor analyzed and two important factors emerged to define an underdog: (1) External Disadvantage, and (2) Passion and Determination. Those who rated highly on these two factors are categorized as underdogs, and those who are low on both these factors are characterized as “spoiled brats.”

In a series of studies we explore why people like underdogs, the role of the underdog narrative in a brand’s biography, how underdog narratives increase brand preference, and how identity mechanisms both mediate and moderate this process. Specifically, we demonstrate that consumer identification with the brand mediates the positive effect of brand biography on brand liking and purchase intentions. Further, we demonstrate the moderating role of both the underdog dispositional trait and the underdog psychological state, by both measuring individual differences

and using underdog priming manipulations. We find that consumers who identify themselves as underdogs (as measured by the scale developed) are more receptive to underdog brand biographies, and are significantly more likely to purchase brands having underdog biographies.

Moreover, we find that priming manipulations which make participants recall situations in their lives in which they perceived themselves as an underdog increase favorable reactions to underdog brand biographies. We explore the boundary conditions of the underdog effect and find that these effects are stronger for high-identity products.

Given that the underdog narrative (and liking for the underdog) is pervasive in our society, it is important to understand its implications for both marketers and consumers. We show that large, powerful corporations can use an underdog brand biography to offset anti-corporate negative brand associations which derive from their large size, and to increase brand liking and purchase interest among consumers. Emphasizing an underdog biography can help brands maintain their positive image as they grow, and mitigate the “curse of success.” Thus, emphasizing the company’s underdog narrative and humble origins can be a powerful tool for large corporations, creating a more favorable brand image.

Our studies further demonstrate that underdog biographies offer important psychological benefits for consumers. Specifically, we find that underdog narratives can increase consumers’ self-efficacy and motivate them to overcome personal challenges and obstacles. We find that these biographies are especially effective in motivating consumers who are contemplating on a recent failure or disappointment in their lives. Thus, underdog brand biographies empower consumers to persevere and overcome challenges in their own lives.

We conclude with a discussion of the theoretical implications of our work for existing and future research on brand meaning, brand loyalty, and consumer-brand identification. We discuss the benefits of the underdog narrative for brands, consumers, and society, and offer insight into the managerial implications for brand management.

## **Robin Hood is Alive: The Perceived Morality and Social Acceptance of Pirated Products and Counterfeits Usage**

The use of pirated and counterfeit products is a widespread phenomenon of substantial importance to marketers, businesses, and policymakers (Givon, Mahajan and Muller 1995; Green and Smith, 2002; Nunes, Hsee and Weber, 2004). Approximately 25% of all software used in the United States and 40% of software used worldwide is illegal, amounting to profit losses of US\$11 billion each year (LaMagna 2003). The motion picture industry suffers an annual loss of US\$18 billion, and the music industry loses about US\$4.2 billion to piracy each year ([www.ifpi.org](http://www.ifpi.org), [www.mpaa.org](http://www.mpaa.org)). Counterfeiting has quadrupled over the last decade and is now estimated as a \$500 billion-a-year business. Today, at least one in ten products sold worldwide are estimated to be fakes (The Guardian 2008). Indeed, piracy has become ubiquitous -- from designer clothing and consumer electronics to Hollywood movies and even pharmaceutical drugs-- with seemingly no immediate halt.

The primary objective of this research is to identify the psychological factors that govern the perceived acceptability of using pirated products. Under what circumstances is it acceptable, or even socially desirable, to pirate? Given that the consumption of pirated products is illegal, exploring consumers’ perception and usage of these products is a sensitive and challenging task.

Therefore, we employ both direct and indirect methods to explore the piracy phenomenon, including projective techniques (Holbrook and Hughes 1978, Haire 1950) and observation of consumers' reactions on anonymous internet chat forums. Using such chat forums provides an interesting and unobtrusive way to examine users' reactions to piracy as well as anti-piracy campaigns.

In this research, we develop hypotheses supported by existing sociology, criminology, and psychology research that predict the effect of certain psychological as well as market factors on the perceived acceptability of piracy, and identify conditions under which these factors increase or decrease the acceptability of piracy. Our analyses from four studies suggest that consumers not only justify the consumption of pirated products and find it acceptable, but under certain conditions view piracy as more socially desirable than purchasing the original, copyrighted product. Specifically, we demonstrate that the perceived morality of consuming pirated products depends on characteristics of the product and the manufacturer of the original (copyrighted) product, as well as how the pirated products are obtained (e.g., the level of consumer effort spent on obtaining the products). Additionally, we investigate the effectiveness of various anti-piracy campaigns and suggest ways to improve these interventions.

We first explore how consumers justify the consumption of pirated products. In Study 1, we monitored various types of online blogs and Internet chat rooms to assess comments on piracy and counterfeiting and reactions to articles and recent anti-piracy campaigns, analyzing over 300 quotes from over 50 websites. Based on the criminology and sociology literatures and the theory of naturalization, we create a typology for piracy justifications. These justification methods can be grouped into two main themes: anti-corporate and smart shopper justifications.

To further understand how these justifications relate to consumer's tendency to use counterfeited and pirated products, we investigate the conditions under which these justification categories are more likely to be used. In Study 2a we examine the conditions for anti-corporate justifications. Specifically, we consider how the size of the original firm producing the product and amount of consumer effort in obtaining a pirated version affect the perceived morality of piracy and the ability to justify the illegal purchase. Results revealed a crossover interaction between firm size and user effort. When the firm that produced the original, copyrighted product is small, consumer's increased effort in obtaining the pirated product evokes more guilt and makes consumers of such products seem less fair. However, when pirating a product originally produced by a large corporation, increased effort in obtaining the product makes the consumer seem fair and morally acceptable. Participants view these consumers as "Robin Hoods" and find their behavior acceptable and desirable. Building on these findings, study 2b demonstrates increased purchase intentions for piracy when the company producing the original product is described as a large corporation (vs. a small company).

In Study 3 we look at the conditions for smart shopper justifications. We explore perceptions of users of branded and pirated products in different product categories. Interestingly, we find that in certain product categories (e.g., fashion goods), consumers of expensive branded products are perceived to be less fair and more wasteful than consumers of counterfeit products. Purchasing counterfeits is perceived as a smarter way to shop for luxury products. According to these results, being a wasteful and improvident shopper is more sinful than violating corporate copyrights. Participants prefer to be friends and go shopping with consumers who buy counterfeits rather than original branded products. For product categories that do not seem luxurious and extravagant, such as computer software, however, consumers of

the original branded products are perceived to be more fair and moral than consumers of the illegal pirated version.

After assessing the consumer psychology underlying pirating behaviors, we investigate the effectiveness of different anti-piracy campaigns and interventions. The main objective of study 4 is to identify specific factors that could potentially deter consumers from pirating and encourage them to purchase the original copyrighted version. Consistent with studies 1- 3, we find that personal considerations, such as being a smart shopper or obtaining a high quality, reliable product, are the most important considerations, whereas external concerns, such as the harm inflicted on the companies and the immorality of violating copyrights, are the least important. These findings explain the limited effectiveness of existing intervention campaigns in deterring piracy, and suggest new designs for anti-piracy campaigns and measures. We conclude by discussing theoretical implications for research on consumer ethics and anti-corporate consumptions and practical implications for anti-piracy campaigns and public policy.