



# Political Polarization: Challenges, Opportunities, and Hope for Consumer Welfare, Marketers, and Public Policy

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## **Political Polarization: Challenges, Opportunities, and Hope for Consumer Welfare, Marketers, and Public Policy**

### **Abstract**

Political polarization is a marked political division in the population, characterized by multiple manifestations. We argue that it can impact consumer psychology, which in turn influences marketers, policy makers, and consumer welfare. The present work introduces the construct of political polarization to the marketing literature, and shows how it serves as a novel challenge for various marketing stakeholders. For consumers, we propose that political polarization increases the salience of political identities, alters inter- and intra-group dynamics, and amplifies cognitive biases. These effects negatively impact consumer welfare, including financial welfare, relationships, mental and physical health, and societal interests. For marketers, polarization introduces a challenge to both be more socio-politically engaged while also navigating competing political interests. Polarization also creates new opportunities and challenges for segmentation, targeting, and loyalty, and impacts product offerings. For policy makers, political polarization creates policy gaps, impedes the implementation of policy, and obstructs governance. Building from these insights, we consider the drawbacks and overlooked benefits of political polarization, potential remedies, and directions for future research.

**Keywords:** Political Polarization, Public Policy, Consumer Welfare, Consumer Psychology, Consumer Behavior

In recent years, marketing academics have noted that political orientation shapes behavior outside of traditional political domains (Fernandes and Mandel 2014; Kidwell, Farmer, and Hardesty 2013; Kim, Park, and Dubois 2018; Krishna and Sokolova 2017; Ordabayeva and Fernandes 2018; Rao 2017; Winterich, Zhang, and Mittal 2012). For instance, research finds that CEO political orientation impacts innovation propensity (Kashmiri and Mahajan 2017), and that political orientation predicts likelihood to complain (Jung et al. 2017). While marketers have considered the effects of individuals' political orientation, the field has yet to examine the impacts of political polarization.

We propose that the effects of political polarization – conceptualized as a marked political division in the population – are far-reaching and can critically impact consumer welfare, marketing, and public policy (see Figure 1). While political polarization (referred to as polarization for brevity) is a population-level variable, it has both individual- and population-level effects. The effects of polarization on marketing, policy and welfare occur through its impact on consumer psychology; for example, we posit that polarization increases the salience of individuals' political identities, alters group dynamics, and biases cognition. In terms of consumer welfare, we suggest that polarization ultimately harms mental and physical health, financial welfare, relationships, and societal interests through its impact on psychology, marketing, and public policy outcomes. With respect to marketing, we contend that polarization impacts behavior in the marketplace, corporate interactions with stakeholders and marketing strategy. Regarding public policy, we argue that polarization increases policy gaps, impedes policy implementation, and creates an obstruction to democracy and governance.

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Our model sheds light on a plethora of consequences induced by political polarization. First, by amplifying the salience of political identities, polarization motivates activism and compels corporations to be more socially engaged on divisive issues. Second, due to the increased use of motivated cognition by individuals' during information search and processing, we have seen a rise in the prevalence of misinformation, creating significant impediments to the advancement of public policy on various issues that impact consumer welfare, including economic and social equality as well as the environment. Finally, by increasing biased cognition and misinformation, polarization challenges policy makers and corporations to regulate the truth.

Given marketing's integral role in strategy and communications for both corporations and policy makers, it is critical that marketers understand political polarization. Accordingly, we introduce the construct of political polarization to the marketing literature, elucidate its impacts for stakeholders including marketers, consumers, and policy makers, and highlight directions for future work. We adopt a Transformative Consumer Research perspective, which integrates research across the social science and business disciplines to broadly inform researchers and practitioners of consumer behavior, marketing, and public policy (Davis and Pechmann 2019). Such an approach allows us to recognize and examine the challenges and opportunities raised by political polarization (Mick 2006). Keeping with this perspective, our work embodies qualities and objectives of the Transformative Consumer Research movement by investigating political polarization as a sociocultural context that harms consumer well-being and is a source of novel challenges for marketing and public policy.

Through this work, we offer numerous contributions to the marketing literature via three main foci. Foremost, in contrast to existing work documenting the impact of individuals' political identities on consumer behavior and marketing (Shavitt 2017; Jung and Mittall 2020;

Schweidel and Bendle 2019), we introduce political polarization as a unique societal variable: a marked political division in the population characterized by multiple manifestations<sup>1</sup>. Through this examination of polarization, we provide unique insights into the environment where firms and consumers operate. Second, we introduce an integrative model highlighting how such polarization impacts consumer psychology, which in turn impacts marketing, public policy, and consumer welfare. Finally, we highlight avenues for future political polarization research at the intersection of marketing and public policy that informs societal welfare. This includes a discussion of why understanding the antecedents of polarization is an important area of future investigation and the potential benefits of polarization.

### **Political Polarization**

To define political polarization, we embraced existing social science research examining political division in the population and its manifestations (Abramowitz and Saunders 2008; DiMaggio, Evans, and Bryson, 1996; Fiorina, Abrams, and Pope 2008; Lelkes 2016; Mason 2016). Political polarization is most often described as a divide existing between groups on either side of the political orientation spectrum. Critically, while political polarization describes the state of the population, political orientation (a construct of significant recent interest in the marketing literature) is a measure of an individual's beliefs and normative views about society that closely relates to political party affiliation and predicts a range of attitudes and behaviors in both political and apolitical contexts (Jost 2017; Jost, Federico, and Napier 2009). The existence of political orientation as a continuum alone does not mean the population is politically

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<sup>1</sup> We focus our investigation on political polarization's consequences in the United States but contend that the observed relationships are likely to exist in other nations that feature similar political systems.

polarized, nor does it mean an individual can be polarized<sup>2</sup> (see Table 1 for definitions and measurement information of political polarization, political orientation, and related concepts). Moreover, the existence of competing political parties, or political outgroup threat, does not mean the population is polarized. Rather, as we next outline, political polarization is a divide in the population that can manifest between political outgroups as increased distance, decreased overlap, increased animosity, or perceptions of increased differences.

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Because political polarization has multiple manifestations, researchers have put forth alternative frameworks with a shared set of commonalities (Bramson et al. 2016; DiMaggio, Evans, and Bryson 1996; Lelkes 2016). In this research, we adopt the framework of Lelkes (2016) who describes four manifestations of polarization: (1) *Divergence* reflects the distance between groups' political identities (e.g., the distance between the average liberal and average conservative; DiMaggio et al. [1996] describes the conceptually similar dimension of dispersion and bimodality, Bramson et al. [2016] notes nine ways divergence could be measured); (2) *consistency* reflects the average level of internal consistency across the population between individuals' ideology, affiliation, and specific political beliefs (DiMaggio et al. 1996 describes the conceptually similar dimension of constraint); (3) *affect* reflects the average level of negative emotion directed toward political outgroups across the population; (DiMaggio et al. 1996 includes the similar, but more expansive dimension of social distance); and (4) *perceived polarization* reflects the relative extent, across the population, that individuals perceive society is polarized. These manifestations characterize distinct ways of both measuring polarization (Gentzkow, Shapiro, and Taddy 2019; Mason and Wronski 2018) and understanding its effects.

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<sup>2</sup> An individual that is more conservative or more liberal than average is not polarized, rather he or she is more "extreme" in his or her beliefs (Lelkes 2016). Polarization is not a precursor for an individual having extreme political attitudes.

Notably, existing research describes political polarization as a state and/or a process (DiMaggio et al. 1996). The state of polarization reflects the extent of polarization at a given point in time, whereas the process of political polarization reflects the increase of political polarization over time<sup>3</sup>. In this work, we focus on how the current state of polarization impacts marketing, policy, and consumer welfare. The current state of political polarization is interesting and meaningful because research suggests that the United States has gone through a process of political polarization. That is, the country is more polarized than in the past. For example, research has found a stronger correlation between individuals' ideology and political party (Lelkes 2016), more straight ticket voting (Baldassarri and Gelman 2008), and a greater prevalence of ideologically consistent political beliefs (Lelkes 2016) over time. Other research has found increases in affective polarization (Wilcox et al. 1989) and evidence of divergence (Lelkes 2016). Finally, evidence of perceived polarization, which impacts consumers as much if not more than actual polarization (Enders and Armaly 2019), includes the belief by consumers that the political parties overlap less than in the past (Lelkes 2016; Westfall et al. 2015).

Despite these findings, there is debate regarding the current state of political polarization (Abramowitz and Saunders 2008; Fiorina, Abrams, and Pope 2008). The discrepancy stems from researchers' divergent focuses on differing manifestations and populations. Because political polarization characterizes a population, it can be measured across the whole population (the masses), across only those who identify with a political party (partisans), or across only the most politically involved (political elites; Jennings 1992). Most research supports the premise that there is an elevated state of polarization, though it is particularly noticeable in partisans (as well as elites) and somewhat harder to detect in the masses (Lelkes 2016). In particular, research on polarization as divergence has produced mixed evidence: while there is evidence of polarization

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<sup>3</sup> Political depolarization is the process of a decrease in polarization over time (Bauer and Munzert 2013).

as divergence among partisans and elites, the evidence for the masses is mixed (Baldassarri and Gelman 2008; Lelkes 2016). In light of the preponderance of evidence of an elevated state of polarization among partisans – more than 60% of the population by some estimations (Gallup 2020) – as well as clearer evidence of the affective, perceived, and consistency manifestations of mass polarization, we take the position that the population is generally polarized.

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### **Consequences of Political Polarization on Consumer Psychology**

The state of political polarization impacts consumer psychology, and through these effects, more broadly impacts marketing, policy, and consumer welfare (see Table 2 for an overview of these effects). The effects of polarization on consumer psychology include increased salience of individuals' political identities, greater adherence to ingroup norms, altered relationships with political outgroups, and cognitive biases, which each contribute to a feedback loop between consumer psychology and polarization.

#### **Political Identity Salience**

Political identities such as Republican, Democrat, liberal, or conservative serve as self-concepts that determine behavior, attitudes, affect and perceptions (Jung and Mittal 2020). A polarized population can reinforce these identities by highlighting group differences through political engagement, self-confirming media consumption, and exposure to party messaging (Krishna and Sokolova 2017). Polarization solidifies political identities through a sorting process whereby members of the population refine their orientation, affiliation, and beliefs to be increasingly consistent (Mason 2016). For instance, Democrats (Republicans) are significantly



more likely to identify as liberal (conservative) than past eras (Levendusky 2010), consistent with the notion that the meaning of their political identities have become more salient over time.

### **Intragroup Behavior**

Political polarization causes individuals to increasingly select social groups among those with shared belief systems. For example, Americans are now more likely to start families with those of a similar political affiliation (Iyengar, Konitzer, and Tedin 2018). The resulting politically homogenous groups can then influence behavior by creating and enforcing norms (Cialdini and Trost 1998) and changing individual perceptions of the world (Cohen 2003; Theodoridis 2017), creating a shared intragroup reality. These social standards can be implicitly inferred (e.g., a Republican inferring they should oppose a “plastic bag tax” because it represents government market interference) or transferred between members (e.g., the Republican party formally communicating an anti-bag tax policy; Cohen 2003). Importantly, research finds that such social connections can create anti-deliberative attitudes and disagreement with outgroups (Strickler 2018). For example, when individuals perceive polarization among political elites, they place more weight on partisan endorsements than objective arguments (Druckman, Peterson, and Slothuus 2013).

### **Intergroup Behavior and Partisanship**

Another consequence of political polarization is an increased tendency of individuals to treat political outgroups poorly, creating a climate of partisanship and derogation (Iyengar and Westwood 2015). As political polarization increases, the portion of individuals who hold extreme political opinions is likely to increase; and those with extreme political views show more negative emotions (e.g., anger, fear, disgust) and are more likely to derogate outgroup members, compared to moderates (van Prooijen et al. 2015).

## **Cognitive Biases and Motivated Cognition**

Political polarization may also exacerbate self-confirming cognitive biases and behaviors (Nisbet, Cooper, and Garrett 2015). Such biases involve reasoning, memory, implicit evaluation, and perception (Van Bavel and Pereira 2018) and stem from individuals' desire to avoid cognitive dissonance (Metzger, Hartsell, and Flanagin 2015). In general, these biases tend to involve the use of heuristics (e.g., using political party cues to infer one's own support or opposition to a policy) that lead individuals to selectively process and interpret self-confirming information. Existing evidence suggests that the avoidance of accurate information in favor of selecting self-confirming media has dramatically increased alongside political polarization (Metzger et al. 2015; Shin and Thorson 2017). Further, media substitution theory suggests that as fragmentation shifts consumers toward niche content, partisans will consume more self-affirming media, while the disinterested will become less connected to politics altogether (Prior 2013).

A highly polarized political environment not only increases self-confirming search but also skepticism toward and discrediting of belief-inconsistent information (Taber and Lodge 2006). Individuals even exhibit self-confirming biases in their use of fact checkers (Hameleers and van der Meer 2019), with this biased information processing extending even to those with greater political knowledge and scientific literacy (Kahne, Lee, and Feezell 2012). Indeed, the most scientifically literate individuals tend to be the least likely to believe scientific information that contrasts with their worldview (Rotman, Weber, and Perkins 2020).

## **Consumer Psychology–Political Polarization Feedback Loop**

The impacts of polarization on consumer psychology are also likely to create a positive feedback loop back to polarization (see Figure 1). For instance, biases toward self-confirming

information not only affect consumers' behavior in the market, but correspondingly increase negative attitudes toward other consumers (Garrett et al. 2014). Similarly, by increasing the salience of political identities, polarization reinforces ingroup/outgroup status and encourages the negative affect individuals direct toward outgroups, fostering further polarization (Iyengar et al. 2019), even if differences are only perceived (Enders and Armaly 2019). Increasingly prioritized political identities can amplify individuals' partisan attitudes and behaviors (Baldassarri and Gelman 2008; Krishna and Sokolova 2017). Intragroup dynamics can contribute by enforcing norms (Cialdini and Trost 1998), modifying perceptions (Cohen 2003; Theodoridis 2017), developing a group-specific shared reality (Mason and Wronski 2018), and derogating outgroups (Iyengar and Westwood 2015; van Prooijen, Krouwel, and Pollet 2015). Research also finds that individuals' perception of polarization can foster other forms of polarization, such as divergence, consistency, and affect (Ahler 2014). That is, to the extent that one perceives the population to be divided, they are likely to adjust their own attitudes and behaviors.

Moreover, differences between liberals and conservatives that are accentuated by polarization's impact on political identities and relationships can further exacerbate polarization (Jost, Nosek, and Gosling 2008). For instance, differences in communication styles may contribute to heightened polarization through the advancement of incivility. Liberals prefer to respond to outgroups with an abrasive and confrontational communication style (Osborne, Wootton, and Sibley 2012), while conservatives prefer to respond with derogation (Pratto et al. 1994). Differences in conservatives' and liberals' social values and cognitive styles become amplified in a polarized environment, further reinforcing such polarization. For example, conservatives place higher value on authority and social hierarchy (Haidt and Graham 2007), group norms, and social cohesion than do liberals (Jost et al., 2003; Osborne et al. 2012).

Liberals tend to think more analytically than conservatives (Talhelm et al. 2014) and each group emphasizes different aspects of ethics (Graham, Haidt, and Nosek 2009).

### **Political Polarization and Marketing**

The effects of polarization on consumer psychology ultimately impact marketing by changing the realities of the marketplace. Additionally, as consumers' political identities become more salient and reflect a greater level of partisanship, these changes will impact how brands interact with stakeholders. Further, a polarized population will increase the effectiveness of political identities as means of segmentation, create opportunities for targeting and engagement, and present challenges for product offerings. In sum, political polarization effects consumer behavior through both political and apolitical consumption, corporate interactions with stakeholders in terms of advocacy and activism, and marketing strategies relevant to product development, market segmentation, and customer engagement.

#### **Consumer Behavior**

*Politicized Consumption.* As political polarization increases the salience of political identities, consumer purchases are likely to be influenced by brands' political identities and actions. In fact, recent research has found that brand purchases are a function of the overlap of political identities between the brand and consumers (Bravo and Lee 2019; Hydock, Paharia, and Blair 2020). Such politicized consumption reflects both a willingness to punish and reward brands with incongruent and congruent political beliefs, respectively (Duman and Ozgen 2018). The simultaneous desire for more brand engagement with stakeholders and the increased likelihood of consumers to react both positively and negatively to engagement presents a

particular challenge for brands. While consumers increasingly want social change (Austin et al. 2019; Bravo and Lee 2019; Coombs and Holladay 2018), their conceptions of what a brand should do are heterogenous, driven by a diverse array of political considerations. This trend should be especially worrying to marketers, given the tendency for consumers to exhibit greater negative responses to actions they oppose (Hydock et al. 2020), and the fact some portion of consumers seem to be disenfranchised by brands that respond to calls for activism (Morning Consult 2018).

*Apolitical Consumption.* By solidifying political identities, political polarization magnifies the effect of political orientation on consumer decision-making. Intuitively, one might expect consumers to express their political identity through purchases (e.g. by wearing clothing that endorses a politician or party), but the increased salience of political identities is also likely to magnify less obvious effects. For instance, recent marketing research has found that political orientation impacts a range of consumer behaviors, including: financial risk taking (Han et al. 2019), donation behavior (Winterich et al. 2012), customer complaining (Jung et al. 2017), recycling (Kidwell et al. 2013), product differentiation preferences (Ordabayeva and Fernandes 2018), luxury product preferences (Kim et al. 2018), the anthropomorphization of products (Chan 2019), and variety seeking (Fernandes and Mandel 2014). Research has also found those who self-identify as conservative are more likely to purchase SUVs, watch television, and drink alcohol, whereas those who self-identify as liberal are more likely to consume foreign films, live in large cities, and get tattoos (Jost, Nosek, and Gosling 2008). Because political polarization amplifies the frequency and intensity of political identities, its impacts on politically relevant decision-making is largely anticipated. In contrast, its impacts on apolitical consumption are

mostly unknown to marketers, underscoring the increasing importance of understanding polarization for those forming marketplace strategies for firms.

*Expectations of Corporate Activism.* The amplified salience of individuals' political identities under polarization should in turn magnify their attention to brands' political identities and actions. In effect, activist consumers will increasingly expect brands to help spur social change (Austin et al. 2019; Bravo and Lee 2019; Coombs and Holladay 2018), and will be more likely to respond to brand actions through a political lens. For example, after the CEO of Goya Beans visited the White House in summer 2020, liberal consumers on social media immediately began boycotting while conservatives, including Ivanka Trump, aggressively promoted Goya Beans across social media platforms. Even further, recent research has found that consumers assign political identities to brands, even when those brands do not engage in explicit political behavior (Jung and Mittal 2020) underscoring the importance of marketers understanding polarization even if they deliberately try to ensure their actions are apolitical.

### **Interaction with Stakeholders**

*Corporate Political Advocacy.* One likely effect of consumers' changing corporate expectations is a likely increased prevalence of corporate political advocacy (CPA), defined as a brand showing support for polarizing socio-political issues (Baur and Wettstein 2016; Hydock et al. 2019; Hydock et al. 2020). A well-known example of CPA is Chick-fil-A's president publicly opposing gay marriage in 2012, with recent instances of CPA having taken place since then by businesses large and small. For example, in 2020, Home Depot became the target of significant boycotts and buycotts following their CEO's positive endorsements of President Trump. In the same year, Black Lives Matter protests prompted a diverse set of corporate responses: Starbucks reversed its position (first prohibiting then allowing) its workers to wear #BlackLivesMatter face

masks at work. Similarly, Allie's, a Rhode Island bakery, first eliminated a police discount before ultimately providing free donuts to police. Together, these examples illustrate the inherent complexity in trying to mix business strategy with polarizing current events. This is because CPA represents a noticeable shift in how brands interact with stakeholders moving from historically philanthropic interactions via corporate social responsibility to political activism. While this shift helps satisfy some individuals' desires for social change, the consumer response to CPA carries risk, with recent research suggesting there is more downside than upside (Hydock et al. 2020), particularly when large market share brands engage in CPA, or when the CPA is perceived to be inauthentic.

*Corporate Social Responsibility.* While political polarization and changing expectations have spurred a rise in corporate political advocacy, it may also indirectly decrease the prevalence of corporate social responsibility (CSR), including volunteerism, fundraising, and philanthropic interactions with stakeholders. As political issues become more salient, companies, and particularly those with politically involved CEOs, may be tempted to favor engagement in CPA over CSR (Chin and Hambrick 2013). It is also possible that as the population becomes more polarized, initiatives that were previously viewed through an apolitical lens may be viewed as favoring one political identity over another (Jung and Mittal 2020), as a polarized population is more likely to view corporate actions through a political lens. For instance, advertising campaigns such as Budweiser's and 84 Lumbers' 2019 Super Bowl spots promoting the merits of immigration, which may have been categorized as CSR in the past because of their focus on social welfare, were largely viewed as political.

The rise of political polarization and consumer activism also increases the risk that some consumers may perceive brands (or corporations) as socially irresponsible due to their business

practices and/or collaborators. For example, increasing media attention on political polarization and its negative consequences poses a unique danger for brands perceived as exacerbating polarization. The connection between political polarization and social media (Allcott et al. 2020) has led to an increased perception that social media companies are harmful to society. A similar path of logic could apply to partisan news agencies, which enable confirmation bias and encourage the spread of misinformation. Because partisan news sites are largely reliant on advertising dollars to function, sites that attract news consumers from divergent political ideologies can suffer backlash from a portion of their customer base. Further, a brand's failure to address bad actors might also cause consumers to view brands as socially irresponsible (e.g. social media channels response, or lack thereof, to foreign governments' misinformation efforts; Howard et al. 2019).

*Lobbying.* Corporations invest billions of dollars each year in lobbying efforts where they exchange benefits and develop relationships with policy makers in order to exert influence on legislation and regulations (Gabel and Scott 2011). Research has found that political connectedness and lobbying aptitude are critical to a firm's success (Ridge, Ingram, and Hill 2017). There are potentially disparate effects of political polarization on lobbying. On the one hand, polarization may increase the attractiveness and prevalence of lobbying. Given lobbying's relatively hidden nature, companies might turn to lobbying as a way to influence policy while avoiding the potential backlash elicited by public interactions with stakeholders (Martin et al. 2018). On the other hand, polarization could make it difficult for companies to influence legislation without drawing some negative attention, due to an overall increased focus on political actions. Further, polarization likely reduces opportunities for lobbying altogether because it decreases the amount of legislation passed (Barber and McCarty 2015) with a



polarized U.S. Congress largely unable to reach consensus on policy (Chu and Garvey 2014; Speed, Butler, and Collins 2015).

*Managerial Decision-Making.* Corporate leaders often make choices through individualized lenses (per upper echelon theory of Hambrick and Mason [1984]) that are formed by their experiences, personalities, and values, particularly when facing complex or ambiguous matters (Chin, Hambrick, and Treviño 2013). Consequently, polarization's impacts on marketing through changes in consumer psychology will be mirrored in the psychology of corporate decision-makers: as the salience of political identities is amplified, so will corresponding differences in the strategies of liberal and conservative managers (Tetlock 2000). For instance, differences in the management techniques of liberals and conservatives might be exaggerated, such as conservative (versus liberal) managers' focus on benefiting shareholders (stakeholders), including through CSR (Chin, Hambrick, and Treviño 2013).

In a similar vein, differences in the management styles of conservative (versus liberal) managers could be exaggerated by polarization in the form of lower levels of debt, less research and development, but generally higher overall profitability (Hutton, Jiang, and Kumar 2014), compared to liberal managers. Polarization might also amplify the impact of corporate leaders' political leanings on the type of litigation companies face. To wit, firms with conservative executives experience more litigation related to civil rights, labor, and the environment, while those with liberal executives experienced litigation related to intellectual property rights and security fraud (Hutton, Jiang, and Kumar 2014).

Through its effects on intergroup and intragroup behavior, polarization may also amplify companies' political homogeneity through hiring practices. Given that firms' political cultures follow the political orientation of hiring managers (Hutton, Jiang, and Kumar 2014), one can

expect an even tighter relationship between executive and employee political orientation in a more polarized environment. Homogenous hiring coupled with affective polarization and the effects of polarization on group dynamics is also likely to create a reinforcing spiral, where employees in the political minority are treated poorly and potentially forced out over time. Universities represent an extreme example of this homogeneity, with Langbert, Quain, and Klein (2016) finding there were 11.5 Democrats for each Republican across five disciplines surveyed. In sum, these findings reveal a potential for political polarization to negatively impact individual welfare, a primary concern of the Transformative Consumer Research movement, through biased hiring practices, poorer work environments, potentially suboptimal business strategies, and groupthink due to less cognitive diversity present in decision-making.

### **Marketing Strategy**

*Segmentation.* Beyond its impact on corporate-stakeholder interactions, the effect of polarization on consumer behavior also creates challenges and opportunities for marketing strategy. With political polarization increasing the salience of consumers' political identities, political orientation could become an *even more effective* variable for segmenting audiences. As noted previously, individuals' political orientation impacts their behavior in a wide range of consumption contexts, making it an especially powerful tool for today's firms. When political polarization manifests as consistency, knowing where an individual stands on a particular issue, such as gun rights, is likely to predict where they stand on other issues, such as immigration policy (Jost et al. 2017). Similarly, when polarization manifests as a divergence (an increase in the distance between the political orientation of liberals versus conservatives) or consistency (an increase in the internal consistency of each party's ideology, affiliation, and specific political beliefs), political orientation may be a more effective tool for segmentation by providing clearer

differentiation between segments. Further, political variables also tend to correspond to other marketing-relevant measures, such as geographic region or neighborhood type (Mason 2016) due to social sorting (one form of polarization manifesting as consistency), and consequently may be effective in segmenting audiences on other dimensions.

*Targeting.* While political polarization can increase the effectiveness of political variables as a means for segmentation, it will also provide new challenges and opportunities for targeting. On one hand, increasingly distinct political segments might offer new targeting opportunities for brands employing differentiated or niche strategies. For instance, brands might be able to target liberal or conservative segments by positioning their products accordingly through the incorporation of subtle political elements (e.g., donkeys or elephants in branding) or more simply by emphasizing product benefits valued by liberals or conservatives (e.g., eco-friendly vs. American-made). Such an approach may be particularly attractive to smaller, regional businesses that could target segments that are politically homogeneous. On the other hand, companies with mass or undifferentiated targeting strategies might experience trouble if their brand becomes associated with a specific political ideology (e.g., Goya, Home Depot). While it is possible for political associations to present trouble for a brand regardless of polarization, in a more (versus less) polarized population, difficulties could be magnified by the increased salience of individuals' political identities and negative affect toward brands perceived to be in the political outgroup.

*Engagement and Loyalty.* Brands are likely to increase customer engagement and even customer loyalty through establishing a brand's political identity and targeting relevant consumers (He, Li, and Harris 2012). Given that consumers are calling for brands to help drive social change, answering those calls and establishing a political identity is an intuitive way to

engage customers (Schmitt 2012), but one that needs to be done with caution. Critically, brands will need to consider both the potential long-term costs and benefits of building a political identity while balancing considerations of the how much the target segment supports versus opposes their position. This consideration is necessary due to the potential negativity bias in the consumer response, requiring marketers to judge the “right” course of action financially. The right course might not be immediately clear in terms of a brand’s broader obligations to stakeholders. When the population is divided, there is less clear moral high ground. Further, it is entirely possible that building a political identity for a brand and engaging in advocacy could reinforce political polarization by actively catering to some consumers’ beliefs, inducing both political and cultural backlash from others.

*Product Offerings.* Political polarization also forces companies to carefully consider the products they design and offer. When polarization increases the salience of political identities and negative intergroup affect, apolitical products and brands can become political (Jung and Mittal 2020), forcing managers to consider the implications of brand- and line-extensions, as well as collaborators. Consequently, the most liberal (e.g., Starbucks) and most conservative (e.g., Chick-fil-A; Jung and Mittal 2020) brands might need to consider how new product offerings such as holiday cups and meat alternatives reinforce or contradict their brand image for potential and existing customers.

This is also a concern for media companies. As individuals become increasingly biased in their search for and processing of information, media platforms have faced an onslaught of junk news and intentionally polarizing content (Narayanan et al. 2018). This misinformation can have wide-ranging immediate and long-term negative effects on individuals, and spreads easily on social platforms (Törnberg 2018). In the absence of government regulation of misinformation,

the (perceived) onus falls on brands operating platforms where misinformation is spread. As a consequence, how managers determine where opinion ends and misinformation begins has become a polarizing issue on its own. Additionally, brands considering information regulation risk need to consider their customer base and potential reactions to any action they take. For example, the decision to take down a misleading comment by a politician could isolate the politicians' supporters if pursued, or their opposition if not pursued. Complicating this decision is the fact that both traditional and social media companies have a clear financial incentive to maximize users, meaning the removal of information or users is inherently in direct conflict with their business model.

### **Political Polarization and Public Policy**

As behavior shifts due to political polarization, a novel set of considerations emerge for policy makers. A divided population entails greater policy gaps due to genuine policy differences, and a lower likelihood of collaboration on behalf of lawmakers and political heuristics. Further, partisanship and cognitive biases will present impediments to implementing policy and create obstructions to governance. These effects of political polarization on public policy ultimately impact individuals by preventing efforts to improve societal welfare.

#### **Policy Gaps**

Intuitively, political polarization will impact public policy by creating significant gaps in the policy goals of individuals at either end of the political spectrum. Without doubt, political polarization has hindered the advancement of issues such as climate change (Johnson and Schwadel 2019; Kahan et al. 2012), transgender rights (Castle 2019), income inequality (Bechtel,

Liesch, and Scheve 2018), energy policy (Clarke and Evensen 2019), race relations (Kosloff et al. 2010), and media policy (Napoli and Dwyer 2019), among others. The increased policy gap can reflect the diverging political attitudes of the population, but can also be compounded through more complex mechanisms. First, by increasing the salience of individuals' political identities and intragroup homogeneity, political polarization expands the range of political positions that are deemed acceptable (Swann et al. 2009). This shifting of the "Overton Window" (i.e., the range of ideas tolerated in public discourse; Suresh and Jeffrey 2017) allows opposing groups' political beliefs to gradually diverge over time. This phenomenon can occur because those who have extreme opinions are also the most likely to express them regardless of public opinion (Matthes, Rios-Morrison, and Schemer 2010). Second, policy gaps from polarization might be furthered through elections and individuals' voting behavior (Hutchens, Hmielowski, and Beam 2019). When political leaders develop more extreme, ideologically consistent identities, they are mirrored by voters, creating a self-reinforcing dynamic (Baldassarri and Gelman 2008; Lebo, McGlynn, and Koger 2007). This cycle occurs because voting behavior not only expresses one's preference, but also updates it (Callander and Carbajal 2020).

From a theoretical standpoint, if a clear majority of the population does not support a proposed policy position due to ideological or practical concerns, then it seems a reasonable outcome for policy to stagnate. However, if political polarization increases the tendency of individuals to use heuristics to form their positions on specific issues (e.g. party affiliation, cultural associations, elite opinion), society risks a state where policies are rejected by policy makers – not because the population disagrees on a desired outcome or the facts at hand – but because consumers have peripherally accepted the position of their party. For example, in the context of climate change, there is reason to believe such a process is at work. First, research has

found that environmental spending has decreased as political polarization has increased (Johnson and Schwadel 2019). Second, researchers have found that partisan elites' opinions were more impactful in altering climate change beliefs than scientific information, suggesting that consumers base their position on partisan cues rather than science (Benegal and Scruggs 2018).

Similarly, in the context of gun control, research finds that Americans overwhelmingly support universal background checks for gun purchases (Parker et al. 2019), but the polarization among partisans and political elites may be preventing cooperation on developing relevant policy. Consistent with this notion, after the mass shooting in Newtown, Connecticut, messaging on behalf of the firearms industry attempted to politically activate gun owners by framing all legislative remedies as inherent threats to their rights (McGinty et al. 2016). In such cases where partisan cues (rather than material differences in values) create gaps, political polarization negatively affects consumer welfare by limiting enactment of policy that the population desires. Research has even theorized that polarization in combination with fragmented media can lead to electoral mistakes whereby voters do not elect officials that best reflects their positions, creating another path toward policy gaps (Bernhardt et al. 2008).

### **Policy Implementation**

In addition to creating gaps in policy, political polarization can impede the implementation of policy by politicizing nudges, creating distrust, and spurring misinformation.

*Nudges.* Policy makers have increasingly turned to subtle changes in decision structures that “nudge” individuals toward pro-social choices (Thaler and Sunstein 2009). While politicians leverage these nudges as a way to improve consumer welfare, researchers have found that even this tactic can be politicized. Specifically, individuals evaluate nudges as more ethical when demonstrated through examples that reflect their own politics (Tannenbaum, Fox, and Rogers

2017). Political polarization is likely to magnify the political lens through which individuals view such initiatives, thereby negating their effectiveness.

*Trust.* Political polarization also impedes the implementation of policy through decreased trust in scientists and policy makers, especially from political outgroups (Enders and Armaly 2019). Individuals exposed to belief-opposing (vs. belief-supporting) scientific claims indicate anger and annoyance (Nisbet et al. 2015), thereby decreasing trust in information from entities that conflict with one's ideology. For instance, conservatives and liberals have approximately equal levels of trust in scientists when the output is an innovation helpful in growing economic activity, but conservatives have significantly less trust in scientists when findings imply a need for a reduction of industry or conservation of resources (McCright, Dunlap, and Xiao 2013). Notably, this effect is magnified by scientific literacy (Kahan et al. 2012), suggesting education alone is not the answer.

*Misinformation.* Further impeding policy makers is the rising prevalence of misinformation and intentionally polarizing content, fueled by the partisanship and confirmation bias stemming from political polarization. Groups sharing the most "junk news" (i.e., deliberately misleading, deceptive, or incorrect content that purports to be real) also exhibit the greatest homophily (Narayanan et al. 2018). In fact, the prevalence of junk news within these siloed groups can reach as much as 95% of total information shared. The targeting of junk news towards a homogenous group often allows it to spread unabated within the group, confirming false beliefs and contributing to polarization, often without raising flags in the broader population (Törnberg 2018). For example, research found that viewers of Sean Hannity's Fox News program in the leadup to the COVID-19 pandemic experienced considerably greater infection and mortality rates from the virus than viewers of Tucker Carlson's Fox News program



– separated by one hour – because Hannity downplayed the risks of the virus while Carlson warned viewers of the dangers of the pandemic (Bursztyn et al. 2020). The increasingly siloed nature of information makes it more difficult for policy makers to disseminate correct information and for individuals to communicate with policy makers, for example facts regarding a health crises, including Ebola and Coronavirus (Nyhan 2014; Wofford 2020).

Furthermore, reports suggest that a meaningful portion of junk news is actually a concerted effort by international actors to create and/or amplify political polarization (Howard et al. 2019). Given this fact, junk news can be more than just an impediment to public policy in that it presents a unique challenge at the intersection of marketing, public policy, and consumer behavior. Even if the population was broadly supportive of an anti-junk news policy, the U.S. Constitution limits the ability of the government to regulate speech. Further, potential governmental regulators charged with ensuring truth would have to operate in an era saturated with partisan news designed to appeal to one side or the other of the political spectrum (Tucker et al. 2018), making delimiting fact from opinion from misinformation difficult.

### **Democracy and the (In)ability to Govern**

We contend that polarization has an effect on democracy and elected officials' ability to govern. For instance, as society has become increasingly polarized, politicians' objectives diverge (Bafumi and Herron 2010; Hacker 2004) and their animosity toward the opposition grows (Iyengar and Westwood 2015), thereby reducing opportunity for compromise (Arceneaux 2019; Sinclair 2008). Partisan incivility is a major reason for failed dialogue: uncivil (versus civil) exchanges result in disagreement and greater polarization regardless of the evidence presented (Kim and Kim 2019). In fact, there is a 50% difference in legislative enactments for the most versus least polarized U.S. Congressional terms (McCarty 2007). Even when able to

pass legislation, polarization reduces Congress' likelihood to delegate policymaking authority to agencies, thus hampering government effectiveness (Epstein and O'Halloran 1999), including the response to the COVID-19 pandemic (Druckman et al. 2020), while less polarized nations like Canada had a more collaborative and effective approach to handling the virus (Merkley et al. 2020). Further, polarization has changed the way government works. Congress's power has been reduced relative to the other branches of government (Carmines and Fowler 2017), leading presidents to be more likely to take unilateral, partisan action on policies (Chu and Garvey 2014) – an approach which likely amplifies polarization. Similarly, inaction in Congress as a result of polarization has caused the judicial branch to pursue its own policy goals, for example, through decisions on same sex marriage (Barber and McCarty 2015). Some research even suggests that polarization may be exacerbated by select elements of democratic governments, including two-party systems and non-proportional voting such as the electoral college (Urman 2019).

### **Consumer Welfare**

As demonstrated in the previous sections, political polarization impacts marketing and public policy through its effects on consumer psychology. Together with polarization's effect on consumer psychology, its influence on marketing and policy may ultimately harm consumer welfare across a variety of domains such as their finances, relationships, health, societal interests.

*Financial Welfare.* Polarization can harm consumers' economic welfare by causing them to sacrifice wages, lose out on jobs, make sub-optimal purchases, and disregard opportunities to save. For instance, research has found that employees accept lower wages to work for politically like-minded entities in order to harm or avoid helping political outgroups (McConnell et al.

2018; Ordabayeva 2019). Furthermore, managers similarly exhibit political ingroup bias in hiring decisions (Gift and Gift 2015), decreasing the likelihood that candidates are the best-fitting match to the position. As previously discussed, consumers can incorporate political attributes in their purchase decisions, which increases the odds that they select higher-priced products or ones that offer less functional value. Finally, because of the politicization of nudges, polarization can even cause consumers to reject or ignore supplementary retirement programs that promise long-term financial stability (Tannenbaum, Fox, and Rogers 2017).

*Relationships.* In addition to its negative effects on economic welfare, polarization can harm relationships by creating conflict and decreasing the diversity of connections. For instance, polarization has resulted in parents being increasingly likely to disapprove of their children marrying someone from the opposing political group, thereby raising the possibility of significant interpersonal conflict for interparty marriages (Iyengar and Westwood 2015). Further, affective polarization has the potential to prevent neighbors or colleagues of opposing parties from developing friendships. Over time, the increased negative affect and resulting avoidance of political outgroups can lead to increasingly homogenous friends and family (Huber and Malhotra 2016), ultimately depriving individuals of intellectual diversity.

*Health.* Polarization can also harm consumer health. Most recently, the politicization of COVID-19 prevention techniques has seemingly slowed their adoption and obscured dissemination of scientific facts (Assadi et al. 2020), thereby amplifying the spread of a deadly disease. More generally, increased negative affect toward outgroups and obstruction of social relationships stemming from political polarization can cause both mental and physical harm (House, Landis, and Umberson 1988; Suinn 2001;). Finally, polarization can even harm health and economic welfare of consumers by internalizing social boundaries that restrict them to food

deserts (Bublitz et al. 2019). Companies becoming more internally consistent also leaves open the possibility that some markets may not have their needs met due to executives being unaware of substantive market potential they are blind to (e.g. food deserts).

*Societal Interests.* Finally, polarization can harm individuals by preventing progress on common-good societal interests. Polarization can prevent successful dialogue in issues regardless of the evidence presented (Kim and Kim 2019). For instance, beliefs relating to global warming, affirmative action, wealth inequality, and gun control often tend to reflect individuals' political affiliations rather than a deliberate processing of relevant information that results in evidence-based decision-making (Kahan et al. 2012; Taber and Lodge 2006). In addition, the broader negative impacts of these policy areas on society as a whole have the potential to harm individual mental and physical health over the long-term.

### **Opportunity and Hope: A Guide for Research**

Based on our understanding of the consequences of political polarization on consumer welfare at the intersection of marketing, public policy, and consumer psychology, we now offer a discussion of the following topics for future research (see Table 3): (1) examining potential avenues for limiting the effects of political polarization by understanding its antecedents; (2) understanding the role of marketing as a driver of polarization; (3) improving the understanding of political polarization's impact on marketing and policy; and, (4) discovering potentially positive aspects of political polarization. While we do not consider every possible antecedent of polarization, we discuss key drivers of polarization that are of principle concern to public policy,

marketing, and consumer welfare: a shifting media landscape, increased demographic diversity, and inequality.

---INSERT TABLE 3 HERE ---

### **Limiting the Effects of Polarization by Understanding the Antecedents**

*Media Landscape.* In terms of a shifting information landscape, individuals' tendency to select self-confirming information (Bail et al. 2018; Dylko et al. 2018) has been enabled by a fragmented landscape where users are targeted by their political beliefs (Gentzkow and Shapiro 2005). The combination of political targeting and self-confirmation creates a self-perpetuating system of feedback loops (Colleoni, Rozza, and Arvidsson 2014; Hong and Kim 2016). In support of this link, research finds that abstaining from Facebook decreases political polarization (Allcott et al. 2020). However, some researchers suggest the link is inconclusive and that more work is needed (Iyengar and Hahn 2009). Another goal for those interested in limiting the effects of polarization in the face of a fragmented media is to limit the spread of misinformation.

While there will always be heterogeneity in political beliefs, fomenting a tension for brands and policy makers that are tasked with handling misinformation, recent work suggests that susceptibility to it is primarily due to a lack of cognitive effort rather than partisanship (Pennycook and Rand 2019). In light of this finding, we recommend promoting technocognition tools, or, information architecture strategies that reduce the spread of misinformation through deliberately hiding or labeling information that may not be trustworthy (Sunstein and Thaler 2008). These tools may provide an interdisciplinary approach to information architecture that helps reduce the spread of misinformation and could help mitigate the dangers (Lewandowsky, Ecker, and Cook 2017). For instance, in Summer 2020, Twitter added warnings with links to correct misinformation to a series of tweets by former President Trump that contained

misleading information on Hydroxychloroquine's effectiveness as a COVID-19 treatment and laws about mail voting. A central issue in policymaking is efforts to correct politicians from promoting misinformation that benefit their electoral chances at the expense of consumer welfare. Future research would be wise to examine the efficacy of technocognition tools and warnings on social media in order to better understand how information labeled as untrustworthy is interpreted by those with both ideologically consistent and inconsistent views.

*Demographic Diversity.* Researchers have also speculated that the increasing demographic diversity in the United States (race, age, education, etc.) has led to greater polarization (Henry and Napier 2017) through a declining shared reality and fragmented beliefs (Echterhoff, Higgins, and Levine 2009; Jost, Ledgerwood, and Hardin 2008). Differences between liberals and conservatives could further amplify the effect of changing demographics on polarization. Conservatives are less open, desire control, simplicity (Altemeyer 1998), and traditional culture (Jost et al., 2003), while liberals focus on inequality and exhibit an openness to multi-cultural experiences (Carney et al. 2008). Together, these dispositions might exacerbate polarization in the face of changing demographics. Compounding these differences is the finding that issues involving race and income inequality can be particularly polarizing (Layman, Carsey, and Horowitz 2006) because they highlight a philosophical difference between parties around the government's role in social and income inequality.

Moreover, it is possible that marketers' efforts to portray a more demographically representative America in light of these changes could have innocently and unintentionally aided polarization. That is, depictions of a diverse America in marketing could be perceived as a social threat to conservatives who prefer maintaining the status quo and generally oppose immigration

(Craig, Rucker, and Richeson 2018). At the same time, liberal preference for social justice and fairness (Jost et al. 2003) might have led to celebration of the same campaigns.

Another oft-suggested cause of political polarization is wealth inequality (McCarty, Poole, and Rosenthal 2016), which has been tied to the election of extreme politicians (Grechyna 2019) and the narrowing of legislators' political agendas (Epp 2018), that in turn helps cement inequality (Voorheis, McCarty, and Shor 2015). Others note that the shrinking of the middle class has led many to drift toward populism, scapegoating, and extremism (Kurer and Palier 2019), particularly those in “rust-belt” regions whose jobs were lost to automation (Autor, Dorn, and Majilesi 2016). Differences between liberals and conservatives may amplify the effect of wealth inequality on political polarization. While liberals attribute inequality to a rigged system and randomness, conservatives attribute it to a “competitive jungle” where those who benefit the most are the most deserving (Pratto et al. 1994; Sinn and Hayes 2016). Future research could benefit from investigating how economic class and political stimuli interact, such as ads using scapegoating as a marketing tactic, to influence political identities and corresponding political affect, participation, and activism.

### **Polarization and the Potential for Marketing Interventions**

In terms of wealth inequality, social diversity, and the compounding differences between liberals and conservatives, future research might seek to more clearly establish the mechanisms driving these effects and the mitigating role of marketing strategies. One tactic researchers could investigate is messaging techniques that try to bridge the differential values of liberals and conservatives. For example, conservatives were more favorable to a traditionally liberal nutritional “nudge” if it was positioned as business-friendly (Cadario and Chandon 2019). Further, use of narration or numeric data can be more effective in persuading political opponents

when people have either an empathetic or objective mindset (Wojcieszak and Kim 2016). Moreover, biographical data about candidates can mitigate the affective response to the candidate (Rogowski and Sutherland 2016) by diverting attention away from ideological identity and toward shared realities. Lastly, deliberately using information that is free of political identities has emerged as a tactic that can persuade partisans on global warming, and signals an important role for apolitical information in persuasion (Rotman, Weber, and Perkins 2020). However, caution is needed when considering techniques to bridge the divide. One tempting solution – encouraging sides to consider the oppositions’ perspective – can actually exacerbate differences in certain conditions (Catapano, Tormala and Rucker 2019).

There is also some evidence that opportunities exist to unite consumers by reorienting them to prioritize non-partisan identities, such as putting the country before the party (Gaertner and Dovidio 2014). Two examples highlight this possibility. First, following Turkey’s incursion into northern Syria, the House of Representatives nearly unanimously voted to condemn the Armenian genocide and other Turkish acts of aggression. Second, after the Chinese Government sanctioned the NBA for Houston Rockets General Manager Daryl Morey tweeting in support of Hong Kong’s protests, American politicians from both parties condemned the action and encouraged the Rockets and other firms to ignore threats from the Chinese government. These examples suggest that when a context facilitates individuals to consider themselves as Americans (as opposed to Democrats and Republicans), they are less impacted by partisan affiliations.

### **Understudied Aspects of Polarization for Marketing, Consumer Welfare, and Public Policy**

Despite the model proposed here that identifies the consequences from political polarization starting with its impacts on consumer psychology, and in turn marketing and public policy, questions remain. Foremost, the model argues that political polarization impacts



consumer psychology, which in turn impacts marketing and policy. The simplicity is meant to serve as an overarching starting point for understanding an incredibly complex phenomenon and its consequences. In reality, there is likely a web of effects needing exploration to generate a more detailed understanding of political polarization and its impacts on marketing and policy. For example, one might explore how changes to consumer psychology (e.g., identity salience, intragroup behavior) are uniquely tied to marketing and policy consequences, or how specific manifestations of polarization impact consumer psychology and in turn society.

Another area for future research is generating a greater understanding of how consumers factor political attributes into their purchase decisions. For example, with recent work suggesting that political identities can be transferred to brands implicitly (Jung and Mittal 2020), the importance of inferring political characteristics from brands may increase. This phenomenon might both impact consumer behavior and force brands to more actively manage these associations. Future work might also seek to understand when and how brand political identities might antagonize opposing consumers, drive loyalty among supporters, or even increase polarization. Finally, future research should consider how political polarization differentially impacts the behavior of liberals and conservatives.

*Future Directions for Public Policy.* Existing literature in political science has already identified a number of possible harmful effects of political polarization on public policy. Much of this work identifies political polarization as a source of gridlock that disrupts the essential functions of policy makers and government. Future research might more carefully consider how the seemingly endless nature of American political campaigns might motivate polarization. Recent work suggests that this aspect of America's election cycle amplifies affective polarization (Sood and Iyengar 2016) and increases the importance of partisan identities (Michelitch and

Utych 2018). For example, the UK, Canada, and Israel limit campaigns to a short time period immediately before each election, providing a useful contrast with U.S. elections to evaluate whether such policies affect polarization, and to what degree, in differing countries. Accordingly, cross-national comparison of the impact of political campaigns could build on existing cross-cultural comparisons of political marketing to shed light on their role in polarization (Van Steenburg 2015).

Research could also benefit from considering how regulations and public policies at the macro- and micro-level might amplify or mitigate the effects of polarization. For example, Norway revised its policy regarding the legality of political ads (macro) while other regulations in campaign finance regulations limited how much an individual can donate to an election (micro). Initial research on the latter (Chin, Hambrick, and Treviño 2013) following the 2010 *Citizens United v. F.E.C.* decision allowing companies and individuals to make unlimited campaign donations, finds that shareholders have difficulty stopping executives from spending on political campaigns. Future research could explore how transparency and shareholder control might moderate such CEO behavior.

*Future Directions for Polarization in Marketing.* Moving forward, research should seek to understand how stagnated policy ultimately impacts marketers. For instance, it is possible that polarization might hinder growth in developing sectors because of the inability of policy makers to adjust regulations. While polarization may harm developing sectors, it might help larger companies that benefit from unchecked power as policy makers may be less able to enforce antitrust laws. Another direction for research is understanding if and how polarization's impact on corporate decision-making might result in less creative market offerings that limit consumer welfare and market efficiency. It is possible the inverse is also true – consumers may not

consider options that could provide them benefits because of political associations. For example, liberal (conservative) consumers might be missing out on value they would derive from big box chains (food co-ops) such as Walmart (Lassens) because of cultural and political associations.

Another avenue for future research could be to examine the role of political marketing and advertising as a cause of polarization. Long campaigns come with constant political advertising, featuring stimuli developed through market research commonly designed to persuade audiences using negative appeals (Van Steenburg 2015). Considering that a primary goal of political advertising is to seed distrust of the opposition, it seems plausible that marketing and political advertising in particular has played an important role in polarization. Therefore, research should look beyond simply whether or not negative ads are a successful strategy and investigate whether they undermine democracy (e.g. Dermody and Hanmer-Lloyd 2011). Future investigations could contribute to research in marketing by evaluating advertising themes (e.g. emotions, tone, fear, image, issue) and whether they increase versus decrease polarization by applying consumer behavior models and methods to voters (Van Steenburg 2015).

### **Polarization: Not All Bad**

Finally, future research should consider the possibility that while political polarization can be harmful, there may be silver linings and reasons for hope. Polarization may increase the likelihood that consumers express their true voting preference (Pierce and Lau 2019). Indeed, perceived polarization in particular is positively related to voting and political participation (Enders and Armaly 2019). Further, some level of conflict is good and natural for society (DiMaggio et al. 1996) and ensures all voices are considered when making important decisions; or, in the words of Simmel [1908] 1955, p. 15) “social units need some quantitative ratio of

harmony and disharmony.” Future research could benefit from investigating what types and levels of societal conflict result in positive versus negative outcomes.

Additionally, diversity on political identities in industry has provided significant financial benefits, with ideologically diverse firms less likely to be accused of misconduct (Hutton, Jiang, and Kumar 2013), to over- or under-spend on CSR initiatives (Chin, Hambrick, and Treviño 2014), or to face the negative consequences of a homogenous ethical climate (Martin and Cullen 2006). Importantly, diversity of ideology in government has also provided significant benefits to citizens over time, such as Abraham Lincoln’s “Team of Rivals” (Goodwin 2005). Lincoln sought diverse opinions to ensure he would consider all perspectives in his decision-making, an approach that some suggest is essential for a highly functioning democracy (Sunstein 2002). Political polarization can also increase positive emotions toward one’s political party, civic duty, and democratic rights, thereby encouraging some to become more politically engaged (Mason 2016). Likely as a consequence, the 2020 U.S. Presidential Election saw the most votes ever cast in an American election.

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TABLE 1: RELEVANT TERMS AND DEFINITIONS

Term	Definition	Measurement	Key Findings
<i>Political Polarization</i>	A marked political divide in the population	Characterized by manifestation(s), see below.	Polarization has broad effects on consumer psychology, and in turn marketing, policy and consumer welfare.
<b>Manifestations of Polarization</b>			
<i>Divergence</i>	The divergence of political attitudes between groups.	Dispersion of political attitudes and their relative bimodality vs. unimodality between groups <sup>1</sup> .  Bimodality and overlap coefficients <sup>2</sup> .  The spread, dispersion, coverage, and regionalization of all attitudes. The presence of distinct groups, distinctness of those groups, distance between groups, consensus within groups, and parity of groups <sup>3</sup> .	There is evidence that partisans and political elites have diverged (overlap coefficient decreased from .73 to .46 from 1972-2012), but evidence regarding divergence of the masses is mixed (bimodality coefficient has increased from .27 to .38 from 1972-2012, but is short of the bimodality threshold of .56). <sup>3</sup>
<i>Consistency</i>	The consistency of individuals' political attitudes across the population.	The extent political attitude in one domain is associated with political attitude in another (constraint) <sup>1</sup> .  The extent political orientation corresponds with political party affiliation, and the correlation between political attitudes on various positions <sup>3</sup> .	There is evidence for polarization as consistency in the masses: e.g., the correlation between political ideology and party affiliation increased from 1972 ( $r = .28$ ) to 2012 ( $r = .58$ ) <sup>3</sup> .
<i>Affective</i>	The average extent of social distance, or negative attitude directed toward political outgroups.	Instruments include: Feeling thermometers <sup>3,4</sup> , implicit association <sup>5</sup> , interparty marriage attitude, and perceptions of selfishness and intelligence <sup>6</sup> .	In 1978, the mean feeling thermometer score toward one's own (out-) party was .74 (.47) and .75 (.30) in 2012 <sup>6</sup>
<i>Perceived</i>	The average extent the population perceives there is polarization.	Extent that people perceive political differences <sup>3</sup> .  The distance between political parties on a scale across a variety of issues <sup>7</sup> .	The perceived overlap between the parties among the mass public has decreased by about 10% since 1972 <sup>3</sup> .
<b>Polarization as a State versus Process</b>			
<i>State</i>	The extent of polarization relative to a theoretical maximum <sup>1</sup>	The current extent of polarization.	The population is more polarized than it was in the past, and as a consequence, we investigate how the current state of polarization impacts consumer behavior, and in turn, marketing, policy, and welfare.
<i>Process</i>	Increased polarization over time <sup>1</sup>	An increase in the extent of polarization over time (longitudinal data).	
<b>Population: Elites, Partisans, and Masses</b>			
<i>Elites</i>	People for whom politics is a profession or consuming avocation <sup>8</sup> .	Sampling of party delegates, elected officials, non-elected party officials, or party activists.	While evidence suggests the population as a whole is polarized, there is some debate regarding the state of polarization as divergence <sup>3</sup> .
<i>Partisans</i>	People who identify with a political party	Sampling of party those who identify with a party.	
<i>Masses</i>	The entire population.	Sampling of full population.	
<b>Individual Political Attributes</b>			
<i>Political Orientation</i>	An individual difference comprising a global mindset of beliefs <sup>9</sup> .	Most often a single-item 7-item scale anchored by very conservative, very liberal, with 'neither' at the midpoint.	Ideology is relevant to decision-making across marketing, welfare, and policy contexts.
<i>Political Affiliation</i>	An individual's identification of a political party.	A categorical or continuous item measuring relative identification with one of X parties (or independent).	Those identifying with a party are <i>partisans</i> , those not identifying with a political party are <i>non-partisans</i> .

<i>Political Attitudes</i>	An individual's evaluation of parties, ideology, and policies (e.g., taxes).	Measured agreement (strongly disagree – strongly agree) <sup>10</sup> or support (strongly against – strongly favor) of a political position, ideology, or party <sup>11</sup> .	Political polarization as consistency implies consumers have consistent political attitudes.
<i>Political Identity</i>	A person's self-conception based on their ideology	Measured as political orientation, affiliation, and political positions (e.g., tax policy or abortion). See Jung and Mittal 2020 for summary of measures <sup>12</sup> ).	A self-concept of one's political orientation, affiliation, and political positions.
<i>Political Extremity</i>	The extent of an individual's deviation from the midpoint <sup>9</sup> .	The absolute value of the difference between the midpoint of the political orientation scale and an individual's score <sup>13</sup> .	Political extremity describes an <i>individual's</i> political attitudes.

Note: 1 = DiMaggio et al. 1996; 2 = Hill and Tausanovitch; 3 = Lelkes 2016; 4 = Wilcox et al. 1989; 5 = Iyengar and Westwood 2015; 6 = Iyengar et al. 2012; 7 = Iyengar et al. 2012; 8 = Levendusky and Malhorta 2015; 9 = Jennings 1992; 10 = Jost et al. 2007; 11 = Mehrabian 1996; 12 = Jung and Mittal 2020; 13 = Ferucci et al. 2020.



TABLE 2: PATHWAY EFFECTS OF POLARIZATION

		Consequence	
Marketing	Cognitive Bias →	Divergent and consistent political attitudes create a desire for self-confirming information (p. 19).	This presents a challenge for marketers with <b>product offerings</b> that distribute information.
	Intergroup Behavior →	Divergent and consistent political attitudes create more clear boundaries between segments and more distinct segments, improving the usefulness of political variables for marketers as ways to predict and understand consumers (pp. 17 - 18).	Polarization increases the use of political variables in <b>segmentation and targeting</b> by increasing the distinctiveness and homogeneity of segments.
		Divergent and consistent political attitudes solidify political identities, magnifying their effect on consumer decisions. As a result, consumers are more likely to explicitly express their political identity in their consumption and purchases (p.13).	Polarization increases <b>purchase</b> of products with political symbolism.
		Divergent and consistent political attitudes solidify political identities, which are correlated with apolitical consumer behavior including SUV ownership, television/film habits, tattoos, and alcohol consumption (p. 12).	This increases differences in the <b>apolitical consumer behavior</b> of liberals and conservatives, in turn amplify the use of political identities for <b>segmentation and targeting</b> .
	Identity Salience →	Divergence and consistency increase identity salience, which amplifies consumer activism by focusing attention on brands' political identities and the meaning of consumption (pp. 12 - 13).	Polarization increases the importance of brands' political identity in <b>purchase</b> decisions and consumer <b>activism</b> .
		Divergence and consistency increase identity salience, which creates expectations for brand behavior and specifically for them to help spur social change (pp. 13-14).	Polarization changes <b>interactions with stakeholders</b> , by increasing <b>Corporate Political Advocacy</b> and altering the interpretation of <b>Corporate Social Responsibility</b> .
		Divergence and consistency increase identity salience, which creates opportunities for engagement and loyalty by appealing to said political identity (pp. 18-19).	Polarization creates opportunities for <b>engagement and loyalty</b> .
	Intergroup Behavior →	Negative outgroup affect could amplify political polarization by increasing consumer activism in the form of boycotts and buycotts based on corporate political advocacy (p. 13).	Corporate political advocacy invites increased <b>activism</b> , which can feed a <b>feedback loop</b> whereby opposing political groups react with increasing intensity.
		Negative outgroup affect leads companies to avoid associations with political outgroups (p. 20).	Negative outgroup affect impacts <b>product offerings</b> .
		Negative outgroup affect has reduced legislation, resulting in fewer opportunities for lobbying; but the obscured nature of lobbying might also make it more appealing as it can avoid strong consumer responses (pp. 15 - 16).	Polarization might positively or negatively moderate <b>lobbying</b> frequency.
Intragroup Behavior →	Negative affect toward outgroups coupled with increased divergence and consistency ultimately contributes to homogeneity with companies and workplaces (pp. 16-17).	Increased homogeneity has negative effects on <b>managerial decision making</b> .	
Public	Cognitive Bias →	Divergent segments of consumers invite biased media, which combined with biased information processions can lead to "electoral mistakes" (p. 22).	Electoral mistakes can add to policy gaps and impede <b>democracy</b> .
	Intergroup Behavior →	Divergence causes politicians' objectives diverge, causing their animosity toward the opposition to grow, thereby reducing opportunity for compromise (pp. 21 - 22)	Distinct policy objectives lead to insurmountable policy <b>gaps</b> that reflect true differences in objectives and partisanship.

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	Intragroup Behavior	→ Divergence increases extreme ideas and junk news, particularly among homogenous groups. Misinformation spreads rapidly in homogenous groups, and misconceptions can be difficult to correct (pp. 23-24).	Together, these process increase <b>misinformation</b> and creates a polarization <b>feedback loop</b> .
	Cognitive Bias	→ Consistency causes politicians to form biased interpretations of opponents' policies that do not reflect constituencies on issues like climate change, transgender rights, income inequality, energy policy , and media policy (pp. 21-22). Consistency leads to a cognitive bias against accurate, but disconfirming information; this disconfirming information induces anger and mistrust of the espousing entities. Cognitive bias is also seen in the use of fact checkers (pp. 23 - 24).	Commitment against opposition positions creates unnecessary policy <b>gaps</b> . The avoidance of accurate information hampers <b>policy implementation</b> and the building of <b>trust</b> .
	Intergroup Behavior	→ Consistency increases segregation on social media through self-selection, which increases the portion of self-confirming political content viewed (pp. 23 - 24).	<b>Misinformation</b> in ideologically segregated communities presents a policy challenge and creates a <b>feedback loop</b> .
	Intragroup Behavior	→ Consistency in political elites impacts intragroup dynamics, in particular leading constituents to also become more consistent (pp. 20 - 21).	This increases policy gaps and feeds a <b>feedback loop</b> of political polarization.
	Cognitive Bias	→ Negative outgroup affect in the form of partisan incivility leads to self-confirming search and discrediting of opposing views; for instance, even nudges are viewed through a political lens (pp. 22-23).	Outgroup affect and cognitive bias leads to <b>distrust</b> , ultimately <b>impeding policy</b> by politicizing <b>nudges</b> .
	Intragroup Behavior	→ Negative outgroup affect creates an adversarial atmosphere in congress that prevents proper delegation of duties, providing more opportunity and burden on the executive, and judicial, branches of government (pp. 24 - 25).	The restricted functionality of congress creates a challenge for <b>democracy and the ability to govern</b> .
	Cognitive Bias	→ Perceived polarization leads to distrust of the government (p. 23).	Perceived polarization creates <b>distrust</b> of government, ultimately <b>impeding policy</b> .
	Intergroup Behavior	→ Perceived polarization leads to disliking of opposing party representatives (p. 23).	Perceived polarization creates <b>distrust</b> of opposition policies and creates a <b>feedback loop</b> .
	Identity Salience	→ Perceived polarization highlights one's own political identity, increasing voting and participation (p. 34 - 35).	Polarization can positively impact <b>Democracy</b> .
Consumer Welfare	Intragroup Behavior	→ Divergence increases the occurrence of extreme views, which group dynamics can normalize (pp. 21 - 22)	This can harm welfare e.g., bolstering racial discrimination ( <b>social interests</b> ) or help by increasing <b>health</b> coverage.
	Identity Salience	→ Divergence and consistency increase identity salience, which amplifies the effects of orientation and identity on financial decision making, donations, and recycling (p. 12), as well as politicizing consumption (p. 14)	Financial risk taking and politicized purchases impact <b>wealth</b> . Donations and Recycling impact <b>societal interests</b> .

Intergroup Behavior	→	Divergence increases the portion of people with extreme views, which are associated with negative emotion and the derogation of outgroups (p. 26).	Negative emotion harms <b>mental and physical health</b> . Derogation of outgroups fractures <b>relationships</b> .
Cognitive Bias	→	Consistency increases biases such as party heuristics that impact attitudes on climate, transgender rights, income inequality, energy policy, and media policy (pp 20-21; p. 27).	These bias driven attitudes prevent progress in respective policy areas, ultimately impacting <b>consumer welfare</b> , including <b>societal interests</b> , and <b>wealth</b> .
		Consistency and cognitive bias increase negative attitudes toward others (p. 26).	Negative emotion harms one's own <b>health</b> , when directed at others, it harms <b>relationships</b>
Intergroup Behavior	→	Negative outgroup affect causes the avoidance of those with differing views and increases intragroup homogeneity, including within families (p. 26).	Intragroup political homogeneity creates a <b>feedback loop</b> of polarization.
		Negative affect disrupts interparty relationships and increases disagreement, leading to poor treatment of outgroups, and homogenous ingroups (pp. 8-9; p. 26).	Disagreement and poor treatment harm <b>relationships, health</b> and create a <b>feedback loop</b> of polarization
		Negative outgroup affect causes consumers sacrifice their economic utility (p. 12), and exhibit biased hiring (pp. 16 - 17).	Self-sacrifice and hiring impact <b>wealth</b> .
Intergroup Behavior	→	Perceived polarization increases loathing of outgroup politicians, which exacerbates other manifestations of polarization (pp. 5).	Perceptions of polarization impact intergroup attitudes harming relationships, and creating a <b>feedback loop</b> .
Cognitive Bias	→	To the extent people perceive the population is divided, they adjust their own attitudes and behavior (pp. 10-11).	This ultimately obscures true preferences (harming <b>societal interests</b> ) and, creating a <b>feedback loop</b> .

TABLE 3: QUESTIONS FOR FUTURE RESEARCH ON POLARIZATION IN MARKETING

Focus	Research Question
<i>Marketing</i>	<p>What underlying processes (e.g. in-group/out-group evaluations, value overlap, political values, identity salience, etc.) mediate the effects of polarization on consumption choices?</p> <p>Which mass marketing themes (e.g. national unity, patriotism, pride) can bridge the differential values of liberals and conservatives without alienating populations of consumers?</p> <p>What tactics can make scientifically supported information persuasive when it conflicts with the political values of its audience?</p> <p>How can increasingly distinct and homogenous political identities be used in segmentation, targeting, and positioning?</p> <p>What kind of information can reorient consumers to prioritize non-partisan identities over political identities?</p>
<i>Consumer Welfare</i>	<p>To what extent are political identities restricting consumers from consumption they may benefit from that conflicts with their political identity?</p> <p>Are political “echo chambers” preventing marketers from realizing market opportunities in markets with political identities different than their own?</p> <p>At what point is polarization and political conflict accompanying it helpful (versus unhelpful) to accomplishing goals that help consumers?</p> <p>What kind of benefits does society experience when there is greater (versus lesser) ideological diversity in households, families, and communities?</p> <p>Why do some politically-involved consumers boycott / buycott firms with political identities while others do not?</p>
<i>Public Policy</i>	<p>Are there unique facets of American elections relative to other democracies (e.g. endless campaigning, lack of campaign finance regulations, etc) that increase and/or decrease polarization?</p> <p>What kind of regulations or policies (e.g. campaign finance disclosure, shorter election campaigns, mandating real-time disclosure of who is paying for political ads when they are aired) might reduce polarization?</p> <p>What role does the relative balance of negative (versus positive) advertisements in an election play in how polarization that election is locally?</p> <p>Does the presence of an agreed upon external threat (China, Russia, etc) reduce perceptions of polarization in society?</p> <p>At some point, depolarization is likely to occur. What kind of process does depolarization entail, and how will it impact marketers, consumer welfare, and public policy?</p>

FIGURE 1: THE CONSEQUENCES OF POLITICAL POLARIZATION



