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Brand Expansion vs. Strong Consumer Relationships

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by

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Abstract

Brand transgressions are defined as violations of the norms defined by the relationship between the brand and its consumers. In other words, it is when a brand takes an action that goes against what they promised their consumers, or what the consumers expected, based on the repeated interactions between the brand and the consumers. When brands are highly adopted by a very specific group of consumers, these controversial actions might give these consumers the idea that the brand is “cheating” on them, moving away from them and going against the image and personality that the brand has worked so hard to build. This causes a problem for brands that are trying to expand their target market, but still maintain the consumers that they have such a strong and positive relationship with.

In this project, I will analyze different instances when brands with a strong consumer-relationship to a very specific group have transgressed in the attempt of expanding their market and capturing the attention of other consumer groups as well. I will analyze the outcome of those actions, based on their previous consumer relationship strength and the consequent actions they took after the transgression. By analyzing consumer-brand relationships, keeping a brand current and other factors necessary to build a strong brand - such as a specific target market, brand personality, etc - I would like to find out if a it is possible for a brand that appeals to a single group of consumers to expand and target other groups as well, without losing their base consumers and their brand image. What actions should the brand take so that their consumers still feel taken care of instead of cheated on?
Introduction

Brand transgressions, in the general sense, occur when a brand does something “wrong”. Examples are poor customer service, products that are not up to standard, do not work or perform poorly, or ethical scandals (Park and John, 2018). However, when looking at these occurrences through the lens of consumer-brand relationships, we can more specifically define brand transgressions as actions that go against that relationship, or against the consumers expectation of the brand, based on the previous actions that developed that relationship in the first place. In this case, the transgression are not necessarily “wrong” doings, they simply go against the way the consumer was expecting the brand to act, and therefore are only deemed “wrong” by those specific consumers. Examples in this case might be going against the mission statement of the broader brand image of the company, creating a product that does not fit in with their usual line, or even adding a different demographic to their target market. In this research paper, we will be focusing on the last instance.

The consumer-brand relationship is one of the most important, if not the most important, aspects that define a brand’s strength and success. It affects how loyal consumers are to the brand and how they will respond to the different actions taken by the brand, including advertising, promotions, social campaigns, and even brand transgressions. In fact, one of the most important findings in the field of Marketing is that strong consumer-brand relationships often soften or even cancel out the negative consequences that can come from brand transgressions, due to the consumer loyalty acquired through those relationships - many times the consumers will create excuses for the brand, and will maintain their loyalty to them, disregarding the transgressions (Park and John, 2018). That happens because consumers often view their relationship to the brand like they would the relationship to a loved one, and will act in these instances like they would when defending a person they are
fond of. People are quick to defend someone they care about, even when that person has transgressed, and it is common to create excuses like “that was out of their control”, “they were just having a bad day” or “they did not know any better”. The same happens when it comes to brands. The consumers will find ways to justify the brand’s actions, as long as they feel loyal or indebted to the brand in any way, feelings that come from a strong and powerful consumer-brand relationship.

It is understandable, and even expected for us to defend those we love when they do something wrong. Naturally, it would be the same with brands when they commit a transgression, that is, in the more broadly defined way - when they do something wrong. But what about when that transgression goes against the strong relationship that the brand has cultivated with their consumers? Would you still defend someone for their actions if those actions were taken against you or against what you expected from them? In those instances, just like someone would in regular human relationships, it is common for the consumer to feel betrayed by the brand, like the relationship they worked so hard towards is not as meaningful as they deemed it to be. That can weaken the consumer loyalty towards the brand and sometimes cause the consumer to abandon the brand altogether.

SheaMoisture: Expansion or Betrayal?

Take, for example, the recent case of SheaMoisture, a personal care company known especially for their moisturizing hair products made for black women with “difficult hair”. SheaMoisture had an incredibly strong relationship with its consumers, being considered a part of their identity, due to the fact that it was founded by two Liberia refugees and that it started its growth and success within the African American community, with a customer base formed mainly of black women (Okolosie, 2017). Whether or not that was their intended
target market, it is the consumers who adopted the brand, and who developed an insurmountable loyalty towards it. That is exactly why, when the brand came out with an advertising campaign featuring two white women, and one light skinned African American with “good hair”, the loyal consumers were upset and felt extremely betrayed by SheaMoisture. For a community that has been known to have such a strenuous relationship with their natural hair, caused by societal pressures, this brand was not only their shampoo of choice. It represented who they were, and to feel unrepresented by them was not only shocking, it was unacceptable. It caused major backlash, and some articles have even deemed it as an “urge to silence and scratch out black women’s presence” (Okolosie, 2017), or likened it to the controversial Pepsi Black Lives Matter advertisement (Evans, 2017). In actuality, the company was probably only trying to expand their brand and consumer base, which is what they said in their apology statement, posted on Facebook shortly after the ad started running:

"Wow, okay – so guys, listen, we really f-ed this one up. Please know that our intention was not – and would never be – to disrespect our community, and as such, we are pulling this piece immediately because it does not represent what we intended to communicate. You guys know that we have always stood for inclusion in beauty and have always fought for our community and given them credit for not just building our business but for shifting the beauty landscape. So, the feedback we are seeing here brings to light a very important point. While this campaign included several different videos showing different ethnicities and hair types to demonstrate the breadth and depth of each individual’s hair journey, we must absolutely ensure moving forward that our community is well-represented in each one so that the women who have led this movement never feel that their hair journey is minimized in any way.”

(Evans, 2017)
In any case, regardless of the true intent of SheaMoisture, the consumers took the actions of the company incredibly personally, and felt as if they were being denied the appreciation they deserved for being so appreciative for so long. They felt cheated on, and even after the apology statement, a lot of the brand’s fans remained upset and customers were lost. However, sticking to their current loyal consumers was not a viable option for SheaMoisture either. After the controversy, chairperson of Sundial Brands (current owner of SheaMoisture), Richelieu Dennis said in an interview: “We have to grow the business … The competition that we now see puts businesses like ours at risk.” (Segarra, 2017). The challenge for these types of brands, brands with a very loyal (and in some cases very niche) groups of consumers, seems to be this: how can they expand their brand and target more consumers while still catering to their current consumer base?

Perhaps SheaMoisture made a mistake in the execution of their plan. Had the advertisement been more clear about their intentions, maybe the consumers would feel included in the plan, and not like the brand was “cheating” on them and disregarding their loyalty. Maybe the problem lies in the nature of the relationship between the consumers and SheaMoisture - not only their loyalty, but the fact that many of those women felt represented by this brand in a society that lacks African American representation altogether, and they wanted something that were only theirs. In the same interview, Dennis explained “While the campaign is heavily representative of women of color, we didn’t explain to the community what the larger campaign is about, which is about women’s hair challenges” - would explaining this idea have made a difference? Or would it have been even more offensive to the loyal consumers. many of whom tied their identity to this brand? In this research paper, I will explore these and many other questions that arise from the complexities of consumer-brand relationships, and will try to provide solutions for brands who find
themselves in the same dilemma that SheaMoisture did. Hopefully, by the end of this paper, it will be a little more clear which factors can influence the relationship between a brand and its consumers, and how the brand can control these factors to create a relationship that is healthy and beneficial to both sides, while still maintaining consumer loyalty.

Relationship Theories: How We View Relationships as A Whole

We know that different people regard and interact with their relationships in different ways. What a lot of people do not know is how much that actually affects a consumer’s interaction with a brand and, taking it one step further, how these consumers react to a brand transgression when it occurs. A study was performed in April of 2018 by researchers Ji Kyung Park and Deborah Roedder John, in which they considered how a consumer’s previous view of relationships affected the way in which they responded to a brand transgression, controlling for whether they had a strong or weak consumer-brand relationship to begin with.

To begin, Park and John explain the implicit theory of relationships, defined as “lay beliefs that people hold about the nature of relationships” (Park and John, 2018). According to research, there are two main types of beliefs - “growth beliefs” and “destiny beliefs”. Essentially, people who hold growth beliefs are those who think a relationship is only maintained with hard work and commitment between the two individuals. They do not believe in soulmates, but instead think that two people who care about each other will make it work despite their differences and incompatibilities. On the other hand, people with destiny beliefs are those who do believe in soulmates, and tend to agree that if a relationship has not worked, it is because the right person has not yet been found. These people are less likely to
put a lot of effort into a relationship, because in their mind that relationship would be easy if it was between the right people (Park and John, 2018).

The study was performed with two hundred and twenty four undergraduate students from an undisclosed, large university in the United States. During the study, the participants were asked to imagine a situation in which a brand that they really liked, and felt loyal to, had failed them in any way. Afterwards, the participants filled out a questionnaire designed to measure their attachment to the brand of choice, the likelihood that they would engage with the brand after the transgression, and whether or not they held growth beliefs about relationships. A significant positive correlation was found between holding growth beliefs and post-transgression engagement, showing that consumers that hold growth beliefs are much more likely to engage with the brand again even if they have been disappointed (Park and John, 2018). While there are various factors that influence the implicit relationship beliefs that a consumer holds, it is likely that a brand can influence those beliefs when it comes to the specific consumer-brand relationship. From the start, positioning this relationship with the consumers in a way that enforces mutual effort and growth instead of a “meant for you” mentality might soften the impact if the brand commits a transgression in the future, and opens up doors for the brand to expand without feeling like they will lose their current consumer base.

Another element that is important to note is that consumers who hold growth beliefs expect mutual effort to save the relationship. Therefore, although they are likely to reach out to their partners in an effort to ensure the survival of the relationship, they will probably be particularly sensitive if their efforts are not met by the other person (Park and John, 2018). This is crucial information for any brand trying to recover from a transgression. If their consumers are reaching out to them in an effort to save the relationship, it is of utmost
importance that the brand reaches back and ensures these consumers that they care, so that further negative feelings towards the brand can be avoided. In fact, based on Park and John’s findings, an active effort to rekindle the relationship with its consumers will work wonders for the brand even if the relationship was not as strong to begin with, as long as these consumers hold growth relationship beliefs (2018).

**Corporate Social Responsibility: A Brand’s Moral Character**

A number of studies have been conducted to examine the correlation between Corporate Social Responsibility of a company, and the level of forgiveness and consumer satisfaction following a brand transgression. One of these studies was published in July of 2015 by researchers Yelena Tsarenko and Dewi Tojib, where they looked at not only the Corporate Social Responsibility of the firm but also the response to the brand transgression after it had happened, and how those two factors affected the level of consumer forgiveness. Specifically, they wanted to find out if there were significant differences between an apologia, defined as an explanation or justification of why the company acted in a specific way, and an apology, where the company expresses regret for those actions. Through two different experiments, they found that the level of consumers’ prior awareness to the company’s CSR significantly impacted the level of forgiveness of consumers, especially when paired with a heartfelt, apologetic response by the company. However, the same results were not found if the company released an apologia instead of an apology, only explaining the causes of their actions and not truly apologizing for them, even if such causes were directly linked to their Corporate Social Responsibility needs (Tsarenko and Tojib, 2015).

Another study conducted by William B. Werther Jr. and David Chandler and published in an article entitled “Strategic corporate social responsibility as global brand
insurance” in the *Business Horizons* Journal, found similar results regarding the level of CSR of a company and the likelihood that they will be forgiven by their consumers after a brand transgression occurs. Werther and Chandler attributed their findings to the effects of globalization and the changes in societal expectations that are occurring today, and claim that not only the level of Corporate Social Responsibility of a firm can help them with their consumer relations, the lack thereof can also be incredibly hurtful to a brand’s image, precisely because of the different societal expectations that consumers have from brands today. The researchers, then, define Corporate Social Responsibility as a “brand insurance”, necessary for any company, and extremely impactful in the way that consumers will view the brand and react to their actions (Werther and Chandler, 2005).

Furthermore, a third study was conducted by Rebecca K. Trump and published in an article entitled “Connected consumers' responses to negative brand actions: The roles of transgression self-relevance and domain” in the *Journal of Business Research*. Trump’s study questioned the previously believed idea that a strong consumer-brand relationship led to higher levels of forgiveness after a transgression. She found that even when consumers have an extremely positive relationship with the brand, they are less likely to forgive a transgression when the negative actions are of ethical nature than when those actions have to do with one of the brand’s products (Trump, 2014). Therefore, it is safe to conclude, that the company’s Corporate Social Responsibility is valued very highly by consumers, often more highly than the products sold by the brand, and that it should be taken highly into consideration when trying to overcome a transgression and rekindle a relationship with its consumers.

**Brand Personality: A Conflicting Idea**
As previously discussed, consumers often view and treat brands as human peers, assigning characteristics and responsibilities that they would appoint to and expect from other people. For that reason, these consumers tend to view their relationships with a brand they like as they would with another person, placing the same expectations in that relationship as they would a partner, friend, or family member. It is the same way with brand personality. There are a number of ways to assess the personality of a brand, most of them also used to assess human personality. One example is the Big Five Model, used to classify personality types into five factors: extroversion, agreeableness, conscientiousness, emotional stability, and openness (Goldberg, 1990). Consumers might talk about brands they like as they would talk about a peer, using adjectives adventurous, dependable, loyal, responsible, trendy, sporty, etc, and in turn, use this brand to bring out those adjectives in their own identity (Steinman, 2012). Therefore, brand personality is an incredibly important factor when defining the way a consumer relates to a brand and possibly how it will view a brand, even after a transgression.

In his article “Brand Personality, Brand Transgression and Consumer Behavior”, Ross B. Steinman attempts to find an interaction between brand personality type and consumer view of the brand after a brand transgression. The researcher conducted a controlled experiment where he split the subjects into four different groups, exposing them to different situations. The first two groups read an article about a brand that committed a transgression, in this case facing criminal charges for hiring illegal workers. The other two simply read an article about the same two brands releasing a new advertising campaign. The difference between the brands, however, was that while one had an “adventurous” personality, the other was described as “dependable”. After questioning the subject about their attitudes, relationships, as well as past and expected future interactions with the brands,
Steinman reported his findings. Consumer views were significantly more negative after either brand had committed a transgression, but it was found that the participants viewed this transgression as more severe when caused by the “adventurous” brand in opposed to the “dependable” one (Steinman, 2012).

Although the changes were only seen in the “brand relationships” aspect of the experiment, the significance of the findings show that brand personality has a great impact in consumer-brand relationships even after a transgression occurs. Seeing a brand as dependable or trustworthy may cause their consumers to weight a transgression more lightly, which would cause a lesser strain in their relationship with that brand. That may happen because consumers seem to place more weight on positive than negative information when evaluating their own attitudes towards brands (Steinman, 2012). Consequently, the positive information of knowing that they can trust the brand may be weighed more heavily than the idea that further transgressions might occur. Meanwhile, while an adventurous personality might be seen as positive by some consumers, it fails to assure them that the brand will not violate the norms of their consumer-brand relationship. Either way, it is valuable to note that positioning your brand personality in a way that encourages consumers to trust it might positively affect the way these consumers relate to them following a brand transgression.

Surprisingly, a similar study performed in 2004 by researchers Jennifer Aaker, Susan Fournier and Adam Brasil found precisely opposite results. This time the study looked at brands described as having an “exciting” personality (similar to Steinman’s “adventurous”) vs. a brand with a “sincere” one (similar to the “dependable”). The researchers hypothesized that “compared to the young and trendy characteristics of the exciting brand, the sincere brand should (a) encourage more positive perceptions of partner quality, and (b) thereby harbor inherent advantages in fostering strong relationships” (Aaker, Fournier and Brasil
2004). However, they also believed that because consumers were more likely to deposit their trust on a brand defined as “sincere”, it would be much harder for a consumer to forgive that brand if that trust were to be violated (Aaker, Fournier and Brasel 2004).

For this experiment, participants were exposed to a fabricated brand called Captura, a website where consumer could create their own films and photo albums. The experiment lasted for two months and each participant interacted with the brand twelve times. However, there were two versions of the website: one promoting the “sincere” brand personality while the other promoted the “exciting” one. Then, the “transgression” group of participants had their photo album “accidentally erased” and lost, and received an apology letter from the company. Even though the album was restored for all of the participants, three days later, the views of the brand definitely changed after the transgression. The results proved both hypothesis. To begin with, the consumers did indeed display a stronger relationship with the sincere brand than with the exciting one. Yet, despite the apology letter, the consumers that interacted with the sincere brand were drastically less likely to forgive the transgression, and none of the relationships were restored to their previous strength. Meanwhile, the consumers that interacted with the exciting brand were much more likely to forgive and their relationship with the brand actually became stronger after the transgression, precisely because of the effort to make amends made by the company (Aaker, Fournier and Brasel 2004).

**Consumer Trust: Better Or Worse To Be Honest?**

These finding are extremely interesting, especially when contrasted with the experiment later made by Steinman in 2012. Like expected by the researchers, and similar to Relationship Theories discussed earlier in this paper, the expectations with which the
consumers viewed their relationships to the brand were imperative in determining how they reacted to the brand transgression. In this case, when caused by the sincere brand, the transgression was not only unexpected, it went completely against the nature of the relationship and even the brand personality that the brand had worked hard to achieve. The consumers trusted the brand, and when it did not deliver, it was not only hard to forgive but impossible to see the same qualities that they admired in the brand before. Thus, the relationships suffered an irreparable strain. Meanwhile, since the transgression was not completely unexpected from the exciting brand, the consumers focused on the apology letter, and probably saw the brand as caring for taking responsibility. Even the fact that the album was restored three days later was likely seen as a positive instead of a negative in this case, because the consumers did not hold the same expectations.

The results were probably so different because of the nature of the transgression. In the Steinman experiment, the transgression was hiring illegal workers, something that had to do with the company’s general ethical standards, but that did not impact the consumers directly. For that transgression, an adventurous brand might be seen in a more negative light. In the experiment performed by Aaker and her colleagues, the transgressions directly impacted the consumers and betrayed their trust, just like in the SheaMoisture case. Because the relationship was stronger, and based on the principle of trust, the sincere brand was blamed more severely. Likewise, because SheaMoisture held such a loyal and devoted fan-base, the betrayal was taken much more personally, and an apology was not enough to restore the relationships lost. In light of these findings, brands that are seen as trustworthy and dependable need to be much more careful to not transgress and betray their consumers trust. Having those personality qualities is most definitely still a positive factor, as it strengthens the consumer-brand relationship to begin with. Hence, in order to save the
relationship, it might be a good idea for brands not to change their personality, but emphasize it even more, being completely honest with their consumers every step of the way and making sure they understand that the brand can be trusted, despite their mistakes. An apology letter is not enough. The answer lies in the attitude of the brand as a whole, before and after the transgression occurs.

Anitta: Master of Consumer Relationships

Perhaps the best example of maintaining a strong consumer-brand relationships when trying to expand, however, is the Brazilian phenomenon Anitta, who faced the SheaMoisture dilemma when trying to expand her target market and launch her international career. Deemed the queen of Brazil, the singer-songwriter is one of the most representative brands of the country right now, and the biggest in the music field. So, when she started collaborations with international artists like J Balvin, Alesso and Poo Bear in her plans to become an international star, a lot of controversial questions arose in the minds of the devoted Brazilian fans. “Was she using the fame and support she got in Brazil to open opportunities for her outside of the country instead?” “Was she going to abandon her origins and become an american pop singer?” In her recent documentary, Vai Anitta (2018), the singer addressed those concerns and explains why her plans to expand have been so successful so far, and why her fanbase has not only continued to support her in this new challenge, but are incredibly proud of her for it.

Anitta comes from a small city in Brazil and grew up in a humble working class family, starting off her career in an original brazilian music style called Funk, which originates from the shanty towns of Rio de Janeiro. As she became more popular, she expanded her repertoire and began to sing in different styles such as pop, rap and reggaeton,
as well as in different languages like Spanish and English. “I did not want to say goodbye to my country, you know?” she said of her international expansion, in her new documentary “What I wanted was to be able to sing in other rhythms and expand while still valuing my country’s music” (Anitta, 2018). She explains that she had many opportunities to simply leave the country and start her career solely as an international pop star, which would be an easier doing, artists before her, like Carmen Miranda, had already done that. However, she chose the most difficult option - conciliating her brazilian career with her international one - because of a sense of loyalty to her fans and to Funk, the original music style that was responsible for her success. What she intended to do was to make herself present internationally showcasing own culture, and to use the different languages and rhythms to make the international consumer fall in love with her beautiful country of origin, Brazil (Anitta, 2018).

To kick off her international career, Anitta designed a project she called “Checkmate”, in which she was to launch one new single with a new music video every month, each in a different music genre and with special international partnerships. She started by partnering with Poo Bear in the Pop song “Will I See You”, followed by Alesso’s Electronic “Is That For Me”, and finally a Reggaeton hit with Jay Balvin entitled “Downtown”. But for the last song, the true checkmate of her project, she went back to her origins and recorded in the shanty towns of Rio de Janeiro a Funk hit called “Vai Malandra”, bringing to the brazilian rhythm all of the visibility she had gained in the previous three months. That was precisely what made Anitta’s expansion not only embraced, but celebrated. Unlike SheaMoisture, the singer did not make her customers feel abandoned or betrayed. She made them feel represented internationally. She made them feel like a part of the expansion, like they were growing with her and her music, alongside the brazilian culture. The music
video for “Vai Malandra” hit over 15 million views in less than 24 hours, number 18 on Spotify Global Charts and received Double Diamond Certification in Brazil (Anitta, 2018). Anitta continues to expand her brand by partnering with different artists, performing internationally, and singing in different languages, all while keeping her original fans engaged and excited about her growth.

**Conclusion**

The relationship between a brand and its consumers is most definitely a defining factor on how powerful and successful that brand will be. Therefore, it is incredibly important that a brand takes care of its core consumers, and makes sure that a strong relationship continues in place. The owners of SheaMoisture were not doing anything wrong when they attempted to expand the brand in order to convey their real message - that women of all colors and background should feel comfortable with their hair. However, that is not how their core consumers took their actions, and that cost the brand immensely.

Surpassing the SheaMoisture problem is incredibly difficult and there are numerous factors that can influence how well the brand’s consumers take a possible transgression, but it is important that the brand is aware of these factors way before that transgression takes place. After all, if we are going to treat a brand like we would another person when describing their personality, our relationships with them and our expectations from them, it is only fair to expect that, like any other person, a brand is sure to commit a transgression eventually. The best takeaway for a brand, therefore, is to foster a relationship based on trust with their consumers from day one, and keep those consumers informed of everything beforehand. As the numerous studies described in this paper found, there are controversies regarding which brand personality better fosters consumer forgiveness after a transgression.
But we can conclude that if a brand is honest with their consumers about all of their plans before the transgression even occurs, it is more likely that the consumers will understand why the transgression happened and what the brand’s original intentions were.

Making sure your consumers are a part of your brand story will not only encourage a stronger sense of loyalty from them, but will make them advocates, which is precisely what a brand needs when trying to expand. Like Anitta, who made her fans feel like they were growing with her, it is important for a brand to bring their consumers along on their new goals, possibly even challenging them to help out. We do want our loved ones to be successful, and will cheer them on and celebrate with them if we feel we are included in the process. It is the same with brands. For example, if *SheaMoisture* had created a “Love Your Hair Challenge” and encouraged their consumers to bring other women on board, the outcome could have been completely different - the core consumer group would have been informed about the brand’s intentions from the beginning and would have felt included, instead of excluded from the brand’s new plans. Like in any relationship, there are numerous factors that can influence people’s reaction to a possible transgression, but making sure that your loved ones are informed of your plans and feel included in your success will take you a long way, and it works the same for brands.
References


