

# MARKETING COLLOQUIA

Fall 2023 - Abstract

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**Where:** 741 JMHH

**When:** 12:00 PM to 1:20 PM

## CONSUMING VALUES

### *ABSTRACT:*

We study the extent to which individuals' consumption decisions are influenced by firms' stances on controversial social issues and the implied incentives for firms to take such stances. We use transactions from a major payment card company to predict cardholders' views on social issues and quantify their consumption response to firm stances. The social stances taken by firms increase revenue on average, with significant heterogeneity across consumers and firm stances. Consumers most aligned with a firm's social stance increase their consumption at the firm by 19 percent in the month following widely known social stance events, and consumers most opposed to the firm's stance decrease their consumption by 11 percent. These diverging consumption responses decrease in magnitude over time but persist even a year later. Firms tend to take stances that align with the social preferences of their consumer base. The direction of a firm's social stance is also correlated with the firm's ownership structure and its employees' social preferences.