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## **“No Cake for You”: Consumer Responses to Firms’ Ideologically-Driven Customer Denial**

ABSTRACT:

In this paper, we develop a framework to understand consumer responses to a business’s decision to refuse to sell its goods to customers based on political or social beliefs, a phenomenon we refer to as *ideologically-driven customer denial*. Results from nine studies suggest that consumers’ responses to ideologically-driven customer denial are driven by the extent to which the good in question is seen as identity-expressive for the firm. For more identity-expressive goods, consumers tend to see customer denial as acts of free speech, which are considered acceptable. However, for less identity-expressive goods, customer denial is seen as discriminatory and, thus, less acceptable. To make this framework actionable, we also identify generalizable classes of goods that fall into the former as opposed to the latter categories: when goods are handmade as opposed to machine-made and when they involve creation rather than erasure, firms’ decisions to deny them to customers on ideological bases are more acceptable. Lastly, we show that these normative evaluations can have significant economic consequences for firms.