Stefano Puntoni is professor of Marketing at the Department of Marketing Management, Rotterdam School of Management, Erasmus University (RSM). He obtained his PhD from London Business School in 2005. His research investigates the social, emotional, and cognitive determinants of consumer behavior, with an emphasis on the consequences of globalization for brand management, communication, and marketing strategy. His work has appeared in some of the top journals in marketing and management, including the Journal of Consumer Research, the Journal of Marketing Research, Management Science, Harvard Business Review, the International Journal of Research in Marketing, and Organizational Behavior and Human Decision Processes.

In his inaugural address, Stefano calls on companies to embrace and celebrate consumer diversity – for their own benefit and for the benefit of all consumers. Societies are vastly more diverse today than they used to be and, in many industries, developing theories and approaches that recognize and capitalize on this greater consumer diversity is crucial. Although in business schools diversity tends to be discussed only in relation to human resource management he argues that studying diversity is also important for marketing and consumer researchers. If pluralistic societies like ours wish to remain harmonious and prosperous, all groups within them have to feel included as stakeholders. Marketplace inclusiveness is an important condition for that to happen.

ERIM
The Erasmus Research Institute of Management (ERIM) is the Research School (Onderzoekschool) in the field of management of the Erasmus University Rotterdam. The founding participants of ERIM are the Rotterdam School of Management (RSM), and the Erasmus School of Economics (ESE). ERIM was founded in 1999 and is officially accredited by the Royal Netherlands Academy of Arts and Sciences (KNAW). The research undertaken by ERIM is focused on the management of the firm in its environment, its intra- and interfirm relations, and its business processes in their interdependent connections.

The objective of ERIM is to carry out first-rate research in management, and to offer an advanced doctoral programme in Research in Management. Within ERIM, over three hundred senior researchers and PhD candidates are active in the different research programmes. From a variety of academic backgrounds and expertise, the ERIM community is united in striving for excellence and working at the forefront of creating new business knowledge.

Inaugural Addresses Research in Management contain written texts of inaugural addresses by members of ERIM. The addresses are available in two ways, as printed hardcopy booklet and as digital fulltext file through the ERIM Electronic Series Portal.

ISBN 978-90-5892-399-8
Stefano Puntoni is professor of Marketing at the Department of Marketing Management, Rotterdam School of Management, Erasmus University (RSM). He obtained his PhD from London Business School in 2005. His research investigates the social, emotional, and cognitive determinants of consumer behavior, with an emphasis on the consequences of globalization for brand management, communication, and marketing strategy. His work has appeared in some of the top journals in marketing and management, including the Journal of Consumer Research, the Journal of Marketing Research, Management Science, Harvard Business Review, the International Journal of Research in Marketing, and Organizational Behavior and Human Decision Processes.

In his inaugural address, Stefano calls on companies to embrace and celebrate consumer diversity – for their own benefit and for the benefit of all consumers. Societies are vastly more diverse today than they used to be and, in many industries, developing theories and approaches that recognize and capitalize on this greater consumer diversity is crucial. Although in business schools diversity tends to be discussed only in relation to human resource management he argues that studying diversity is also important for marketing and consumer researchers. If pluralistic societies like ours wish to remain harmonious and prosperous, all groups within them have to feel included as stakeholders. Marketplace inclusiveness is an important condition for that to happen.
Embracing Diversity
Embracing Diversity

Address delivered at the occasion of accepting the appointment of Professor of Marketing at the Rotterdam School of Management, Erasmus University, on Friday, March 13, 2015

Stefano Puntoni

Rotterdam School of Management
Erasmus University Rotterdam
P.O. Box 1738
3000 DR Rotterdam
E-mail: spuntoni@rsm.nl
Samenvatting

Samenlevingen kennen tegenwoordig een veel grotere diversiteit dan in het verleden. In veel bedrijfstakken is het ontwikkelen van theorieën en benaderingen die deze toegenomen diversiteit van consumenten erkennen en erop inspelen cruciaal. Binnen managementopleidingen bestaat de neiging diversiteit vooral te bespreken in het kader van personeelsbeleid. Ook voor onderzoekers op het terrein van de marketing is het begrijpen van de consequenties van diversiteit belangrijk. Als pluralistische samenlevingen, zoals de onze, hun harmonie en welvaart willen behouden, dan moeten alle groepen daarbinnen het gevoel hebben dat ze bij die samenleving betrokken zijn. Volledig participeren in markten is hiervoor een belangrijke voorwaarde. In deze inaugurele rede maak ik het punt dat een diversiteitsperspectief belangrijk is om sociale verschijnselen te kunnen begrijpen. Daarvoor probeer ik eerst de spanningen die met globalisatie samengaan te begrijpen in termen van diversiteit. Daarna bespreek ik verschillende benaderingen voor onderzoek naar diversiteit, met voorbeelden uit mijn eigen onderzoek en onder verwijzing naar gebieden voor verder onderzoek. Ik eindig met een aantal opmerkingen over de effecten van de toegenomen globalisatie en diversiteit voor marketing strategie en voor de management praktijk in bredere zin.
Abstract

Societies are vastly more diverse today than they used to be and, in many industries, developing theories and approaches that recognize and capitalize on this greater consumer diversity is crucial. In business schools, diversity tends to be discussed only in relation to human resource management. However, understanding the consequences of diversity is important also for marketing researchers. More generally, if pluralistic societies like ours wish to remain harmonious and prosperous, all groups within them have to feel included as stakeholders. Marketplace inclusiveness is an important condition for this to happen. In this inaugural address, I argue that a diversity perspective is helpful in making sense of social phenomena. I will first describe the tensions associated with globalization in terms of diversity. I then review various approaches to conducting research on diversity, giving examples from my own work and highlighting areas for future research. I conclude with some observations about the implications of increasing globalization and diversity for brand strategy and for management practice more generally.
# Content

- **Samenvatting**  
- **Abstract**  
- **Content**  
  1. **Introduction**  
  2. **Diversity and globalization**  
  3. **The experience of the different**  
  4. **Beliefs about diversity**  
  5. **Diversity as the property of a group**  
  6. **Concluding remarks about management practice**  
  7. **Words of thanks**  
  8. **References**  

**Erasmus Research Institute of Management - ERIM**
1. Introduction

*Dear Rector Magnificus of Erasmus University,*
*Dear deans of Rotterdam School of Management,*
*Dear family, friends, and colleagues,*
*Dear students and other guests,*

**Who am I?**

Presumably you can all provide some answer to this question. One answer might be “the Italian guy from the marketing department”. Another might be “the marketing strategy teacher”. Yet who knows, another one might be, “The guy with an amazing sense of fashion”. Whatever the answer, it is likely to point to some identifier that differentiates me from others.

The traits that differentiate us from others are indeed those that tend to be the most salient. For example, McGuire and Padawer-Singer (1976) asked elementary school children to describe themselves. The traits that children mentioned tended to be those that made them different from their classmates. So a boy in a class with many girls and only a few boys was more likely to describe himself as a “boy” than a boy in a class with many boys.

Life is interesting because it is varied. People are interesting because they are different. This talk will be about diversity and about how embracing diversity can provide insight into important social and marketing phenomena.

In business schools, diversity is typically discussed in relation to human resource policies. For example, the title of this address echoes that of the address given a few years ago by Daan van Knippenberg, my esteemed colleague from the Department of Organisation and Personnel Management. Diversity is a big topic in the field of organizational behavior for obvious reasons. However, although it is rarely discussed in marketing, studying diversity is also important for marketing researchers.

First, the relevance of studying diversity is quickly increasing due to globalization and other macro phenomena, which are making society more pluralistic and open. In fact, studying diversity has never been so important. If pluralistic societies wish to be harmonious, all groups within them have to feel included as stakeholders. It is therefore important to understand how different groups within society relate to the marketplace.
Second, one of the main trends in marketing strategy during the past few years has been the narrowing of target segments. Competition, technology, and globalization all contribute to increasingly complex and sophisticated markets, addressing all possible preferences and niches. For a vivid example, you just need to spend few minutes browsing an app store. In many industries, understanding diversity is therefore key to effective marketing strategy. The Marketing Science Institute collates key research priorities every few years. The current list includes “recognizing differences in consumers”. The large companies that support the institute agree that “Developing robust marketing programs and activities that acknowledge, incorporate, and perhaps even celebrate these differences is critical” (MSI 2014).

You may be thinking, of course diversity is important for marketing. A significant amount of effort in marketing is devoted to identifying and modeling heterogeneity in consumer taste. That’s true, but I advocate a different perspective, one that includes a societal dimension and that considers the human experience of diversity. For example, how does the experience of being different impact behavior? And even more broadly, how do changes in diversity within a society help explain social phenomena?

There are, for sure, downsides in taking such a broad approach. These are big questions which are not possible to answer within a single strand of research. And in any case, even if they were, these are surely not the kind of questions that marketing researchers are supposed to answer. But, by the end of this talk, I hope to have convinced you that such a broad approach does have merits. In particular, I hope to show that by keeping big questions of societal importance at the back of one’s mind, it is possible to conduct research that also draws concrete managerial implications.

Diversity is a broad topic that can be tackled in different ways, for different purposes. As a result, there are multiple approaches to conducting research on diversity. Today, I will review three approaches. One is to focus on individual experiences of diversity; that is to study how being different impacts a person’s thought and behavior. I will label this somewhat clumsily “the experience of the different”. The second is to focus on people’s beliefs about diversity; that is to study people’s beliefs and attitudes towards diversity in society. And the third is to conceive diversity as a property of a group; that is to study how the diversity of group members impacts group processes and outcomes.
I will use examples from my own research to illustrate these three approaches. This gives me the opportunity to reflect on how my research projects relate to each other and how they build a coherent body of knowledge. I have to admit that, over the past few years, I have developed a growing concern about the breadth of my research portfolio and the tenuous connection between some of the topics I have investigated. When writing this speech, I was therefore pleasantly surprised to discover that several of my papers could find a place within the larger narrative that I set myself to develop in this lecture. Some of the arguments I will present here today developed from my teaching activities and may be familiar to some of my former students.

In the remainder of this talk, I will review different ways to conduct research on diversity. However, I would like to start by illustrating how a focus on diversity can lead to interesting insights into how society is changing. I will focus on globalization, the area of specialization of the new Chair in Marketing that has been offered to me.
2. Diversity and globalization

Globalization refers to the increasing interconnection across countries and regions of a variety of economic, social, and technological processes. It is a controversial phenomenon. People often disagree on whether we are experiencing too much or too little of it.

Many believe that globalization threatens their way of life or that it creates a world with few winners and many losers, and that therefore countries should fight against it. The “no global” movement, for example, campaigns for a reduction in the influence and economic importance of multinational corporations. Others argue instead that countries should find ways to accelerate their links to global trading networks, because new markets offer great opportunities and because trade barriers hurt producers in poor countries.

Whatever their position, people are rarely indifferent to globalization. From an academic point of view, globalization is interesting because it often requires consumers to make difficult trade-offs and to hold potentially conflicting beliefs. Let me give you a marketing example: can we enjoy foreign-made goods and at the same time believe that it is important to support local producers?

I argue that we need to take a diversity perspective to understand how globalization impacts society. Doing so leads to realizing that many tensions associated with globalization stem from two opposing trends. Both of these trends relate to how globalization impacts diversity.

First, globalization leads to an increase in diversity within countries. Contemporary societies are vastly more diverse than they used to be, as can be easily noticed by taking a walk in the center of Rotterdam or most other major cities.

Second, globalization also leads to a decrease in diversity between countries. Whereas few decades ago, people in different countries lived very different lives, we can now observe a remarkable cultural convergence. For example, teenagers today listen to the same music, dress in the same way, and play the same games regardless of whether they live in New York, Rotterdam, or Beijing.

In sum, a paradox of globalization is that it both increases and decreases diversity. On the one hand, you can now eat sushi or Indian food in a sleepy Italian town. On the other hand, these restaurants look pretty much the same as those found in similarly sleepy towns in other countries or continents. These two
trends raise important new questions for marketing researchers and I have tried to address some of them in my own research.

First, with regard to the decrease in diversity between countries, one of the most visible aspects of globalization is the spread of English as the new lingua franca. The recent growth of English as the global language has been quite extraordinary and the process is still gathering pace. With Bart de Langhe, Stijn van Osselaer, and Daniel Fernandes, we studied the impact of the rise of English as the global language for both marketing communications (Puntoni, De Langhe, and van Osselaer 2009) and marketing research (De Langhe, Puntoni, Fernandes, and van Osselaer 2011). The basic contention of these articles is both simple and general: one’s native language has special emotional qualities due to the connection of words with meaningful personal experiences. For example, to a Dutch speaker, the word “oma” is inescapably associated to his or her grandmother, whereas the English word “grandma” lacks this link to autobiographical memories and it is therefore more emotionally neutral. As a result, messages in one’s native language have more emotional impact than messages in a second language. Consequently, Dutch native speakers tend to judge brand names and slogans as more emotional when they are presented in Dutch than in English. Messages in English are common in many countries that don’t have English as an official language. Our research highlights a potentially important consequence of using a foreign-language in marketing communications and marketing research.

Second, with regard to increasing diversity within countries, today companies face much more segmented markets than they used to. One of the most obvious research topics in this area is ethnic marketing, which is the study of how to effectively target and reach members of ethnic minorities. I will review some of my research in this area when discussing the first of the three approaches to studying diversity that I just mentioned in the introduction.
3. The experience of the different

In the introduction, I suggested three approaches to studying diversity: focusing on the experience of the different, on beliefs about diversity, and on diversity as the property of a group. I will now explain these approaches in more detail, giving examples from my own research and highlighting some areas, which I deem especially interesting for future research. If any of these ideas captures the interest of someone in this audience, please send me an email.

Let’s start with the first type of research on diversity: studying the experience of the different. This is admittedly a vague label, but this is deliberate. This category is intended to subsume a broad set of research agendas that all share a focus on the thoughts and behaviors of individuals that feel, or are labelled as, “different”. Within this broad category, we can distinguish two broad strands of research. Note that there are strong connections between these strands and it is often quite difficult to categorize specific papers as belonging to one or the other. Nevertheless, I think these categories help to make sense of the literature by isolating differences in emphasis.

The first approach examines the psychological processes triggered by being different from others in a particular context. This approach has played an important role in social psychological research since the 1980s. It takes a broad theoretical perspective to study psychological processes related to minority status, without anchoring the arguments and insights into a specific substantive context; that is, independently from the specific acculturation and history of a minority. Examples could be research on distinctiveness like the one I mentioned at the beginning of this talk, or research on minority influence (e.g., Nemeth 1986).

The second approach takes a narrower focus and examines the experience of specific minority groups (Williams, Lee, and Haugtvedt 2004). Research of this kind cannot necessarily be distinguished from the previous one for giving relatively less importance to theory, although it often does. Rather, it distinguishes itself by focusing on the situation of specific groups or classes of individuals.

Minority membership can be determined either by choice or endowment. Think, for example, of heavy metal fans versus an ethnic minority. Being different can be conceived even more broadly, to include the experience of anyone who is not part of the hegemonic group within society, that is the group of people who traditionally hold power and influence. In this sense, studying the
experience of the different can include studying the thoughts and behaviors of, for example, women or specific social strata.

This kind of research connects to what I believe should be a priority for contemporary societies: inclusiveness. As I mentioned in the introduction, if complex societies like ours wish to remain harmonious and prosperous, all groups within them must feel included as stakeholders and marketplace inclusiveness is an important condition for that to happen.

The main way in which I approached research on diversity has therefore been to study the thoughts and behaviors of specific groups, which have received little attention. For example, some minorities continue to face ostracism and discrimination, whether overt or covert, and I believe that it is especially important to study these minorities.

This research agenda may seem unsavory to some. After all, I am a marketing professor and unfortunately marketing suffers from a bad reputation – marketing has been notoriously bad at marketing itself. It may therefore be appropriate to clarify that I am not advocating the development of marketing techniques aimed at taking advantage of potentially vulnerable consumers. Rather, I see this approach to doing research as a way to give consumers a voice and increase the inclusiveness of our societies. First, if companies can improve their understanding of how to best target minority consumers, they can develop products and communications that are more appealing to them, hence increasing the inclusiveness of the marketplace. Second, from a policy and consumer welfare perspective, the knowledge of how certain groups react to specific stimuli or persuasion techniques can be used to devise campaigns aimed at achieving desirable societal outcomes or potentially to inform regulation.

As mentioned earlier, I will use our research on ethnic marketing to exemplify this approach to studying diversity. I became interested in ethnic minorities because the topic seemed the perfect blend of globalization and diversity issues. It became soon apparent to me that both academics and practitioners tend to oversimplify the diversity existing within ethnic minorities. For example, papers often tend to make general statements about how to target ethnic minorities as if all members of ethnic minorities behaved the same way. This is unfortunate because stereotyping an ethnic minority as a homogenous group indicates a lack of attention and understanding.
One factor that I think explains a lot of variance in the behavior of ethnic minority consumers is whether people are born in the host country from a family with an ethnic background (2nd generation minority consumers) or emigrated to the host country at some point in their life (1st generation minority consumers). First-generation and second-generation ethnic consumers experience their identity differently. In particular, second-generation ethnic consumers more often identify as biculturals, for whom both ethnic and mainstream culture plays an important part in their lives.

With Anne-Sophie Lenoir, Americus Reed, and Peeter Verlegh, we explored whether intergenerational differences matter (Lenoir, Puntoni, Reed, and Verlegh 2013). There are two main strategies for communicating to ethnic minority consumers, and in our studies we explored intergenerational differences in their effectiveness.

First, in terms of media planning, companies often attempt to target minority consumers using media and contexts which reach consumers when their ethnic identity is especially salient; for example, advertising on a website focused on the minority. Confirming the value of this approach, research has documented more positive responses to ethnic-targeted messages after exposure to cues reminding consumers of their ethnic identity (e.g., Forehand and Deshpandé 2001). In one study using a community sample of Chinese-Dutch consumers, we replicated the standard result for second generation participants. They responded more positively to the target ad after exposure to Chinese culture cues. However, this did not happen for first generation participants. For these people responses to the focal ad were high also in the control condition without the Chinese culture cues.

Second, in terms of advertising copywriting, companies often target ethnic minorities by using minority models or spokespersons. Confirming the value of this approach, much research has documented positive effects of using minority spokespersons among minority consumers (e.g., Deshpandé and Stayman 1994; Whittler 1991). In one study using a community sample of Turkish-Dutch consumers, we replicated the standard result for first-generation consumers. They responded more positively to the ad featuring the ethnic spokesperson. However, this was not the case for second-generation consumers.

In sum, the main strategies used to target ethnic minorities are not equally effective among all minority consumers. The media planning strategy seems to work better for second than for first-generation consumers. Conversely, the
copywriting strategy seems to work better for first than for second-generation consumers. These effects can be explained by differences in the acculturation processes of minority consumers.

This research provides useful guidelines for companies interested in targeting ethnic minority consumers in their communication, but many interesting questions remain unanswered. For instance, as societies become more multicultural, they are also becoming more multilingual and language choice is a decision with both political overtones and important interpersonal consequences. Let me give you a concrete marketing example: should companies encourage (or discourage) ethnic minority salespersons to use the language of the ethnic minority when talking to customers?

At a more general level, understanding how the experience of diversity impacts behavior requires understanding how one’s sense of self impacts behavior. Identity research is therefore key to the goal of understanding the implications of diversity for consumption. Identity is a rich area of research in marketing and I have been interested in the topic since my PhD (for a review, see Reed, Forehand, Puntoni, and Warlop 2012).

In this line of research, I examined how specific groups react to marketing stimuli (especially communication). For example, with Steven Sweldens and Nader Tavassoli (Puntoni, Sweldens, and Tavassoli 2011), we studied how to design breast cancer campaigns to increase their effectiveness among women and, with Joelle Vanhamme and Ruben Visscher, (Puntoni, Vanhamme, and Visscher 2011), we studied how differences in sexual orientation impact responses to sexually ambiguous advertising.

Being different is often not easy. This is especially true in the case of health-related judgments and behaviors. The health domain therefore presents many interesting and important questions for researchers interested in diversity and identity. For example, with Steven Sweldens, Gabriele Paolacci and Maarten Visser, we studied people’s unwillingness to express high likelihood judgments for future life events that are tied to stigmatized behaviors and identities (Sweldens, Puntoni, Paolacci, and Vissers 2014). I hope to continue doing work in this area in the coming years.
4. Beliefs about diversity

A different way to study diversity is to explore what people think of the impact that globalization is having on the societies in which they live. Previous research has investigated attitudes towards globalization and related marketing issues, such as cosmopolitan lifestyles and preferences for local versus global brands (e.g., Alden, Steenkamp, and Batra 2006; Zhang and Khare 2009). Also relevant to this approach to studying diversity is the vast literature in social psychology dedicated to understanding prejudice and discrimination. However, more work is needed to refine our understanding of how globalization impacts the way people think about themselves and other people. A diversity perspective could be useful in my opinion.

I would like to take this opportunity to sketch one possible future research direction by building on the ideas that I expressed earlier about globalization and diversity. Previously, I proposed that globalization both increases and decreases diversity. It decreases the differences between a given society and others via a process of cultural contagion and homogenization. At the same time, it increases diversity within society, making it more open and pluralistic.

Based on this distinction, I make two main proposals. First, and reiterating the previous, it is useful to distinguish between two ways in which individuals relate to the changes in diversity triggered by globalization. Individuals likely differ in the extent to which they harbor positive (or often negative) feelings towards changes in diversity within their country and towards changes in diversity between their country and other countries. Second, I propose that, although correlated, these two individual differences are sufficiently divergent to make a differentiated theoretical analysis of nomological networks fruitful and their empirical study possible.

Uncovering these nomological networks would be a significant contribution to our understanding of how people react to the societal changes that we are experiencing today. Echoing the broad research agenda set in the introduction, this topic has important implications beyond marketing and consumer behavior. For example, this discussion is related to the topic of political ideology and has broader implications for understanding how to build trust and cohesion in multicultural societies.

These two attitudes towards diversity are likely to be correlated: people who are negatively predisposed towards diversity within their country may often
also be negatively predisposed towards the process of cultural homogenization that comes with globalization. Some people simply do not like change. However, these two attitudes are likely to be often separable.

To highlight their discriminant validity, here I suggest a couple of contexts. I suspect that many consumers who are outraged by the current level of immigration in Western Europe are generally positively predisposed towards global brands. At the same time, many consumers who are outraged by the perceived cultural colonization spearheaded by global brands may reject ethnic definitions of national identity and be relatively open to increasing diversity in their society. An example of the former might be a Dutch supporter of a populist anti-immigration party and an example of the latter might be a French leftish consumer.

This topic would be well-suited for cross-sectional correlational research. It should be possible to develop instruments to measure attitudes towards each of the two opposing changes in diversity sketched above – between versus within countries. These could then be distributed across a population, perhaps in a cross-cultural research design, in order to add insight into our understanding of how consumers in different countries relate to globalization, as well as of the marketplace consequences of these beliefs.
5. Diversity as the property of a group

The third perspective is conceiving diversity as the property of a group, not of individuals. This approach emphasizes how the variety of backgrounds and experiences of group members impacts group processes and outcomes. This perspective is influential in the field of organizational behavior, but has received little attention in marketing. This is unfortunate because decisions relevant to marketing are often the result of group processes. Imagine a group of friends deciding where to go for dinner, or a product team deciding whether to launch a brand extension.

Research in organizational psychology, for example by van Knippenberg and colleagues (2004), shows that diversity of opinions enables groups to use information more effectively, as long as task conflict does not spill into relationship conflict or intergroup bias. The eclectic mathematician and economist, Scott Page, even goes as far as suggesting that “diversity trumps ability” (Page 2007). Under relatively general assumptions, it can be demonstrated that a random group of intelligent problem solvers outperforms a group comprising the best individual problem solvers. The reason is that greater cognitive diversity among group members increases the number of tools and perspectives that are brought to bear on a problem, increasing the likelihood of finding a solution.

Most of the research on group decision making focuses on intellective tasks: tasks for which there is a correct solution. For example, imagine having to list the ten cities with the largest population. For these tasks, it is possible to construct an objective measure of performance and therefore to assess how group performance compares to individual performance, as well as the factors that influence the quality of group performance.

However, most tasks faced by consumers cannot be easily conceptualized as intellective tasks. After all, marketing is all about shaping attitudes and preferences and, as the Romans understood already 2000 years ago, de gustibus non est disputandum – there’s no accounting for taste. The tasks faced by consumers therefore tend to be judgmental tasks: tasks where people have to form preferences and where no preference is objectively superior to others. For example, imagine having to list the ten most interesting cities.

With Rebecca Hamilton and Nader Tavassoli, we studied how diversity of knowledge and opinions in a judgmental task impacts group outcomes (Hamilton, Puntoni, and Tavassoli 2010). We focused on judgmental tasks that
reflect a fundamental psychological process: categorization. Categorization is important for marketing because it defines competition: If people categorize more broadly (vs. narrowly), they will be more likely to perceive two products as belonging to the same category (vs. different categories).

In our studies, we documented a systematic group effect on categorization breath. Groups tend to create a larger number of smaller categories than individuals when categorizing the same set of products. This is due to the process of combining the diverse opinions of group members into a group outcome. Diversity in the mental models of group members means a larger number of constraints that need to be accommodated when categorizing products together, resulting in narrower categories. Importantly, when we asked group members to later complete another task alone, the narrow categorization experienced as part of the group carried over to the subsequent individual task. In other words, the impact of diversity in group decision making is sticky.

This research shows that diversity of opinions among consumers who make choices together impacts the choices they make as well as their post-choice behavior. Judgment and decision making is a prominent area of consumer research and, yet, there is hardly any research in marketing about how groups make decisions. More work is needed to understand how diversity impacts group decision making in consumption contexts.
6. Concluding remarks about management practice

To sum up the lecture so far, I started by arguing that a diversity perspective is helpful to make sense of social phenomena. In particular, I explained the tensions associated with globalization in terms of diversity. I then reviewed different approaches to studying diversity, giving examples from my own work and highlighting some areas for future research.

I would like to conclude with some observations about the implications of increasing globalization and diversity for brand strategy and management practice more generally. I already mentioned that an important trend in many industries in the past few years has been the narrowing of target segments. In addition to greater diversity within society, the trend towards narrower segments is also driven by other factors, such as the fragmentation of mass media, improvements in information technology, and increasing competition.

This discussion could be taken to imply a death sentence for big brands. Accordingly, in the future, brands will increasingly tend to adopt a niche positioning. That may indeed be happening in many product categories; see, for example, the magazine industry. However, even though creating large market share brands may be harder today than few decades ago, I don’t think that big brands are going to disappear. For example, in the entertainment industry, earlier expectations that the new digital distribution channels would lead people away from big hits and towards niche products (the so-called long tail; Anderson 2006) are increasingly being replaced by the realization that blockbusters are today more central than ever to the business model of media companies (Elberse 2013).

However, if big brands are to remain dynamic, they will have to find a way to resonate across more diverse audiences. This means building brands that can speak to different types of people. With Jonathan Schroeder and Mark Ritson, we wrote an article about this issue focused on brands with multiple meanings, what we called “polysemy” (Puntoni, Schroeder, and Ritson 2010). We argued that, to develop a broad customer base, a marketing strategy needs to be flexible and sophisticated enough to support the targeting of multiple audiences under the umbrella of a coherent strategy. A detailed discussion of how brands can achieve this is outside the scope of this lecture, but, in my opinion, the only way for many brands to cross bridges across people is to communicate with consumers at a higher level of abstraction.
To make this idea clearer, we can draw a parallel with the transformation of Dove, the Unilever brand that you are probably all familiar with. The brand famously transitioned a few years ago from the functional positioning of “one-quarter moisturizing cream” to the current idea of “real beauty”. The original impetus for the change was Unilever’s decision to consolidate its brand portfolio and put its resources behind a smaller number of successful brands. Dove had been selected as one such brand for the personal care business but there was a problem. The functional positioning that had worked so well in the soap category was ill-suited to support the broader range of products that Dove now needed to carry. “One-quarter moisturizing cream” doesn’t sound that great if you want to sell hair products or actual moisturizing cream. The symbolic positioning of “real beauty” allowed the company to abstract away from specific category characteristics and to speak to consumers about issues that they cared about. In other words, the new and more symbolic positioning allowed Dove to develop a platform that could be used to market products with very different characteristics. Similarly, when markets are fragmenting across diverse audiences, brands need a symbolic positioning platform that can be used to target consumers with very different characteristics.

This is all very well, but how should companies go about doing this? I would like to suggest a promising approach: building brands that are principled and that are genuine in their mission. In other words, building brands that stand for something, whatever that is. Examples could be a commitment to the environment or to social welfare.

More academic research is needed in this area, but I propose that, in an era of fragmented audiences, brands will find it increasingly difficult to command or retain large market shares unless they become more purposeful and succeed in rallying people around a societal mission that a large-enough section of society cares about. In addition, purposeful brands energize employees and help differentiate products in today’s crowded markets, where functional advantage is hard to achieve and often short-lived.

More diverse societies are more vibrant societies. As the history of the Netherlands attests, exposure to different ways of thinking and being is a key driver of innovation and progress, and ultimately of prosperity. However, more diverse societies are also more complex, regardless of the source of their diversity—culture, religion, politics, sexual orientation, or others. More complex societies face centrifugal forces which strain the ties between people, as well as the institutions that serve them. Companies can help diverse societies control
these centrifugal forces by making markets more inclusive. My call is therefore for companies to embrace and celebrate consumer diversity. For their benefit and for the benefit of us all.
7. Words of thanks

I would like to acknowledge the people who made it possible for me to be standing here today.

I would like to start by recognizing the support of Huibert Pols, the Rector Magnificus of Erasmus University, and Steef van de Velde, the Dean of Rotterdam School of Management. RSM and Erasmus University have been good to me and I am grateful for their trust.

I had never visited the Netherlands prior to giving a job talk here in Rotterdam back in 2004 and I have to admit that I approached the visit with a degree of skepticism. What I heard about RSM intrigued me but, at the time, the prospect of us moving to Rotterdam as a young family just seemed a bit far-fetched. Ten years later, I find myself having Feyenoord-supporting children.

If the unlikely prospect of settling down in Rotterdam became reality, this is to a significant extent due to the quality of leadership at the RSM Department of Marketing Management. I am grateful to the previous and current department heads: Berend Wierenga, Gerrit van Bruggen, Stijn van Osselaer, and Ale Smidts.

Berend started the marketing group at RSM. Although he was no longer department head when I joined, his influence has been enormous and he continues to be a source of advice today.

Gerrit is the person who hired me as a freshly minted PhD and, ever since, he has been a great colleague and mentor, as well as a good friend. Gerrit is simply one of the wisest people I know.

Stijn should share the credit (or blame) with Gerrit for getting me here. I met him over 10 years ago at a Doctoral Colloquium, when he invited me to give a talk at RSM. He immediately struck me as a great mentor and I was right. His departure to Cornell is a big loss.

Ale took over the role of department head during a turbulent period and the quality of his leadership has been impressive. Ale has played an important role in my career, recently as department head and previously as the director of ERIM, our research institute. I hope he will remain head of our department for many years to come.
There are two other mentors that I would like to acknowledge: Gianluigi Guido, my undergraduate thesis adviser at the University of Padova, and Nader Tavassoli, my PhD adviser at London Business School. Without them I would not have pursued this career.

A very big thank you goes to all current and former members of the RSM Department of Marketing Management. It’s a wonderful group of people and they are a big reason why it has always been such a joy to come to work. Talking about friends, I would like to thank my other friends in academia, both in Rotterdam and elsewhere.

My gratitude also goes to my co-authors and collaborators. I have always conceived research as a collaborative exercise and my co-authors have been key to my development and achievements as a researcher. I would especially like to thank the PhD students with whom I have had the opportunity to interact. A special thank you goes to Bart de Langhe, the person with whom I’ve written the most papers and who remains a friend despite the opportunities for conflict provided by that legalized form of torture – the review process.

I would like to acknowledge the help of many other people at RSM, both in the T-building and in the J-building (sorry, the Mandeville and Bayle buildings). I highly appreciate the support I received over the years from the alumni department, the various educational departments, in marketing and PR, and, last but not least, at ERIM. I would also like to acknowledge people in other parts of the university, especially our marketing colleagues from the Erasmus School of Economics.

As we approach the end of this session, I would like to express my gratitude to my family in Italy, the United Kingdom, Sweden, and Germany; in particular to my parents for always being there for me and to my parents-in-law for giving me another family to feel good about. I am delighted that they could all be here today.

Finally, I am grateful to my special people: Karolina, Greta, Fabian, and Alfred. In our family, we juggle four languages: Karolina and I speak English, I speak Italian with the kids, Karolina speaks Swedish with them, and the kids now speak Dutch with each other. We don’t have a language that we all feel equally confident about. While that may sound strange, the fact that we get along so well illustrates how easy it can be to walk over the barriers separating culturally diverse people. I think Karolina agrees that our experiment in cross-cultural
management is progressing well and she should take most of the credit for this. My last words are for the people who are most precious to me: Greta, Fabian, and Alfred. They are the future and it is to them that this address is dedicated.

*Ik heb gezegd*
8. References


Sweldens, Steven, Stefano Puntoni, Gabriele Paolacci, and Maarten Vissers (2014), “Event Social Undesirability as a Predictor of Comparative Optimism,” *Organizational Behavior and Human Decision Processes*, 124, 229-244.


Erasmus Research Institute of Management - ERIM

Inaugural Addresses Research in Management Series
ERIM Electronic Series Portal: http://hdl.handle.net/1765/1


http://hdl.handle.net/1765/7439