PLUS: THE PSYCHOLOGY OF FEEDBACK DESIGN

QUARTERLY

MarketingNews

AMERICAN MARKETING ASSOCIATION AMA.ORG SPRING 2026

FUTURE TRENDS IN MARKETING

AMA RELEASES GROUNDBREAKING REPORT

AMA | AMERICAN MARKETING ASSOCIATION

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AMERICAN MARKETING ASSOCIATION

Robin Tooms
Chairperson of the AMA Board 2025–2026

Bennie F. Johnson
AMA Chief Executive Officer
bjohnson@ama.org

EDITORIAL STAFF

Marilyn Stone, Director, Academic Communities and Journals; Editor in Chief
mstone@ama.org

Karin Horler, Senior Copy Editor, Academic Communities and Journals
khorler@ama.org

William Murphy, Designer
wmemurphydesign.com

ADVERTISING INQUIRIES

Email sales@ama.org

Questions?
Adam Howard, Director of Sales Operations & Strategy
ahoward@ama.org

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Tel: (800) AMA-1150, (312) 542-9000

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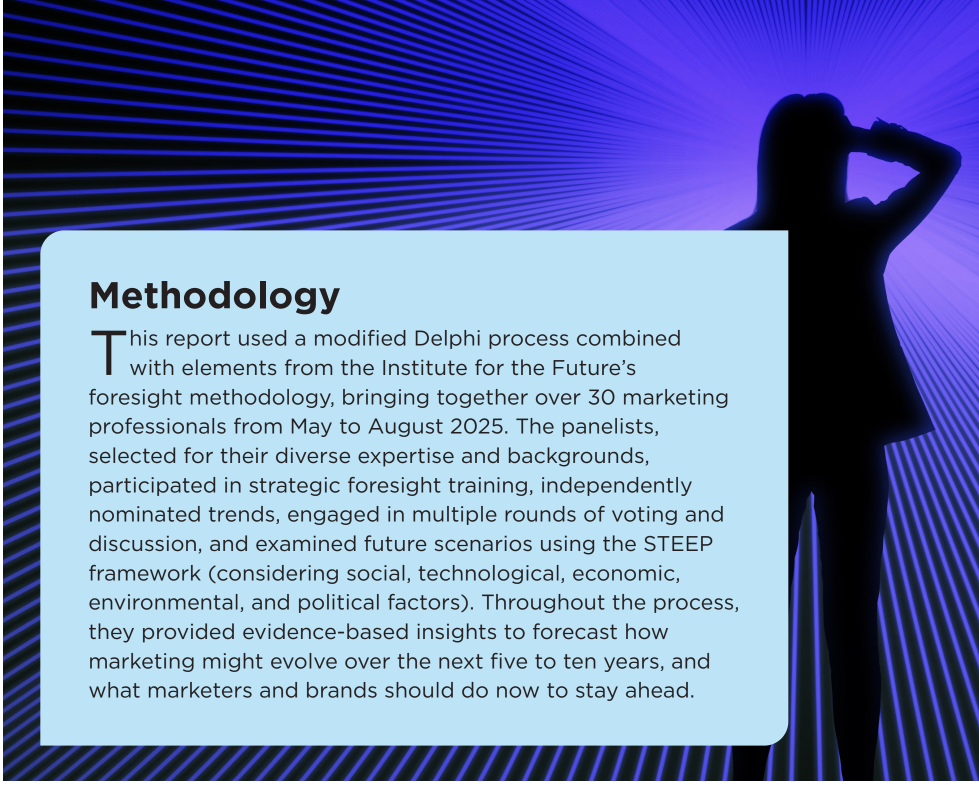
AMA Releases Groundbreaking Future Trends in Marketing Report

Report explores the dynamic landscape shaped by shifting trends, emerging technologies, and evolving consumer expectations

The American Marketing Association (AMA) has released a new research report, 2026 Future Trends in Marketing, that highlights five trends that will transform the marketing landscape over the next five to ten years. The AMA believes that marketers are not just responders to change, but active innovators shaping the future through their work. This new report was developed with input from over 30 professional marketers with diverse perspectives and highlights the key steps marketing teams can take to successfully navigate the coming changes.



Methodology

This report used a modified Delphi process combined with elements from the Institute for the Future's foresight methodology, bringing together over 30 marketing professionals from May to August 2025. The panelists, selected for their diverse expertise and backgrounds, participated in strategic foresight training, independently nominated trends, engaged in multiple rounds of voting and discussion, and examined future scenarios using the STEEP framework (considering social, technological, economic, environmental, and political factors). Throughout the process, they provided evidence-based insights to forecast how marketing might evolve over the next five to ten years, and what marketers and brands should do now to stay ahead.

AMA's 2026 Future Trends in Marketing report provides a deep dive on these top five trends:

1. **The Age of Autonomous Agents**: AI agents are poised to revolutionize marketing by acting as intermediaries between consumers and brands, automating everything from shopping decisions to campaign execution.

2. **Consumer Discovery Shifts to Scroll**: Consumer discovery is shifting from traditional keyword-based search engines to scroll-native social platforms and AI chatbots. Brands need to create emotionally resonant, feed-optimized content and partner with creators while adapting to a landscape where social media and AI interfaces have become the primary discovery engines for consumers.

3. **Portfolio Careers and the Liquid Workforce**: The traditional full-time career model in marketing is being replaced by a "liquid workforce" of fractional leaders, freelancers, and portfolio careerists who combine multiple roles and income streams while companies increasingly rely on flexible talent and AI to stay agile in uncertain times.

4. **Innovation Imperative in Sustainability**: Forward-thinking marketers are maintaining sustainability investments and innovating through circular design, smart packaging, and green storytelling to differentiate their brands and meet growing consumer demand for environmental responsibility.

5. **Building Brand Trust in a Fragmented World**: In an era of AI-driven misinformation and fragmented identity-based communities, brands must earn trust through transparency, cultural fluency, and authentic participation in the rituals and values of digital communities rather than relying on traditional demographic targeting or broad messaging.

"With this new research, the AMA is equipping marketers not just to keep pace with change, but to lead it. The 2026 Future Trends in Marketing Report is designed to help our members and the broader marketing community make informed decisions that will drive growth, spark innovation, and unlock opportunities for the profession," said Bennie F. Johnson, CEO of the AMA.

This report also features scenarios on the future of marketing. Below are snapshots of four possible marketing futures that could unfold in the next 5–10 years. They are not predictions, but provocations that explore how today's trends might converge and evolve.

- **Sofia in the Infinite Marketplace**: In a world of abundant energy and AI-driven hyper-personalization, Sofia navigates life as both a consumer managed by an AI health coach that constantly markets to her and a fractional marketer who provides the "human filter" of authenticity that burned-out consumers crave.

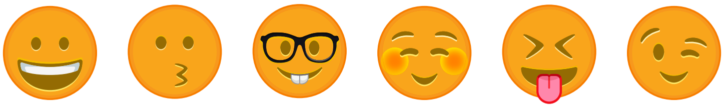
- **Malik in the Age of Enough**: After catastrophic climate disasters forced global rationing and austerity measures, Malik works as a marketer helping communities adapt to resource constraints by crafting messages of solidarity and shared sacrifice rather than promoting consumption.

- **Alex in the Free Attention Zone**: Following a reckoning around the attention economy and its negative impacts on society, the world is divided between "protected" attention zones and unregulated Free Zones. Alex works as an underground cognitive broker helping people and brands navigate the fragmented landscape of attention regulation.

- **Riley and Marketing Reimagined**: As AI agents take over all transactional marketing functions, Riley reinvents themselves as a "Creative Resonance Designer" who creates imaginative, emotionally resonant experiences that algorithms cannot replicate in a world where human meaning-making is the only remaining differentiator.

Want to learn more? Visit AMA.org to view the research summary or download the full AMA Future Trends report. MN

READ THE FULL REPORT
2026 Future Trends in Marketing.

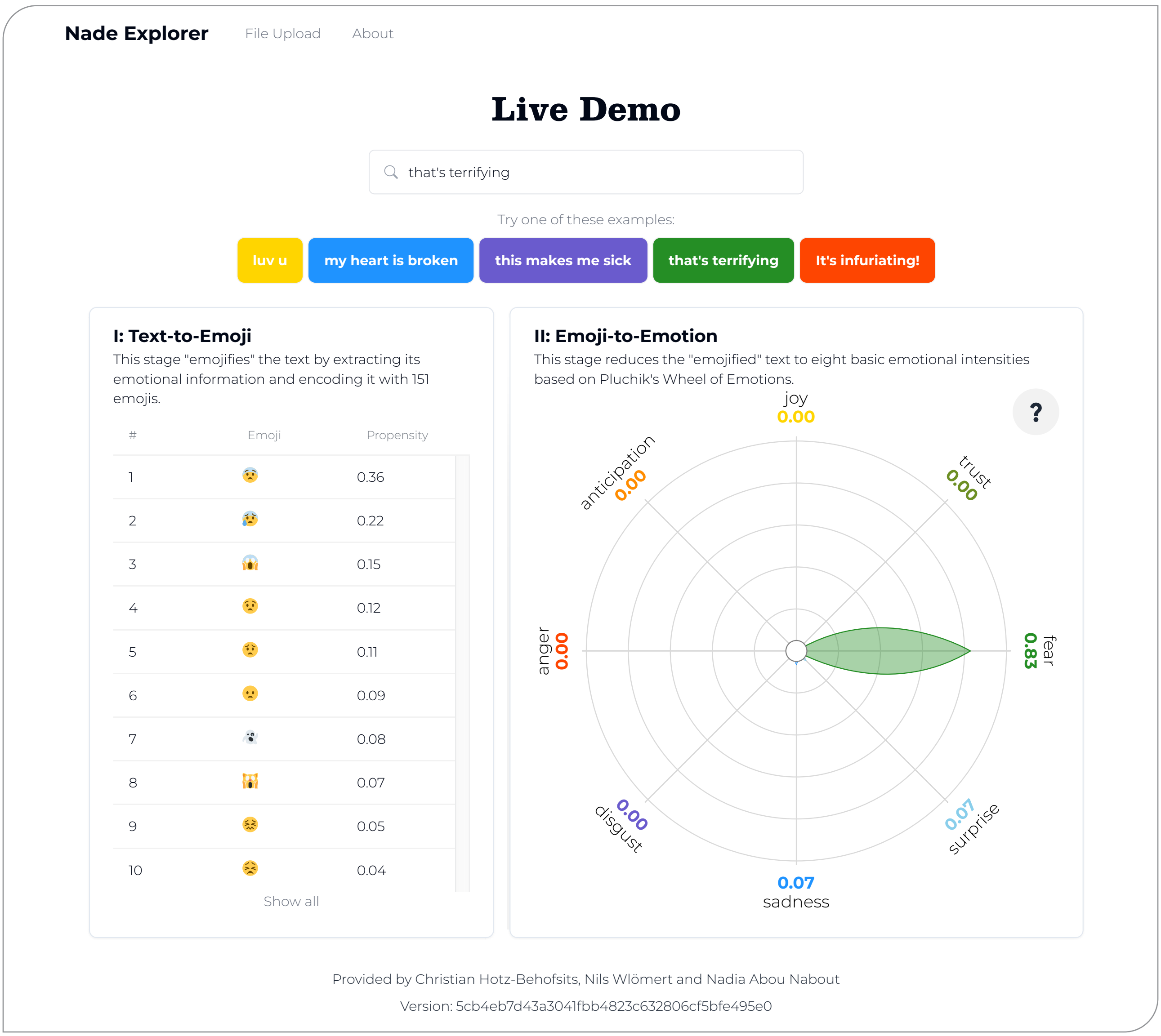


An Innovative New Tool Draws on Emojis to Improve Consumer Sentiment Analysis

BY CHRISTIAN HOTZ-BEHOFSITS, NILS WLÖMERT, AND NADIA ABOU NABOUT

In today's hyperconnected world, social media has become a critical channel for businesses to understand consumers. While social listening tools are widely used, they often fall short, providing only a superficial understanding of consumer sentiment. Existing methods struggle to capture the full spectrum of emotions beyond basic sentiment (positive, negative, neutral), hindering companies' ability to truly understand their customers and make informed decisions.

A new *Journal of Marketing* study introduces NADE (Natural Affect DEtection), a novel approach that bridges this gap. NADE goes beyond sentiment analysis by leveraging the power of emojis. It first "emojifies" text and then translates those emojis into eight well-established emotions like joy, sadness, and anger. This innovative approach allows a more nuanced and accurate understanding of consumer emotions, providing deeper insights into their thoughts and feelings.



NADE's key innovation lies in using emojis as an intermediate emotional signal. Social media users naturally self-label their posts with emojis, offering implicit emotional cues. As a "text-to-emoji-to-emotion" converter, NADE utilizes these cues in a two-stage process: The model first learns to predict which emojis best match a given text, then, using established emotion models like Plutchik's wheel of emotions, NADE converts these emojis into emotional intensities. This method outperforms traditional sentiment analysis by capturing more nuanced consumer emotions.

Using NADE for Better Consumer Sentiment Analysis

NADE has wide-ranging applications across industries, helping companies gain deeper insights and make data-driven decisions:

- In **social media management**, it empowers companies to go beyond simple sentiment analysis. NADE enables real-time monitoring of online conversations, allowing for rapid identification and effective mitigation of potential crises. Moreover, it can serve as a valuable proxy for traditional metrics like TV ratings, providing insights into audience engagement and sentiment surrounding specific events or campaigns.

- In **product development**, NADE can be a powerful tool for understanding customer emotions. By analyzing customer feedback, companies can pinpoint product features that evoke specific emotions such as frustration or excitement. This granular understanding can guide product improvements and ensure that products resonate with customer desires.

- Within **customer service**, NADE enhances both human agent and chatbot interactions. By providing real-time insights into customer emotions, NADE equips service agents with the information they need to respond empathetically and effectively. This can lead to improved customer satisfaction, reduced resolution times, and increased customer loyalty.

- Beyond these specific applications, NADE supports **innovative advertising tactics**. Mood-based targeting allows advertisers to reach specific audience segments based on their current emotional state, maximizing the impact of their campaigns.

- Additionally, NADE can be leveraged for **market research**, enabling more accurate emotion-driven demand prediction and providing valuable insights into brand loyalty and market trends.

- Finally, NADE **empowers content creators** by providing valuable insights into the emotional impact of their content. By understanding how their content resonates with audiences on an emotional level, creators can design and curate more engaging and effective user experiences. MN

Advantages of NADE for Researchers

For researchers, NADE offers several key advantages.

First, it democratizes research by making sophisticated emotion analysis accessible to researchers with limited budgets. While commercial tools like LIWC offer similar capabilities, NADE provides more nuanced emotion analysis and is entirely free, opening doors for researchers who may have been previously deterred by technical or financial constraints. This removes a significant financial barrier, enabling broader participation in high-level research.

Second, NADE's user-friendly interface allows researchers to conduct in-depth analyses without requiring extensive programming expertise.

Finally, the availability of R and Python packages provides researchers with the flexibility to adapt and extend NADE to other languages, emojis, and emotion theories, enabling further advancements in the field.

Visit the NADE App to explore how it can enhance your research or business insights: **https://nade-explorer.inkrement.ai**

READ THE FULL ARTICLE
Christian Hotz-Behofsits, Nils Wlömert, and Nadia Abou Nabout, "Natural Affect DEtection (NADE): Using Emojis to Infer Emotions from Text," *Journal of Marketing*.

The Psychology of Feedback Design

How the Same Ratings Look Better (or Worse) Depending on Format

BY MOSTOFA WAHID SOYKOTH AND JAPMMAN PAHUJA

In an era where ratings and reviews shape consumer behavior and business reputation, the format in which performance scores are presented can dramatically alter how they are perceived. Firms like Uber, Amazon, and TripAdvisor present scores in a variety of formats: incremental (a raw score per occurrence), cumulative (updated average scores), or a combination thereof. A recent *Journal of Marketing Research* article examines the impact of incremental scores versus cumulative averages on judgments and why these matter for managers, platform designers, and policymakers.

It demonstrates that the presentation of performance scores—whether as cumulative averages, individual (incremental) scores, or a combination—can significantly influence how people evaluate products, services, or individuals. The authors find that when a generally well-performing entity receives a negative score, people view it as less damaging when the information is presented in a cumulative format. This presentation reduces negativity bias and helps prevent overreactions such as customer churn. However, incremental formats make single bad scores stand out more strongly, which could be helpful in contexts where managers want to stress accountability or encourage improvement.

The implications are far-reaching. For example, a restaurant with fluctuating quality may benefit from incremental formats that highlight recent improvements, while a ride-sharing app might prefer cumulative scores to maintain a stable reputation. The study also reveals that when both formats are presented together, users tend to focus more on the most extreme score—especially if it is negative—suggesting that hybrid formats may not provide the balance designers expect.

Managers can use these insights to tailor score presentation formats to different user segments. Novices may benefit from incremental feedback that encourages progress, while experts prefer cumulative scores that reflect long-term performance. The authors also suggest that dynamically switching formats could help platforms manage user expectations and behavior, though this approach may introduce confusion if not carefully designed.

Ultimately, this research highlights a subtle yet powerful lever for influencing consumer judgment. By rethinking how scores are presented, organizations can more effectively manage perceptions, foster trust, and achieve desired outcomes.

CONDITION	Incremental	Cumulative	Combined
SCORES	9 – 9 – 6	9 – 9 – 8	9 [9] – 9 [9] – 6 [8]

EXAMPLE STIMULUS

Key Takeaway

Across nine experiments, the authors find that cumulative formats tend to buffer negative feedback, making poor scores appear less severe. This can help reduce customer churn and maintain trust in platforms. In contrast, incremental formats make each score stand out, amplifying the impact of a single negative rating. This can be useful in contexts where accountability and improvement are key.

We had a chance to connect with one of the authors to learn more about their study and gain additional insights:

Q Your research examines how the presentation format of quantitative scores affects decision makers' evaluations. Did you have any observations that sparked your interest in reviewing the phenomenon closely and studying its consequences?

A Yes, my two coauthors, Arne and Jeroen, are typically incredibly observant of the marketplace. Also, for this project, I actually learned it from them. They noticed that platforms like Uber, at the time, were using cumulative rating formats, while another app, Lyft, was using incremental formats. Building on that observation, we also looked at discussions on Reddit to see what people were saying about these differences. These different formats might have effects, and it became a nice combination of marketplace observation and psychological inquiry. We began asking: What kind of things vary in the marketplace? Do companies differ in their approaches, and could that have an impact?

If different companies are using various formats, there may be a reason behind it. Sometimes, companies haven't thought it through, but in other cases, especially with tech companies, they have very deliberate reasons for their choices. From a psychological perspective, that makes it especially interesting to delve deeper. That was the starting point of this research.

Q The research indicates that the presentation format has a significant impact on decision making when scores deviate. How do you suspect these findings would hold (or differ) in the context where performance expectations are less standardized and tend to be more subjective, such as creative services?

A That is a good question. We haven't thoroughly examined subjective domains, and several factors may be at play here. One thing to consider is that when it comes to highly subjective matters, people sometimes have strong preexisting preferences. For example, if I like the paintings of a particular artist, I will still appreciate them regardless of the score. In such cases, when people have strong preferences, ratings don't matter much, and so the rating format likely won't matter either.

On the other hand, in situations where people don't have firm preexisting opinions, such as wine tasting, ratings can serve as a crucial cue. Many people lack in-depth expertise (strong preexisting opinions) in wine, so they tend to rely more on ratings (e.g., on an app like Vivino), whereas experts tend to depend less on them. Therefore, it can go either way, depending on how strong people's preexisting preferences are.

It may also depend on the decision environment. When buying online without direct access to the product, ratings become more influential. If we do have direct access or if rich visual information is available, heavy reliance on ratings decreases. However, on many online platforms, ratings are among the primary pieces of information that influence purchase decisions.

Q Among the many interesting findings in your study, were there any results that surprised you? If so, could you share which aspects stood out to you the most?

A Yes, two findings were astonishing. Based on initial observations, one might have predicted that the combined format—which shows both cumulative and incremental ratings—would produce evaluations somewhere in between the two. For instance, if people see a negative score alongside a positive overall average, one might expect them to weigh both pieces of information and arrive at a more moderate judgment. However, consistent with theory on sensitivity to extremes, we found that evaluations in the combined format aligned entirely with the incremental presentation. When they encounter a negative score, it is challenging to ignore, and it strongly pulls down their overall evaluation.

Equally surprising was the strength of this effect. The effect sizes were much larger than we anticipated. To illustrate, in one of our studies, we asked participants to consider a product with an average rating of 4.2 based on five scores, four of which were maximum ratings. When asked to infer the missing score, many participants still significantly overestimated it. Instead of recognizing that the missing score must have been 1, participants often assumed it was a 2 or 3. In other words, the overall average of 4.2 seemed to "pull" their inference upward, making the extreme negative observation less salient than it genuinely was. People may systematically misestimate underlying scores, even in cases where the math is simple.

Q Did you observe or imagine any unintended downsides to using cumulative formats, for instance, situations where critical problems might be masked rather than addressed? Can managers detect or avoid sweeping serious negative feedback under the rug in an average-based system?

A Yes, this is a very real concern. One situation we examined was how cumulative formats can obscure recent performance issues, particularly in contexts such as app evaluations. For example, a local TV station had an app that initially received decent ratings. However, after a significant update, the app's performance declined. Despite this, the cumulative score remained relatively high, masking the recent problems. In such cases, managers need to look beyond the overall average and examine incremental scores to understand what's happening in the present.

This issue is not limited to apps. Service contexts such as restaurants, for instance, can vary significantly in quality over time. A place might have been excellent in the past but could be struggling now. If customers only see the cumulative score, they might miss these recent dips in quality. On the other hand, some services are inherently variable, experiencing random hiccups that aren't sustained. In those cases, a cumulative score might be more representative of the overall experience.

Therefore, yes, cumulative formats can mask critical problems, and managers should exercise caution. They need to monitor recent feedback and not rely solely on averages, and they should actively do so. Otherwise, they risk overlooking serious issues that could impact customer satisfaction and retention.

Q Can you envision a system where different user groups (novice/experts, high-value/low-value customers) would benefit from tailored score presentation formats? How might platforms segment their audience or dynamically switch formats to maximize desired behavioral outcomes?

A Absolutely. The format of score presentation should align with the platform's goals and the characteristics of its users. For example, if the goal is to encourage users to get started or continue engaging with a service, incremental formats can be more motivating. Imagine a course where the scores are 2, 3, 3, and then a sudden 5. Seeing the incremental progress might encourage someone to keep going. In contrast, a cumulative score might make the journey seem steep or discouraging, despite a recent maximum score.

There may also be the psychological impact of losing a perfect score. For instance, if someone has a cumulative score of 5 and then receives a 4, they may feel as though they've lost something valuable. This is a real issue: Some people react strongly to losing a perfect rating, as seen in platforms like Uber. Although we haven't directly tested these scenarios, they are interesting and relevant.

Different users respond differently to feedback. Some are encouraged by seeing improvement, while others might be discouraged by a dip in their average. Platforms could segment users based on their behavior or preferences and present scores in a format that best supports their engagement. This kind of dynamic tailoring could be a powerful tool for influencing user behavior and satisfaction.

Q If you could extend this research in any direction, which new context or type of platform would benefit most from experimenting with score presentation formats, and why?

A A promising direction would be to explore the dynamic switching of formats, where platforms change how scores are presented based on user behavior or context. For example, if a user receives a series of high scores (say, five 5s) and then gets a 1, the platform might switch to a cumulative format to soften the impact. However, if the user improves again, it may revert to an incremental format. However, this kind of switching can be confusing. Users may not understand why the format changed or what it means for their performance.

Cumulative formats are challenging for users to interpret. They require users to understand that they need to improve to increase their score consistently. This can feel like a slow climb, especially after a setback. The interplay between shifting formats, user expectations, and the pursuit of a perfect score creates a complex psychological landscape.

We've only studied one or two sequences that could realistically occur in the real world, but there's a lot more to explore. Platforms like ride-sharing apps, educational tools, and fitness trackers could benefit from experimenting with different formats. Understanding how users respond to these changes can help platforms design more effective feedback systems that support motivation, satisfaction, and long-term engagement. **MN**

READ THE FULL ARTICLE

Christophe Lembregts, Jeroen Schepers, and Arne De Keyser, "Is It as Bad as It Looks? Judgments of Quantitative Scores Depend on Their Presentation Format," *Journal of Marketing Research*.

Foundation

As the philanthropic arm of the AMA, the American Marketing Association Foundation (AMAF) strengthens and elevates the marketing profession by advancing knowledge, building a global community of marketing leaders, and supporting marketing initiatives that drive innovation and societal impact. The AMAF is proud to honor the following marketers whose achievements support this vision.

Outstanding Academic Marketing Awards

2026 AMA Fellows

The distinction of AMA Fellow is given to AMA members who have made significant contributions to the research, theory and practice of marketing, and/or to the service and activities of the AMA over a prolonged period of time.

INDUCTEES:

Anders Gustafsson
Professor of Marketing, BI Norwegian Business School

Aric Rindfleisch
John M. Jones Professor of Marketing, University of Illinois

P.K. Kannan
Dean's Chair in Marketing Science and Professor of Marketing, University of Maryland

Shrihari (Hari) Sridhar
Senior Associate Dean, Texas A&M University

LEARN MORE ABOUT THE NEWLY INDUCTED FELLOWS

2026 Erin Anderson Award for an Emerging Female Marketing Scholar and Mentor

This award honors emerging female marketing scholars and mentors while celebrating the legacy of Erin Anderson, a highly respected researcher and mentor whose work significantly shaped the marketing discipline. It is presented to a promising female scholar who demonstrates the potential to become a leading academic and continue her commitment to advancing women in academia.

WINNER:

Peggy J. Liu
Ben L. Fryrear Endowed Chair and Professor of Marketing, University of Pittsburgh

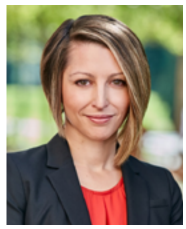
LEARN MORE ABOUT THE WINNER

FINALISTS:

Silvia Bellezza

Ayelet Israel

Xiao Liu



Stephanie Tully

2026 Robert Lusch Early Career Research Award

This award recognizes scholars who have published an article early in their career in an AMA journal. Winning articles push boundaries and introduce novel theories and/or conceptual frames to better understand consumers, markets and marketing actions.

WINNER:

Johann Melzner
Assistant Professor of Marketing, University of Miami

Winning Article: "The Sound of Music: The Effect of Timbral Sound Quality in Audio Logos on Brand Personality Perception" (*Journal of Marketing Research,* 2023)

LEARN MORE ABOUT THE WINNER

2026 AMA-Irwin-McGraw-Hill Distinguished Marketing Educator Award

This award honors living marketing educators for distinguished service and outstanding contributions in marketing education.

WINNER:

J. Jeffrey Inman
Albert Wesley Frey Professor of Marketing, University of Pittsburgh

LEARN MORE ABOUT THE WINNER

2026 William L. Wilkie Marketing for a Better World Award

This award honors thinkers who have significantly contributed to our understanding and appreciation for marketing's potential to improve our world, and from whose work notable advances have ensued — in the mold of Bill Wilkie of the University of Notre Dame.

WINNER:

Rajesh K. Chandy
Professor of Marketing and Tony and Maureen Wheeler Chair in Entrepreneurship, London Business School

LEARN MORE ABOUT THE WINNER

AMA AMERICAN MARKETING ASSOCIATION | Foundation

2025 John A. Howard/AMA Doctoral Dissertation Award

This award is a decades-old honor that recognizes excellent marketing doctoral dissertations.

WINNER:

Thomas Scheurer
Postdoctoral Researcher, ETH Zurich

Winning Dissertation: "More than Meets the Eye: Value Creation Potentials and Pitfalls of Augmented Reality Product Displays"

LEARN MORE ABOUT THE WINNER

2025 Leonard L. Berry Marketing Book Award

This award recognizes books that have had a significant impact in marketing and related sub-fields. Self-nominations for this award are accepted.

WINNER:

The Illusion of Innovation: Escape "Efficiency" and Unleash Radical Progress, by Elliott Parker

LEARN MORE ABOUT THE WINNING BOOK AND AUTHOR

FINALIST:

Magic Words: What to Say to Get Your Way, by Jonah Berger

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Addressing Consumer Well-Being in "Immersive Services" like Healthcare, Education, and Hospitality

BY LAUREL ANDERSON, CATHARINA VON KOSKULL, MARTIN MENDE, AND JOHANNA GUMMERUS

"Immersive services" are everywhere, from hospitals and eldercare facilities to schools and travel experiences. These services surround consumers, embedding them within structured environments that shape their daily lives. But what happens when these structures limit the consumer's freedom to make independent choices? A new *Journal of Marketing* study explores this question, uncovering the challenges and opportunities for empowering consumer agency in immersive services.

Our research team defines "immersive services" as those in which consumers are deeply embedded for a period of time, with their experiences largely constructed by the service. This includes industries like healthcare, education, hospitality, and eldercare. We identify four key characteristics of these services that can challenge consumer agency:

1. **Encapsulation**: Consumers are deeply immersed in the service, often separated from other parts of their lives.

2. **Positionality**: Hierarchies and power dynamics create stark differences between consumers and service providers.

3. **Protocolization**: Rigid routines and protocols dictate consumer behavior.

4. **Multivocality**: Multiple voices and perspectives within the service influence how consumers are expected to act.

These characteristics can make it difficult for consumers to act freely, thus affecting their well-being. For instance, consider healthcare settings where patients are required to follow strict protocols, or eldercare facilities where residents may feel constrained by rigid schedules. As polarization and AI-driven decision making become more common, these challenges are becoming even more pressing.

We discover, however, that consumers are not passive participants in immersive services. Instead, they actively work to regain their sense of agency through "improvisations"—creative strategies that allow them to navigate the constraints of the service. Specifically, consumers use five pathways to reclaim agency:

1. **Expanding the figured world**: Shaping their experience on their own terms by exerting control over time and space.

2. **Voicing**: Speaking out to challenge rules or advocate for changes in how they are treated.

3. **Seeking task responsibility**: Taking on meaningful tasks to assert independence and purpose.

4. **Challenging protocols**: Pushing back against rigid processes to co-create a service experience that better fits their needs.

5. **Playing and imagining**: Using creativity and imagination to reframe their experience and celebrate life.

For service managers, these findings offer clear strategies to empower consumers while maintaining necessary structure. Two key managerial approaches stand out:

1. **Leverage technology to expand consumer freedom**: Virtual tools and personalized digital platforms can help consumers navigate encapsulation and protocolization by providing more choices and flexibility.

2. **Develop empathy-driven relationships**: By fostering stronger interpersonal connections, service providers can address positionality and multivocality, helping consumers feel valued and heard.

We recommend a two-pronged approach to assess and address gaps in consumer agency. First, managers should analyze how the four structural characteristics—encapsulation, positionality, multivocality, and protocolization—impact consumers. Second, they should evaluate how effectively their services support the five pathways consumers use to regain agency.

Immersive services are critical to modern life, but they must evolve to meet the needs of consumers. By empowering consumers to reclaim their agency, service providers can enhance customer satisfaction, foster loyalty, and improve overall well-being. MN

READ THE FULL ARTICLE

Laurel Anderson, Catharina von Koshull, Martin Mende, and Johanna Gummerus, "Immersive Service: Characteristics, Challenges, and Pathways to Consumer Agency," *Journal of Marketing*.

The Heritage Discount

The Story Behind the Price

BY MONIQUE MATSUDA DOS SANTOS AND EZGI DELEN

Have you ever been to an estate sale or scrolled through Facebook Marketplace and noticed a seller drop the price? Sometimes it's not about hard bargaining. Instead, the seller offers a discount because the buyer "really gets it"—maybe the buyer went to the same school as the seller, grew up in the same town, or has a family connection to the item's past. In these moments, money isn't the only thing being exchanged; something deeper is at stake: whether the item's *heritage* will be **honored and carried forward**.

A recent *Journal of Marketing Research* study by Katherine L. Christensen and Suzanne B. Shu explores exactly this phenomenon. They call it the **heritage discount**: the tendency for sellers of sentimental or heritage goods to accept lower prices from buyers who share a meaningful connection to the goods' past. Surprisingly, this happens even when sellers believe the buyer would have been willing to pay more.

How the Heritage Discount Affects Markets

The implications of this research extend far beyond individual sales, shaping outcomes for consumers, marketers, and policymakers alike. Heritage value plays a role in massive industries—from the $58 billion self-storage market and the $43 trillion U.S. housing market to the $200 billion secondhand sector and the $450 billion collectibles market.

For marketers, these insights open the door to designing new products and experiences that help consumers maintain a connection to their heritage, whether through family heirlooms, brand storytelling, or collaborations like 23andMe's partnership with Airbnb's heritage travel. Such efforts can create offerings that resonate across generations.

Heritage framing also carries weight in the policy sphere. Conservationists, for example, may increase support for protecting natural resources by highlighting their ties to past generations, reducing the public's willingness to lease or sell them for short-term gain.

Curious about the bigger picture, we asked the authors to share additional takeaways from their study:

Q Your research uncovers a surprising "heritage discount," whereby sellers are willing to accept lower prices from buyers with shared heritage. What emotional or psychological dynamics might explain this? Were there any reactions or patterns that genuinely surprised you during your studies?

Dr. Shu: From a more theory-driven perspective, I've done other work on the endowment effect and psychological ownership. What intrigued me about this project and what Kate brought into it was that you usually put more value on it when you own something. That's the endowment effect.

But with heritage, we were proposing something different: you might be willing to accept a lower price. That's the opposite of the endowment effect, and that flip was fascinating. I'm always curious when a well-established finding in the literature is robust across many studies but then you discover a specific context where it reverses.

In this case, the heritage discount shows up when you sell to someone who can continue the story and respect that heritage. For instance, if Kate were selling her teacups to a collector who didn't care about continuing the heritage, she would ask for a higher price. But if the buyer valued the teacup's heritage and wanted to keep it alive, she'd be willing to accept less.

To me, that's the most interesting part: the heritage discount only applies when the buyer is someone who will keep the story and the heritage alive.

Q How might the concept of heritage connection help brands support sustainability goals, such as encouraging product longevity, reducing waste, or fostering intergenerational value?

Dr. Christensen: One of the significant trends we're seeing right now is the rise of vintage. While our paper primarily focuses on transactions, we define heritage goods as goods linked to the past, whether historically or symbolically.

The idea that the past carries symbolic value can increase how much heritage buyers value a product. This is particularly relevant when people use vintage items, such as fashion inspired by the '90s or '70s. By wearing these pieces, people aren't just dressing themselves—they are bringing a piece of their past into the present and sharing it with others. This act becomes a "gift," offering a glimpse into a different world.

If sellers believe that the past carries value, they may also be more willing to sell. The past can be defined in many ways: an era, a community's history, even a nation's identity. That's why we see a rise in vintage fashion and, in some cases, a rise in nationalism. Both are ways people try to connect to the past.

This concept plays out in sustainability and the environment, too. Think about how people connect to the human past and are tied to the land (in meaningful ways). For example, I recently learned that my uncle's family were Adirondack guides who once took Theodore Roosevelt through the Adirondacks. When I return to those mountains, I experience them differently—I feel connected to that history, which increases the value of the place for me.

Q How can environmental organizations and policymakers leverage your findings that framing natural resources as shared heritage reduces public support for exploitation?

Dr. Christensen: National parks provide one of the easiest examples of an intergenerational tie to the land. For me, that's also my tie to the Adirondack Mountains. I was just there recently, and I had this powerful feeling that the trees were changing, connecting me back to my grandmother, even though she's no longer here. That is why the natural landscape holds tremendous value to me.

I think that's something you see often in regional marketing: how it ties people to the past. You also see it in the national parks. Their retro branding, for instance, emphasizes the idea of connecting to your ancestors. In a way, the parks themselves are marketed as a type of heritage good.

There's also this initiative where fourth graders get a free national parks pass for a year, and their whole family can enjoy it. That's positioned almost like a gift parents can give their kids—something that connects to what they did as children while creating new memories for the next generation.

So, the parks are marketed as timeless destinations, where parents, children, and even grandparents can share a sense of continuity and connection across generations.

Q Your research touches on the power of heritage in shaping value, but heritage can also be a sensitive area, especially regarding things like Indigenous crafts, national symbols, or traditional foods. What can marketers learn from your findings about why some communities push back against the commercialization of culturally significant goods?

Dr. Christensen: If you look at almost any nation's history, there's usually an original group that owned it, and then there was a loss of ownership. So, when another group comes in, and it's not the original group, not the Indigenous group in your example, it can feel like a massive loss of heritage connection. If the transaction is viewed as purely about money, then that sense of loss and disutility is very high.

Often, when we see cultural trends that borrow from historically disempowered groups, there's a sense that the practice isn't really connected to the past. It's just being used as a visual signifier. And that disconnect leads to tremendous backlash.

One of the most interesting examples I've seen, in the work of some wonderful colleagues, focuses on restoring heritage to people who have lost that connection. The forced relocation of many Indigenous communities has had a lasting impact. In their new locations, these communities often lose traditional access to vital resources, such as water needed for growing crops. Unlike those who were not forcibly moved, they may lack the resources or the ability to maintain a connection to their ancestral lands and history.

Rebuilding that connection strengthens the whole ecosystem. It's not just the consumer. The producer makes the food and knows how to cook it, and then the consumer eats it. When all those layers feel connected to heritage, I hypothesize that the value increases for the end user and everyone along the line. Everyone who opts in wants to maintain that link to the past.

But it also matters who is doing it. Sometimes, groups want to separate from others' histories because, in a sense, it's not theirs, and that creates complications. Heritage can become competitive, and tensions around commercialization often emerge.

Q In today's digital world, consumers express their identities through social media memories, digital collectibles, and even AI-generated family stories. Do you see a heritage connection evolving in these virtual spaces?

Dr. Christensen: The growing digital world may increase our need to connect to the past. In terms of how it happens technically, social media makes it much faster and easier. Right now, you can create a virtual person or save your mom's phone messages from the human desire to preserve memories. As people contemplate how to connect with and share their own memories, they find value in these digital artifacts. These things give us value as human beings, and I believe we're losing some of that, which is why I think there's a growing need for heritage in the digital world. It's now easier to create products that resurface those connections. For example, how do we bring back memories from childhood? They're there, just buried.

Do we want to preserve the ideas of our grandparents? For some, that might feel weird or even like a violation. But for others, it's a powerful sense of connection to the past, something they'd likely pay more for not just for themselves but to pass on to future generations. I think that at moments when the future becomes present, the past becomes especially valuable. For example, that intergenerational link suddenly comes alive when you have a child. You're both giving something to the future and wanting to preserve the past.

Q How might this shift influence how people assign value or feel a sense of ownership over digital goods, and what could this mean for brands trying to build emotional connections online?

Dr. Shu: For some reason, my social media feeds have been filled lately with stories about people doing DNA testing and trying to trace their ancestors. It's fascinating how technology makes it so easy now. People say, "I have a grandparent I know nothing about, and I don't know how to trace them," but DNA testing opens that door and gives them access. They can then do a bit more searching and find previously impossible connections.

That ability to rediscover heritage is powerful. It also opens space for brands to build emotional and heritage connections. Kate had a great example, but it didn't make it into the paper, of Airbnb offering heritage-based vacations. Imagine someone whose family was originally from Turkey but lived elsewhere for generations. A descendant might say, "I wish I understood my connection to Turkey." A trip could then be designed to take them back to their ancestral hometown.

We live in a society where people move around much more than in the past, when several generations might have stayed in the same small town. Today, companies can help people reconnect with their roots and their history. That's something consumers respond to. They lack that connection and search for it, and brands can help fill that gap. MN

READ THE FULL ARTICLE
Katherine L. Christensen and Suzanne B. Shu, "The Role of Heritage Connection in Consumer Valuation," *Journal of Marketing Research*.

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When Cracker Barrel's new brand identity with logo (right) was introduced, it became the target of politicized backlash.

Lessons from the Firm Behind Cracker Barrel's Logo Update

In the Age of Bots, Bullying, and Brand Warfare, CMOs Need an Updated Brand Playbook

BY SCOTT DAVIS AND PETER DIXON

When any opportunist with an X account can engineer brand outrage, bots can hijack narratives, and a single influencer can dictate your brand's success or failure, marketing leaders must recognize that the stakes for brands and those who steward them have fundamentally changed.

In what looks to be a frenetic 2026, brand leadership has become a minefield. For CMOs, the challenge is no longer building brands just to drive growth. It's also protecting and navigating the brand from what, at times, feels like a never-ending onslaught of digital slings and arrows.

We speak from experience

Throughout 2024 and 2025, our firm, Prophet, partnered with Cracker Barrel on a comprehensive brand transformation effort, grounded in deep consumer insight, a strong strategic foundation, and extensive testing. But, when the new brand identity with logo was introduced, it became the target of politicized backlash driven by ideological influencers, activist investors, and bot networks.

What should have been a moment of progress, pride, and momentum on the path to uncommon growth quickly turned into a political hot potato. Understandably, the client pulled back on its brand evolution efforts and, by extension, some of its broader business transformation aspirations. Like most legacy brands, Cracker Barrel still faces real pressure to grow, and it is to be seen which aspects of its transformation strategy ultimately endure and which stay on the cutting-room floor.

The lesson here isn't that transformation is too risky or that brands should avoid bold moves. At a time when consumers expect brands to be relevant, responsive, and meaningful, standing still is often the bigger risk. The real lesson is that CMOs need to respond to a new context into which brands reposition, relaunch, or transform. Three ideas that we are integrating into all of our brand work include:

1. Own the 360-degree consumer—and the forces that shape them

Understanding the consumer has always been the CMO's job. But today, that understanding must go beyond preferences and behaviors to include how brand actions might be misread, distorted, or weaponized.

The next time you roll out a change (e.g., a new logo, a refreshed customer experience, or a creative campaign), ask yourself: What are my most important audiences going to see? What will they celebrate? What might they misread? And who might exploit the changes to advance other agendas?

In our Cracker Barrel work, we relied on thousands of data points and conversations with consumers. We pressure-tested everything. And still the rollout got derailed. Why? Because knowing the customer today also means anticipating how narratives can be hijacked.

Owning the consumer in 2026 means planning for nuance. It means weighing not just upside across segments but downside risk as well, and ensuring the intent behind brand decisions doesn't get lost once they leave the boardroom.

2. Be the guardian of your brand's narrative

There was a time when brands could tell their own story, at their own pace. That era is over. Today, narratives are shaped and reshaped in real time, often before brands have a chance to respond.

Even modest changes can trigger outsized reactions. In this environment, brand launches are no longer purely creative events. They are potentially public moments of reckoning, and they require as much rigor as any corporate endeavor or announcement. The story you want to tell must be shaped, tested, and reinforced from the inside out before someone else tells it for you.

Clearly, this is not an argument for silence or timidity. CMOs should absolutely author this narrative and be the ones to pressure test it, internally and externally, recognizing that the sequencing of the launch matters. Test rigorously. Build credibility. Align stakeholders early and often. Earn proof points. Then roll out and scale with purpose on your terms.

3. Prepare your CEO to be *the* champion of change

For many companies, the CEO has become the most visible embodiment of the brand. That makes the alignment between marketing, brand building, and executive leadership buy-in non-negotiable.

CMOs must ensure that their CEOs (and leadership teams) are fluent in the "why" behind the brand transformation well ahead of launch. When there is daylight between what a brand's ambition and plan are and how a CEO represents the same, that gap creates risk and invites scrutiny.

Additionally, media prep is no longer just a PR function; it's a brand imperative. The CMO must be the connective tissue between strategy and be the spokesperson, the embodiment of the brand and where it is heading. As CMO, you need to be thinking about both a world-class brand activation and ensuring your CEO can clearly articulate not just what is changing, but why it matters.

Media prep is no longer just a PR function; it's a brand imperative. The CMO must be the connective tissue between strategy and be the spokesperson, the embodiment of the brand and where it is heading.

Tied to points 1 and 2, your and your CEO's preparation must also include a clear-eyed view of risk. Traditional "disaster checks" are no longer sufficient. Scenario planning across cultural, social, and political dimensions needs to be embedded into the brand process from the start.

The book we need to write

Love it or hate it, we did the Cracker Barrel work by the book: The business case. Rigorous insights. Rich creative exploration. Consumer input. But in this new reality, that book is simply out of date. It needs new chapters that account for sentiment sensing, scenario and risk planning, cultural flashpoints, social media manipulation, and real-time response.

This is not a temporary political moment. It is the landscape in which brands now operate. The brands that succeed will be the ones that adapt without abandoning their principles, and without losing control of their story. MN

Scott Davis is Chief Growth Officer at Prophet. Peter Dixon is Executive Creative Director at Prophet.

Referral Contagion: Capturing the Full ROI of Referral Programs

BY ROHAN KAR AND ANDREA BUBLITZ

Marketers have long recognized that customers acquired through referrals tend to be more loyal and valuable. What has remained underappreciated, however, is the additional value these customers may generate through their future referral behavior. In their recent *Journal of Marketing Research* article, Rachel Gershon (University of California, Berkeley) and Zhenling Jiang (University of Pennsylvania) uncover a "referral contagion" and show that referred customers are not just more profitable but also more likely to refer others, setting off a multiplier effect that many firms have overlooked so far.

Beyond Acquisition: The Hidden Downstream Value of Referrals

Referral programs are ubiquitous, from ride-sharing and food delivery apps to fintech platforms and online retailers. Typically, marketers have evaluated these referral programs by counting how many new customers they bring in and how much revenue those customers generate. Gershon and Jiang argue that this approach severely underestimates the true value of referral programs.

Across multiple field data sets, they show that referred customers make between 31% and 57% more referrals than those acquired through other channels. When these secondary referrals are ignored, firms end up undervaluing the total worth of a referral by 20% to 36%. The authors demonstrate this referral contagion across a wide range of industries, including finance, software, and retail.

Why Referrals Spread: The Role of Social Appropriateness

Gershon and Jiang show that referred customers are more likely to refer others because the act of referring feels more socially appropriate to them. Drawing on insights from social psychology, they find that when people see someone else refer, they interpret the behavior as socially acceptable, reducing the fear of seeming too pushy or self-interested.

In several controlled experiments, participants who imagined joining an app through a friend's referral rated the act of referring as more appropriate, felt lower psychological discomfort, and were significantly more likely to make referrals themselves compared to those who imagined joining through an ad. This effect was stronger when the referrer was a friend rather than an influencer, emphasizing that personal recommendations drive the norm of appropriateness more than celebrity endorsements.

The Power of a Simple Nudge: "You Were Referred In—Now Refer Your Friends!"

To translate their insights into practice, the authors conducted a large-scale field experiment with over 10 million referred customers. A simple tweak made all the difference: instead of a generic *"Refer your friends!"* message, half the customers received a reminder tied to their own experience: *"You were referred in—now refer your friends!"* The message activated the existing social norm, made referring feel more appropriate, and ultimately boosted referrals by more than 20%.

The study illustrates the value of industry–research collaborations. Companies gain evidence-based insights

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that go beyond intuition, while researchers gain access to real-world data and the opportunity to test ideas at scale. We reached out to the authors to learn more about the inspiration behind their work and what their results mean for managers. In the conversation below, Gershon and Jiang share their perspective on how referral contagion works, how firms can capture its full value, and where future opportunities lie for practitioners.

Q What first sparked your interest in exploring the "referral contagion"?

A The idea emerged from our observation of a robust pattern in our dataset: referred customers were substantially more likely to refer others. We found this pattern both intriguing and theoretically meaningful. When reviewing the literature, we saw that prior research had largely overlooked this downstream consequence of referral behavior, which inspired us to systematically investigate what we later termed "referral contagion."

Q Your research shows that referred customers don't just buy more, they also refer more. Based on this, how should managers rethink how they measure the total value of their referral programs?

A While prior studies have examined the direct benefits of referred customers (such as higher loyalty and spending), they have largely overlooked their indirect impact through subsequent referrals. Managers should incorporate these downstream effects into how they assess the value of referral programs, including it in metrics like customer lifetime value (CLV) and the effective ROI of referral incentives.

Q A simple reminder to referred customers can boost referrals by about 21%. Where might this nudge stop working, and how could marketers adapt it in practice?

A Reminding customers that they were once referred signals that referring is appropriate. Making this social norm salient increases referral behavior. We expect this nudge to be effective in scenarios where psychological barriers prevent customers from making referrals, likely extending across different product categories, tie strengths, and incentive types. Exploring how these factors shape the effectiveness of the reminder presents an interesting direction for future research.

Q Referral contagion seems relevant beyond business, such as in public health. How might your findings inform policymakers?

A The idea of referral contagion naturally extends beyond business contexts. For policymakers in public health systems, this means that investments in referral-based outreach could have a multiplier effect, as those who are referred become more likely to refer others. Programs could be strengthened by highlighting that referring others is common and appropriate.

Q Your research relies on large-scale field data and company collaboration. What challenges did you face in building these partnerships and collecting real-world data at this scale?

A We began by reaching out to a wide range of potential field partners. It's a numbers game: we cast a wide net and had many conversations until we found organizations whose interests and data aligned with our research goals. We were fortunate to identify three enthusiastic and collaborative partners.

Q What do marketing managers gain from working with academic researchers, and vice versa?

A Collaborations are most valuable when both sides view them as a valuable exchange. For managers, they offer a chance to go beyond intuition and understand what drives customer behavior, grounded in careful experimentation and analysis. For researchers, they provide access to rich data and the opportunity to test ideas in real-world settings. Collaborations reveal the challenges of translating theoretical insights into practice and how organizational constraints, competing priorities, and practical considerations shape what's possible. Working with firms often challenges our assumptions and helps us refine our theories to be more relevant and impactful. MN

READ THE FULL ARTICLE
Rachel Gershon and Zhenling Jiang, "Referral Contagion: Downstream Benefits of Customer Referrals," *Journal of Marketing Research*.

Research Insights

Quick Takes from AMA Journals Research

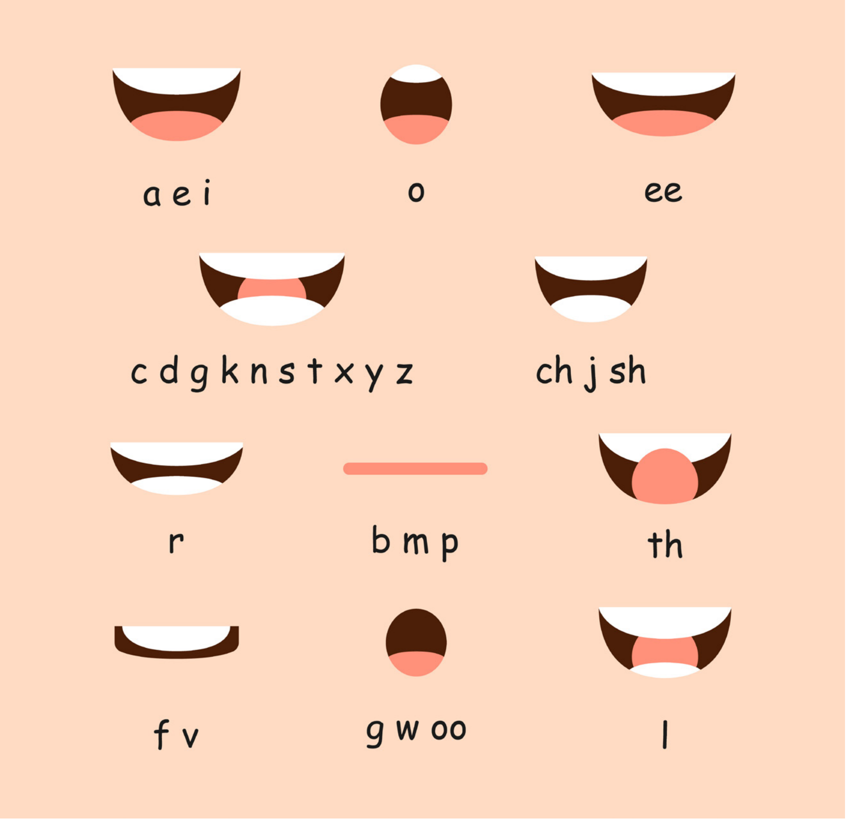
BY T.J. ANDERSON

What Do International Consumers Think of AI-Translated Videos?

Global brands increasingly rely on short-form videos to communicate across languages and cultures. But adapting these videos for international markets has long been time-consuming and expensive. Now, AI tools such as HeyGen, Adobe Firefly, and InVideo AI are simplifying the process by automatically translating a speaker's language, adjusting voice and speech style, and synchronizing lip movements to the translated audio. While this technology offers efficiency and scalability, an important question remains: how do consumers perceive AI-translated videos compared to those produced by humans?

In a *Journal of International Marketing* study, researchers conducted experiments in which (1) Indonesian consumers evaluated a marketing video translated from English to Indonesian using AI versus one recorded by a native Indonesian speaker, and (2) U.S. and U.K. consumers evaluated a video originally in Indonesian translated into English by AI versus one produced by a native English speaker. Across both studies, AI-translated videos were rated lower in naturality and accent neutrality than human-translated ones. However, in terms of language comprehension, AI performed better when translating into English—likely because English speech data are more extensively represented in AI training corpora. Despite these perceptual differences, viewers showed no difference in engagement intention (e.g., willingness to like, share, or comment) between AI and human translations.

These findings indicate that AI video translation can already support marketers seeking efficiency and message clarity, but it still falls short of fully replicating the natural and culturally fluent delivery achieved by human translators. For instance, a global fashion brand may use AI to quickly translate TikTok or Instagram videos across markets, while relying on native speakers to refine tone, phrasing, and delivery for culturally sensitive campaigns.



WHAT YOU NEED TO KNOW

- Use AI video translation strategically: AI tools can effectively improve message comprehension when translating into English, where training data are richer.
- Prioritize human translation for authenticity: Human translators may still produce more natural and native-sounding videos.
- Balance efficiency and quality: AI video translation offers speed and cost advantages, but marketers should test viewer perceptions before large-scale adoption.

READ THE FULL ARTICLE

Risqo Wahid, Jiseon Han, Nizar Fauzan, and Heikki Karjaluoto, "Generative AI for Video Translation: Consumer Evaluation in International Markets," *Journal of International Marketing*, 34 (1), 27–33. doi:10.1177/1069031X251404843.

E-Scooters Lead to Increased Rideshares—and Crime

Cities around the world are introducing e-scooters to improve local mobility. But how is this affecting the demand for other shared mobility options, as well as consumer safety?

In a *Journal of Marketing* study, researchers analyzed detailed data from over 8 million rideshare trips, 750,000 bikeshare rides, and citywide crime records, revealing that e-scooters reshape how people use shared mobility services: ridesharing trips increased by 15.7%, while bikesharing trips declined by 7.6% after e-scooters became available. This pattern reflects two distinct mechanisms: category expansion for ridesharing, where e-scooters complement car-based trips by helping riders reach or return from destinations more easily, and category cannibalization for bikesharing, where scooters directly substitute for bike trips.

Importantly, the results show a 17.9% rise in crime, especially street and vehicle-related offenses such as break-ins or snatch-and-run thefts following e-scooter entry. These safety effects are worse in younger and more racially diverse neighborhoods, highlighting the need for cities to balance innovation with equity and protection.

The study results can help marketers and managers of shared mobility services anticipate how the introduction of e-scooters may reshape demand across platforms. In addition, the findings suggest that cities and policymakers should prepare for greater street-level crime and invest in lighting, secure parking, and safety education.

WHAT YOU NEED TO KNOW

- The entry of e-scooters in a city increases ridesharing but reduces bikesharing use.
- The introduction of e-scooters leads to more street and vehicle-related crimes, highlighting the need for improved infrastructure and safety enforcement.
- The effects of e-scooters differ across neighborhoods, highlighting the importance of designing mobility programs that ensure equitable access and support for diverse communities.

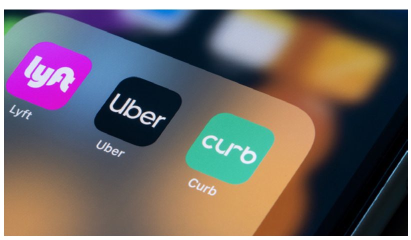
READ THE FULL ARTICLE

Ruichun Liu and Unnati Narang, "How E-Scooters Impact Shared Mobility and Consumer Safety," *Journal of Marketing*. doi:10.1177/00222429251393987.

How Ridesharing Affects Alcohol Consumption and Drunk Driving

It's a situation many consumers have found themselves in: They're enjoying their time at a restaurant or bar and want to have one more drink—but then they remember they need to drive home. What happens when consumers have another transportation choice available to them that allows them to indulge in that extra drink and get home safely?

For a *Journal of Public Policy & Marketing* study, researchers



examined a large dataset of alcohol sales across several cities, finding that when ridesharing enters a market, alcohol sales at restaurants and bars increase by 10.1%. In addition, a ban on ridesharing for a period of time led to beer and liquor sales at restaurants and bars decreasing by 6.5% and 6.0%, respectively. This pattern underscores the role of ridesharing in facilitating increased alcohol consumption in social settings.

An analysis of daily arrest data in a major American city also shows that when ridesharing enters a market, the number of daily drunk driving arrests decreases by 5%. In an exploratory analysis, the researchers find that the relative decrease in the number of daily drunk driving arrests is greatest for women, minorities, and younger consumers.

These findings reveal a dual benefit of ridesharing availability—enhancing consumer freedom while reducing public safety risks—and contribute to a broader understanding of how disruptive technologies reshape consumer behavior and societal outcomes.

WHAT YOU NEED TO KNOW

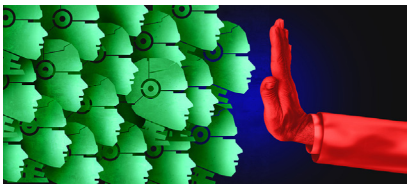
- Ridesharing availability leads to a 10.1% increase in alcohol sales at restaurants and bars, displaying a spillover effect on adjacent industries.
- Temporary bans on ridesharing result in a measurable decline in alcohol sales, highlighting its influence on consumer behavior.
- Ridesharing availability reduces daily drunk driving arrests by 5%, revealing a public safety benefit.

READ THE FULL ARTICLE

Samantha V. Galvan, Yongseok Kim, and Richard T. Gretz, "Drink, but Please Don't Drive: Spillover Effects of Ride-Sharing on Alcohol Sales and Drunk Driving Arrests," *Journal of Public Policy & Marketing,* 45 (2), 115–38. doi:10.1177/07439156251385578.

Think Twice Before Marketing AI as "Better Than Humans"

The rapid expansion of AI in business is largely driven by its ability to outperform humans in specific tasks. This has encouraged firms to increasingly integrate AI into their operations and, in some cases, to emphasize AI's superiority over human counterparts in marketing efforts. AI is often portrayed as more efficient, reliable, and consistent than humans. For example, Artisan AI, a San Francisco–based startup, launched a provocative campaign for its autonomous AI worker Ava, using slogans such as "Stop Hiring Humans" and "Hire Artisans, Not Humans" to highlight the advantages of AI employees.



However, emphasizing AI as "better-than-human" carries potential risks. Such messaging can provoke existential concerns, with consumers perceiving AI as a threat to humanity. These perceptions reduce brand evaluations and increase the likelihood of boycotting or negative responses. Consumer reactions are influenced by individual differences in AI-related anxiety: Highly anxious individuals are particularly sensitive to messages portraying AI as superior, while those with lower anxiety show neutral reactions. Given that many consumers experience at least some anxiety about AI, relying on a purely superiority-focused narrative is risky.

To address this challenge, companies can strategically frame AI as highly capable yet limited in scope. Emphasizing that AI is not conscious and that its advantages are task-specific helps reduce fears while still promoting AI's benefits. This approach mitigates concerns about existential threats, improves consumer perceptions, and even reduces negative online reviews, offering a practical way to balance claims of AI superiority with consumer reassurance.

WHAT YOU NEED TO KNOW

- Highlighting AI's superiority in marketing can trigger existential fears about human identity.
- Consumers with AI anxiety react most negatively, which can lower brand trust and increase boycott intentions.
- Frame AI as task-specific and non-conscious to reassure users when showcasing its superiority.

READ THE FULL ARTICLE

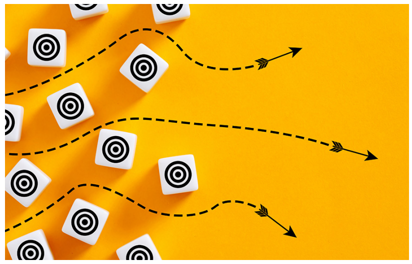
Andrea Weihrauch and Chunya Xie, "Marketing AI Superiority: Risks of Using the 'Better-Than-Human' Framing," *Journal of Interactive Marketing*. doi:10.1177/10949968251408781.

Ad Retargeting Is Overrated

For years, digital advertisers have treated retargeting as the gold standard of online advertising. The logic seems obvious: If someone already visited your website, ads reminding them to return should generate more sales than ads shown to new audiences. This belief is so strong that when Apple's iOS 14 limited cross-app tracking, many marketers feared retargeting—and their performance—would collapse.

But a *Journal of Interactive Marketing* study suggests the industry may be overestimating the value of retargeting.

Researchers partnered with a major bed-in-a-box mattress company and tested over $5.7 million in ad spend across Google and Facebook. They compared two strategies: retargeting past website visitors and prospecting new audiences. Contrary to industry



beliefs and platform-reported metrics, the experiment revealed that prospecting ads consistently outperformed retargeting ads.

The researchers propose that platform attribution systems systematically overstate retargeting effectiveness through a measurement-induced bias. Consider a typical customer journey: After clicking a prospecting ad, a consumer might take two weeks to decide on a mattress purchase. During this time, they see dozens of retargeting ads and likely click on one before buying. The platform then credits that final retargeting click with causing the sale—even though the consumer was already planning to purchase. The retargeting ads receive credit for sales they didn't actually generate.

WHAT YOU NEED TO KNOW

- Question platform attribution reports, especially for long purchase-cycle products.
- Implement aggressive frequency caps on retargeting to reduce wasted spend.
- Consider reallocating budget toward prospecting campaigns that reach new audiences with novel product information.

READ THE FULL ARTICLE

Jeffrey S. Larson and Jeffrey P. Dotson, "Prospecting vs. Retargeting: Insights from a Geography-Based Field Experiment," *Journal of Interactive Marketing*. doi:10.1177/10949968261422740.

T.J. Anderson is Manager, Academic Content, at the American Marketing Association.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