



**UNIVERSITY  
OF TURKU**

Turku School of  
Economics

# **Consumer Perceptions of Diversity in Brands**

Insights from the Fast-Moving Consumer Goods Industry

International Business  
Master's thesis

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15.5.2025  
Turku

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Master's thesis

**Subject:** International Business

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**Title:** Consumer Perceptions of Diversity in Brands: Insights from the FMCG Industry

**Supervisors:** D.Sc. Niina Nummela, D.Sc. Anna Karhu

**Number of pages:** 90 pages + appendices 4 pages

**Date:** 15.5.2025

Within the highly competitive fast-moving consumer goods (FMCG) industry, there is a growing need for companies to gain the preference of consumers and differentiate themselves from competitors. Existing research has found that this can be done through building strong brands that resonate with diverse consumer identities. However, this has posed a challenge for especially globally operating FMCG brands that must appeal to the masses while still acknowledging and embracing the diversity amongst them, as most consumers consider the diversity efforts of brands to be highly unsuccessful. This study aims to bridge this gap by exploring how consumers perceive diversity in brands operating within the FMCG industry.

This study was conducted through an exploratory-qualitative approach to gather insights from American and Finnish consumers representing a mixture of ages, genders as well as ethnicities. The empirical data collection was guided by an extensive literature review through which an in-depth understanding of the setting of the study was reached and a preliminary theoretical framework of consumer perceptions of diversity was compiled. Semi-structured focus group interviews were chosen as the data collection method of this study in order to gain deeper knowledge about the thoughts, opinions and experiences of the participants. The empirical data was analysed utilizing a thematic approach, and the empirical findings were then combined with the preliminary theoretical framework to form a modified comprehensive framework and offer both theoretical and managerial implications on the researched phenomenon.

The findings of this study have confirmed that there are three interconnected broad concepts influencing consumer perceptions of diversity in FMCG brands: consumer perceptions as members of society, consumer perceptions of identity and consumer perceptions of value. The study found that the diversity efforts of brands that are considered successful are perceived as authentic and relatable, as they facilitate making connections between the identities of the consumers and what is portrayed by the brand. However, within the FMCG industry, the practical value of products, that is gained from factors such as price and quality, was often weighted against the value derived from the diversity efforts of brands. For appearance related brands, the value derived from diversity efforts was particularly emphasized, as reflecting the diversity of their consumer base in both their marketing mix activities as well as product ranges was deemed vital.

This study has demonstrated that authentic diversity efforts by FMCG brands have a positive impact on brand image and brand awareness, which were also found to affect consumer decision-making. Thus, it could be concluded that authentic diversity efforts could aid FMCG brands in gaining consumer preference in the highly saturated and competitive market.

**Key words:** Diversity, global brands, FMCG industry, diversity in brands

Pro gradu -tutkielma

**Oppiaine:** Kansainvälinen liiketoiminta

**Tekijä:** Katariina Ojala

**Otsikko:** Consumer Perceptions of Diversity in Brands: Insights from the FMCG Industry

**Ohjaajat:** D.Sc. Niina Nummela, D.Sc. Anna Karhu

**Sivumäärä:** 90 sivua + liitteet 4 sivua

**Päivämäärä:** 15.5.2025

Nopeasti liikkuvien kulutustuotteiden alalla (FMCG-ala) esiintyy kovaa kilpailua, mikä on johtanut yritysten kasvavaan tarpeeseen saavuttaa kuluttajien suosio ja erottua kilpailijoista. Aikaisemmat tutkimukset ovat osoittaneet, että tämä voidaan toteuttaa rakentamalla vahvoja brändejä, jotka resonoivat monimuotoisten kuluttajaidentiteettien kanssa. Tämä on kuitenkin tuottanut haasteita erityisesti globaalisti toimiville FMCG-brändeille, joiden on samanaikaisesti vedottava massoihin sekä tunnistettava ja otettava huomioon heidän monimuotoisuutensa, sillä useimmat kuluttajat pitävät brändien monimuotoisuuden edistämiseen tähtääviä toimia epäonnistuneina. Tämä tutkimus pyrkii vastaamaan tähän ristiriitaan selvittämällä, miten kuluttajat havaitsevat monimuotoisuuden FMCG-alalla toimivissa brändeissä.

Tämä tutkimus on toteutettu laadullisena tutkimuksena eksploratiivisella lähestymistavalla keräämällä havaintoja amerikkalaisista ja suomalaisista kuluttajista, jotka edustavat eri ikäryhmiä, sukupuolia sekä etnisyyksiä. Tutkimuksen empiiristä tiedonkeruuta ohjasi laaja kirjallisuuskatsaus, jonka avulla saavutettiin syvä ymmärrys tutkimusympäristöstä sekä koottiin alustava teoreettinen viitekehys kuluttajien monimuotoisuuskäsityksistä. Tutkimuksen tiedonkeruumenetelmäksi valittiin puolistrukturoidut ryhmähaastattelut, joilla saatiin syvempää tietoa osallistujien ajatuksista, mielipiteistä ja kokemuksista. Empiirinen aineisto analysoitiin temaattisella lähestymistavalla, ja empiiriset löydökset yhdistettiin alustavaan teoreettiseen viitekehukseen, joka mahdollisti muokatun ja kattavan viitekehysten luomisen sekä teoreettisten että käytännönläheisten päätelmien muodostamisen tutkimusaiheesta.

Tutkimuksen tulokset vahvistivat, että kuluttajien käsityksiin FMCG-brändien monimuotoisuudesta vaikuttavat kolme toisiinsa liittyvää laajaa käsitettä: kuluttajien käsitykset yhteiskunnan jäsenenä, kuluttajien käsitykset identiteetistä ja kuluttajien käsitykset arvosta. Tutkimuksessa havaittiin, että kuluttajat kokevat onnistuneet brändien monimuotoisuuden edistämiseen tähtäävät toimet autenttisina ja samaistuttavina, sillä ne helpottavat yhteyksien luomista kuluttajien identiteetin ja brändin kuvaaman sisällön välillä. Kuitenkin FMCG-alalla tuotteiden käytännön arvoa, joka muodostuu esimerkiksi hinnasta ja laadusta, harkitaan usein suhteessa arvoon, joka saadaan brändien monimuotoisuuden edistämiseen tähtäävistä toimista. Ulkonäköön liittyvien brändien kohdalla monimuotoisuustoimien tuoma arvo korostui erityisesti, sillä asiakaskunnan monimuotoisuuden huomioiminen sekä markkinointitoimissa että tuotevalikoiman laajuudessa nähtiin olennaisena.

Tämä tutkimus on osoittanut, että FMCG-brändien autenttisiksi koetuilla monimuotoisuuteen tähtäävillä toimilla on positiivinen vaikutus brändimielikuvaan ja bränditietoisuuteen, joiden havaittiin myös vaikuttavan kuluttajien päätöksentekoon. Tutkimuksen perusteella voidaan siis todeta, että autenttisesti monimuotoisuuteen tähtäävät toimet voivat auttaa FMCG-brändejä saavuttamaan kuluttajien suosion runsaan tarjonnan ja kovan kilpailun markkinoilla.

**Avainsanat:** Monimuotoisuus, globaalit brändit, FMCG-ala, monimuotoisuus brändeissä

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# 1 Introduction

*“Products are made in a factory, but brands are created in the mind” – Walter Landor<sup>1</sup>*

## 1.1 Motivation for the Study

In today’s social, economic and political landscapes, few areas remain untouched by questions of gender, age, race, class and sexuality. Through these debates, engaging with and through aspects of diversity has also become a central means for businesses globally to connect with consumers and gain relevance in the oversaturated and highly competitive marketplace. (Burgess, Wilkie & Dolan 2021, 144; Khamis 2020, 1.) Especially as consumers have become more multicultural through globalization, more socially conscious through the rise of compelling social movements, such as #MeToo and Black Lives Matter, and more interconnected through the global flow of people, knowledge and goods (Viña & Liu 2022), companies are also under increasing pressure to embrace as well as reflect the diversity of their audiences in better, more meaningful and authentic ways (Burgess, Wilkie & Dolan 2023). Thus, diversity has made its way into the field of marketing, where it refers to the execution of practices and actions that aim to represent, include and serve marginalised groups of people and advance inclusion within the marketplace for all marketplace participants (Burgess et al. 2023; Kipnis, Demangeot, Pullig et al. 2021, 143–144). This trend has in turn presented a myriad of opportunities for brands (Burgess et al. 2023), especially in the *fast-moving consumer goods (FMCG) industry*.

Fast moving consumer goods (FMCGs), also often referred to as consumer-packaged goods, are the essential products that individuals use in their everyday lives, ranging from personal care products and cosmetics to food and beverages to cleaning products. As FMCGs are designed to meet basic consumer needs, they are characterized by their fast-moving nature, frequent consumption, relatively low-prices and high consumer demand. (Tyagi, Tyagi & Pandey 2014, 1168–1169.) Due to these factors, and as the products are often very similar in their terms of function, branding is crucial in order to differentiate from competitors and stand out from the crowd (Ihebom 2023). Thus, building strong brands that resonate with a wide range of consumer demographics is increasingly crucial, especially as the megatrends that have disrupted the industry over the last decade, such as consumer fragmentation, the rise of digital platforms and macroeconomic slowdown, show no signs of shifting past (Moulton, Exarchos & Teichner 2024). As highlighted by FMCG executives, the top priorities

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<sup>1</sup> Walter Landor (1913-1995) was a groundbreaking brand designer, who used consumer research and visual design to create many of the most recognizable and successful FMCG brands (Malherek 2012).

for the upcoming years within the industry are winning over the consumer as well as winning with the customer (Webster & Apps 2024).

Due to the characteristics of the FMCG industry, it comes as no surprise that many of the world's most well-known and valuable brands, such as Nestlé, Coca-Cola, L'Oréal Paris and Gillette (Swant 2020) have been built within the industry. As consumers came to contact with and used FMCG brands daily, their global recognition and growth were able to reach new heights since the 1980s until the 2010s. However, in the early 2010s, the top-line growth faded due to population growth slowing down and consumer preferences as well as attention becoming fragmented. As the pandemic came, inflation worsened, which also initially impacted the industry widely. This being said, in past few years, the FMCG industry has enjoyed significant growth due to price increases, which have accounted for 95% of retail sales value growth in Europe and the US. This poses a difficult challenge, as global sales volumes show little gains. Research shows that this imbalance is not sustainable and in order to drive sales volumes, FMCG brands must capture the attention of consumers and address consumer demands and expectations in better ways. (Moulton et al. 2024; Webster & Apps 2024.) This challenge poses significant financial and strategic implications for companies. By exploring consumer perceptions of diversity in FMCG brands, this study will address these possible effects through generating new insights needed in order to offer consumers what they desire.

Although formed through a set of attributes, like a name, a logo, design and a symbol (Kotler, Keller, Brandy et al. 2016, 423), *brands* in essence are representations of consumers' feelings and perceptions about a company's product or service and its performance. Thus, while companies are able to shift how their brand is perceived by consumers for example through advertisements and more subtle promotional cues, such as partnerships, social media posts or product designs, in the end a brand is created in the minds of consumers. (Khamis 2020, 1–2; Kotler, Armstrong, Harris et al. 2017, 243.) As the societal shift towards inclusion has impacted how individuals view their environments and consumers align themselves more with brands that reflect their core values, brands have become a means to an end on the consumer's side to articulate and express their identities (Sihvonen 2019, 2). Therefore, brands relying on the stereotypical portrayal of people can be seen as problematic as it may be hard for individuals to identify with them. This has led to the growing recognition of the importance of representing as well as honouring the wide-ranging spectrum of diversity within individuals, including their ages, ethnicities, genders and (dis)abilities (Puntoni, Vanhamme & Visscher 2021).

However, it seems that brands have missed this opportunity to connect with consumers, as while research shows that consumers expect brands to acknowledge and reflect diversity, only a small percentage of consumers actually consider them doing so (Burgess et al. 2023; Middleton & Turnbull 2021). Understanding this gap is crucial for brands especially in fast-paced and overly crowded business environments, such as the FMCG industry. As FMCG brands are tasked with the challenge of balancing the need to appeal to the masses while simultaneously embracing diversity, the need to comprehend how consumers perceive diversity is important in order to integrate consumer views and feelings into how brands approach and reflect diversity in their products.

As the effects of brands can be felt on three key business levels, the customer market, the product market and the financial market, it has become one of the top management priorities for companies (Keller & Lehmann 2006) and has therefore been widely researched. Moreover, due to the significance of diversity to the overall socio-economic environment, its impact has also been researched vastly in past decade. However, due to the big role that marketing has in brands and vice versa (Bastos & Levy 2012), existing research about diversity in brands is built on diversity marketing and advertising literature (see, e.g., Burgess et al. 2023 and Burgess et al. 2021), both through the perspective of marketing practitioners and consumers (such as Eisend, Muldrow & Rosengren 2022; Middleton & Turnbull 2021; Puntoni et al. 2021). However, many of these studies adopt a singular dimension of identity (e.g., gender as seen in Åkestam et al. 2021, or disability as seen in Essa 2023), which significantly limits the overall scope of what diversity actually is, or focus only on one country (e.g. the U.S. as seen in Zalis 2019 and Newman 2017). Additionally, while a couple studies have explored diversity in the context of brands specifically (e.g., Burgess et al. 2023, Khamis 2020), none have concentrated on FMCGs or the FMCG industry. Thus, this study will bridge the gaps by focusing on brands and diversity in an international context by exploring how consumers from two different countries perceive diversity in recognized FMCG brands. This will not only generate knowledge for FMCG companies but also advance academic research on the topic.

## **1.2 Objectives and Limitations of the Study**

The aim of this study is to explore international consumer perceptions of diversity in brands specifically operating within the FMCG industry. Therefore, the main research question is set as the following:

*How do consumers perceive diversity in FMCG brands?*

The main research question has been divided further into three sub-research questions. First, in order to explore consumer perceptions of diversity in FMCG brands, it is crucial to analyse whether consumers are even aware that the FMCG brands they consume have undertaken measures to showcase and embrace diversity. Thus, the first sub-research question has been formulated as:

*1. How aware are consumers of diversity efforts from FMCG brands?*

Moving on from consumer awareness of the topic, the second sub-research question aims to identify the key dimensions of diversity that consumers find significant when assessing brands' diversity efforts:

*2. What dimensions of diversity do consumers find important in FMCG brands?*

Lastly, in order to provide deeper insights into how FMCG brands' diversity efforts affect the perceived value of the brand by consumers, the third sub-research question is:

*3. How do FMCG brands' diversity efforts affect consumer perceptions of value?*

In order to answer each of the research questions above, this thesis will focus on analysing and combining existing literature with empirical data collected through an exploratory approach, which consists of focus group interviews. Each of the three sub-questions will first be addressed separately, after which the findings will be combined to form a conclusion for the main research question. However, the scope of the study has some limitations.

This study focuses on globally known brands operating within the FMCG industry, which due to their unique characteristics make it interesting for examining the relationship between consumer perceptions and diversity. However, in order to narrow the scope of the research to fit within the time limit and resources available for this study, it includes participants from two countries, Finland and the United States, and thus has an international focus, which is defined as a research that is "carried out across two or more countries, often with the purpose of comparing responses between them" (Association for Qualitative Research 2024). Focusing on the perceptions of consumers from two different countries aids in making a more detailed and targeted analysis of the studied phenomenon. Additionally, the study will have an emphasis on exploring the perceptions of consumers with varying identities, meaning the participants of the study will be of different ages, genders, ethnicities and races, etc. Therefore, the scope of this study is narrowed down by its focus on the FMCG industry as well as Finnish and American consumers being the center of interest. Therefore, the aim of the study is to explore the perceptions of Finnish and American consumers of diversity in brands operating

globally and within the FMCG industry. The key concepts of the study are detailed in the next sub-chapter.

### **1.3 The Key Concepts of the Study**

The key concepts of this study include global brands, brand equity and diversity, which are described thoroughly in this chapter through a review of their most well-known and widely used definitions in existing academic literature and business journals. Understanding the nuances of these key concepts is crucial for this study, as they form the base for the research process. Therefore, the definitions used in this study are determined as a means to explore and discuss consumer perceptions of diversity in FMCG brands further.

While brands have been essential components of scientific study and business understanding for decades, the inconsistency in its usage over time has led to no universal definition being created (Stern 2006, 216). However, it has been widely recognized that brands have always been more about the associations that are attached to them, rather than their actual attributes (Khamis 2020, 1). Moreover, it has been postulated that brands are built of many layers: the actual product itself, the marketing activity that accompanies it and the use (or non-use) of customers and other stakeholders. Thus, brands are seen as reflections of consumer experiences, feelings and perceptions surrounding a company's product or service. (Kotler et al. 2017, 243; Keller & Lehmann 2006.) In other words, a brand conveys a company's identity, values and promise to consumers in a way that differentiates it from others and positions it a certain way in the consumer's mind (Kapferer 2012; Kotler et al. 2016, 423). Because of these factors, from a company perspective, brands are one of the most valuable intangible assets that companies have (Keller & Lehmann 2006). From the consumer perspective, however, brands can be seen as signals, mental knowledge cues and tools for identity expression (Swaminathan, Sorescu, Steenkamp et al. 2020, 25) due to their characteristics. As this study focuses on consumer perspectives, the definition used must incorporate their view of brands.

While global brands do not have a universally accepted definition, they are generally defined as being widely available across multiple geographies and widely recognized globally (Taylor & Okazaki 2015). In addition, some research suggests that global brands should also have a high degree of similarity across countries in brand identity, position, product, packaging and look and feel (Aaker & Joachimsthaler 2000, 306), whereas others have argued that in order for a brand to be global, consumers should perceive the brand as global (Samiee 2019). While each of these definitions offer reasonable perspectives, this study will utilize Dimofte, Johansson and Ronkainen's (2008, 123) conceptualization of global brands as widely recognized, available and similar around the world for

the sake of clarity. To form a coherent definition that combines the brands from the consumer perspective with the global concept, we define global brands as the following:

*Global brands are signals, mental knowledge cues and tools for expression formed from consumer perceptions that sustain widespread recognition, availability and similarity around the world. (modified from Swaminathan et al. 2020, 25; Kotler et al. 2017, 243; Dimofte et al. 2008, 123)*

While the meaning and worth of brands is often described in terms of value, it is generally assessed through brand equity (Keller 2003, 9). As an important concept of the study, the definition used must be set. Keller and Lehmann (2006, 745) have determined that brand equity has three distinct perspectives: consumer-based, company-based and financial-based perspectives. As can be guessed, the financial based perspective defines brand equity through the financial worth of a brand as the price it could bring to a company, while from a company perspective it means the additional value that stems from the brand name that equivalent nonbranded products will not get. As this study is based on consumer perceptions, the definition of brand equity used in this study will be consumer-based. Consumer-based brand equity is argued to be derived from associative knowledge networks in consumers' minds, which are formed through experience and exposure to brands over time (Mohan, Jiménez, Brown et al. 2017). Moreover, the consumer-based perspective sees brand equity as the attraction to, or repulsion from, a particular company's product that is generated mainly by its non-objective parts (Keller & Lehmann 2006, 745). Kotler et al. (2017, 243), in turn, define brand equity simply as the ability to capture the loyalty and preference of consumers, while Aaker (2010, 10) refers to it as a set of assets or liabilities that are linked to a brand's name and its symbol that adds to or subtracts from the value provided by the company's offering to their customers or the company itself. While Christodoulides and de Chernatony (2010, 48) have defined consumer-based brand equity through combining cognitive psychology and information economics as the combination of consumer perceptions, attitudes, knowledge, and behaviours that results in increased utility and allows brands to earn greater volume or greater margins than it could without the brand name, Keller (1993, 5) defines it as "the differential effect of brand knowledge on consumer response to the marketing of the brand". While Keller's definition is slightly older, it shares similarities to more contemporary definitions and is still one of the most widely used definitions in studies (Liu, Wong, Tseng et al. 2017). This study will use a definition that combines Keller's (1993, 5) conceptualization with Kotler et al.'s (2017, 243) and defines consumer-based brand equity as the following:

*Brand equity is the differential effect of brand knowledge on consumer response to the marketing of the brand, which captures the loyalty and preference of consumers.* (modified Kotler et al. 2017, 243; Keller 1993, 5)

The last main concept of this study is diversity. Generally, diversity is seen as the practice or quality of including individuals from various social and ethnic backgrounds that are also of different genders, sexual orientations, etc. (Oxford University Press 2024) or more broadly as the presence and acknowledgement of the differences in people's identities, that include race, religion, gender, age, sexual orientation, ethnicity, language, socioeconomic status, nationality, political perspective or (dis)ability (Burgess et al. 2023). Moreover, while diversity is described as the portrayal of individual and social differences in people with distinct attributes, inclusion often refers to engaging with questions of diversity and highlights the incorporation and valuation of different people's presence and perspectives into an environment (Eisend et al. 2022). However, although generally the meanings of diversity and inclusion vary, research shows that they do not have conceptual differences in brands (Jonsen, Point, Kelan et al. 2018, 622). Thus, the definition used in this study will utilize the definition of diversity used in a marketing context by Burgess et al. (2023) and Kipniss et al. (2021, 143–144), that sees diversity as the practices and actions implemented that aim to represent, include and serve those who are marginalised while advancing inclusion in the marketplace for all its participants. In addition, to form a broader picture of diversity instead of just referring to groups of marginalised people, this study will focus on wide-ranging differences in people's identities: race, gender, age, sexual orientation, ethnicity, language, nationality and (dis)ability (Burgess et al. 2023) and Khamis' (2020, 1) conceptualization of diversity as the extent of seeing and hearing those who have been marginalised, oppressed or ignored. The definition of diversity used in this study is the following:

*Diversity refers to the implemented practices and actions that aim to represent, include and serve various identities, especially those who have been marginalised, oppressed or ignored, and advance inclusion in the marketplace for all participants.* (modified Burgess et al. 2023; Kipniss et al. 2021, 143–144; Khamis 2020, 1)

To sum up, the main concepts that this study focuses on are global brands, brand equity and diversity. The definitions used in this study are based on existing academic research and combine widely recognized descriptions of concepts to form a more detailed and coherent whole.

## **1.4 Structure of the Thesis**

This thesis has been compiled to thoroughly explore consumer perceptions of diversity in brands through merging theoretical frameworks, literature and an empirical analysis to form insights and knowledge and contribute to existing research by offering theoretical as well as practical contributions. The thesis consists of six main chapters, that have been further divided into various sub-chapters in order to comprehensively analyse the topic and its concepts.

This thesis starts with an introduction to the topic through describing the motivation for the thesis and the research gap it addresses. The purpose and direction of the thesis are outlined in Chapter 1.3 through the identification of the research objectives and questions. Moreover, the scope of the study, its key concepts and structure are detailed separately in order to form a clear understanding of the studied phenomenon within its context before moving on to the following chapters. After the further description of the setting of the study, the thesis moves on to the literature review and existing theoretical frameworks in Chapter 2., that will be used to draw insights of the topic. Through the thorough literature review, a preliminary framework is compiled that is used to guide the study moving forward to its empirical data collection phase.

After the theoretical framework, the study moves on to describe the methodology used in this study in Chapter 3, in which the research approach, data collection and analysis as well as the evaluation of this study and its ethical considerations are described. This is followed by a description of the findings of this study in Chapter 4, which are enriched by the use of direct quotations from the conducted focus group interviews with Finnish and American consumers representing diverse ages and genders. The conclusions, which consist of a reflection of the research questions in light of the findings of this study as well as the theoretical contributions and the practical implications, are presented in Chapter 5. In addition, the limitations of this study and suggestions for future research are delineated in the conclusions of this study. The summary of this study is presented in Chapter 6.

## **2 Theoretical Framework**

This chapter will give an overview of the existing academic literature and research surrounding diversity in brands, while focusing on applying and drawing insights from chosen relevant theoretical frameworks to analyse the different aspects of the topic. The chapter is divided into three broad main subsections, of which the first will delve into brands and consumer perceptions (2.1) and the second, diversity in brands (2.2). In the third sub-chapter, a preliminary comprehensive theoretical framework of consumer perceptions of diversity in brands will be created by combining the theories conceptualized in the former two sub-chapters.

### **2.1 Brands and Consumer Perceptions**

The concept of brands is centuries old and dates at least all the way back to ancient times, when livestock were marked with burns to signal ownership (Bastos & Levy 2012; Kapferer 2012, 11). However, until the end of the 1950s, the business applications of brands were narrow. In late 19<sup>th</sup> and early 20<sup>th</sup> centuries, as products were increasingly packaged separately and labelled, the identity of their makers were added to the utility of the products, meaning that producer names became a source of added value for consumers. Thus, brands in their limited sense were born. However, the idea that consumers buy things also for the meaning that is attached to them grew stronger only after the Second World War as the Consumer Revolution began, and consumers were left with a difficult choice of what brand to buy and why, as there was an influx of brands in the market with no apparent differences between the products, and all made similar claims of superiority. Because of this, academic debate about bringing the social and psychological nature of products into brands began, and brands started instilling specific associations as well as both symbolic and functional values to win over consumers. Through these events, a brand evolved past its initial narrow role as a product identifier or even its later role as a way to solely differentiate products from others to its current stature. (Khamis 2020, 1–2; Bastos & Levy 2012.)

Today, the role of brands has broadened as consumers exceedingly want them to include a purpose that serves a wider group or function other than making a profit that benefits company shareholders. However, the boundaries of brands have simultaneously blurred, as companies can no longer dictate their brand meaning and positioning alone because consumers and other stakeholders are increasingly involved in the processes. (Swaminathan et al. 2020, 27.) Thus, brands have emerged as a way to create emotional connections with consumers and other stakeholders through reflecting their social, ethical and personal beliefs and values in the brands' own identities and purpose commitments (Burgess et al. 2023). Thus, the power that brands have accumulated ultimately come down to what

consumers think and feel. A strong brand is one that consumers feel a connection to; a brand that has captured consumer preference as well as loyalty. As such, brands are the key element in the relationship between a company and consumers. (Kotler et al. 2017, 243.) While it might feel like the world has evolved past the Ancient times, the core thought of brands coming from fire has carried on to today, as it is reflected in the intensity of its meaning. Today, a brand is a sign as well as a symbol; it carries the fascinating power to present oneself as someone who belongs and supports a cause or as someone who stands out and opposes it, creating both a social and a personal identity as well as a certain reputation and status. (Bastos & Levy 2012, Swaminathan et al. 2020, 30–31). As such, this thesis explores the social aspect and the personal dimensions of consumers as well as their perceptions of value to form a coherent understanding of how consumers perceive and respond to the diversity efforts of brands.

### 2.1.1 Brands and Consumer Perceptions as Members of Society

While the power that consumers have over brands has been established in business as well as academic literature, the influence that brands have over consumers has also been a topic of discussion over the recent years. Already in the 1980s, arguments were made over mass media becoming more powerful than other institutions, such as education or religion (Pollay 1986). Today, this matter has only been intensified by the rise of social media, hyperconnectivity and near limitless access to information, and the appeals to emotion and beliefs are now more influential in shaping public opinion than objective facts (Swaminathan et al. 2020, 24; Khamis 2020, 11). Thus, as much of branding happens in a collaborative environment online and as brands communicate and showcase their values and beliefs through their marketing mix practices, they are also able to influence and shape consumer values, beliefs and identities as well as societal norms and belief systems (Khamis 2020, 1, 11; Williams, Lee & Haugtvedt, 2004, 3).

Gerbner's (1969) cultivation theory conceptualized this phenomenon by arguing that exposure to certain media, such as television in his case, will over time alter a viewer's perception of reality and cultivate certain attitudes and beliefs (Yang & Shang-Yung 2016, 31). Over time this theory has been applied to explore the effects of other forms of media (e.g., mass media as a whole, social media) to broader society as well as consumers. The research suggests that while brands may gain benefits through cultivation, such as fostering brand trust through social media usage (Yang & Shang-Yung 2016, 33), media and thus brands also have the power to impact public opinion and perceptions of minority groups (Tan, Fujioka & Tan 2000, 369–370). According to Campbell, Sands, McFerran et al. (2023), brands often fail to include older consumers, certain racial groups, and the disabled in their

marketing mix activities while perpetuating gender stereotypes. Thus, if brands continue to portray stereotypes or leave some groups of people out of their marketing mix practices altogether, they may cultivate certain ideas and perceptions of consumers that have negative effects for society, such as harmful beauty stereotypes and the idea that certain groups of people are outsiders in society. On the other hand, by successfully incorporating diversity in brands in an authentic and meaningful way, studies have suggested that brands are not only able to cultivate and promote a more inclusive and less segregated society but also may expect further engagement and commitment from consumers (such as positive word-of-mouth) due to them having more positive feelings and perceptions about the brand (Burgess et al. 2023; Williams, Lee & Haugtvedt 2004, 4).

Moreover, the connections of self made by consumers can be based on group identities (Swaminathan Page & Gürhan-Canli 2007, 249). As expressed in the social identity theory, each individual has multiple different versions of themselves through which they are joined with multiple different groups. Therefore, consumers think of themselves not only in first-person but also in terms of us and their communities, or the society in which they live in. In fact, consumers tend to favour those with whom they share the same identity or identities. (Solomon, Bamossy, Askegaard et al. 2016, 384.) Thus, when people consume brands, they are communicating certain matters and facts about themselves to others in society (Halko & Hytönen 2014), such as their values and beliefs. This further solidifies the perceptions that consumers have of certain brands and similarly, their thoughts about those surrounding them.

A prime example of an FMCG brand trying to cultivate a more inclusive society through their products is Band-Aid, that announced in 2020 that it would start selling bandages in a wider range of colours from light to dark in order to better accommodate a more diverse range of skin colours. Although some consumers saw this as a step into the right direction to better include all regardless of skin colour, many were sceptical of the timing of and the actual motives behind the broadened product line, as it was announced at the height of the Black Lives Matter movement. However, the brand was transparent of their actions; while Band-Aid noted that they had many years prior had a product line in the U.S. that catered to multiple skin tones that was later discontinued due to lack of interest, they also at the time recognized their responsibility as a large player in the wound care category, donated to the Black Lives Matter movement and committed to being an inclusive brand. (Naftulin 2020; Gibson 2021.) Thus, the scandal was short-lived, and Band-Aid was able to authentically promote a more inclusive and less segregated society through their products that has carried on to today. While individuals have their own preferences, the ideals and norms held by society and communities that are showcased by the brands of today do have the power to influence the behaviour of consumers and

thus the needs and wants of individuals (Solomon et al. 2016, 393). This showcases the power that brands hold over society as well as individual consumers. However, brands also have wider means of and reasoning for connecting with individual consumers.

### 2.1.2 Brands and Consumer Perceptions of Identity

The studies regarding the identities of individual consumers as well as how consumers identify with brands has increased over recent years, but the topics have been researched for decades (Sihvonen 2019, 6; Swaminathan et al. 2007, 248). At the forefront of these studies has been the theory of brand-consumer relationships, where brands are described as active and contributing members of relationships with consumers, rather than passive objects that can be bought and sold. The premise of brand-consumer relationships is that consumers tend to humanise inanimate objects, such as brands, by assigning them certain personality traits to interact with them. The natural extension of this line of thinking is that all the actions made by brands serve as behaviour, which shape consumer perceptions of the brand acting as its personality and character. (Fournier 1998, 344–345.) In other words, consumers view the actions of brands as signals through which they build it a certain image. However, the strongest relationships between brands and consumers are built with the brands that consumers perceive as having congruent values and personality associations with their self-concept (Swaminathan et al. 2007, 248) or self-connection (Fournier 1998, 364). As such, brand relationships and brands themselves can be seen as expressions and continuations of consumer identities (Swaminathan et al. 2007, 248; Fournier 1998, 364).

Moreover, studies show that from the perspective of consumers, the objects that they have consumed or seek to consume in future situations are valued by the degree to which they allow, enable or facilitate a positive sense of being and identification (Shankar & Fitchett 2002, 512). This means that consumers align themselves more and more with brands that reflect their own core values, beliefs and thoughts as well as their past, possible or desired selves, mirroring where they have been and where they want to go. Thus, when brands are able to positively showcase diverse individuals in their marketing mix practices, the consumers who feel the brand's actions reflect their own identities and senses of being will more likely consume the product than the ones who feel left out. For example, research shows that consumers are more inclined to react positively to ads in which they sense similarities between the model and themselves (Watson 2006). This concept is described by the theory of consumer identity formation (Figure 1), which is based on research by Sihvonen (2019) and Huffman, Ratneshwar and Mick (2000).

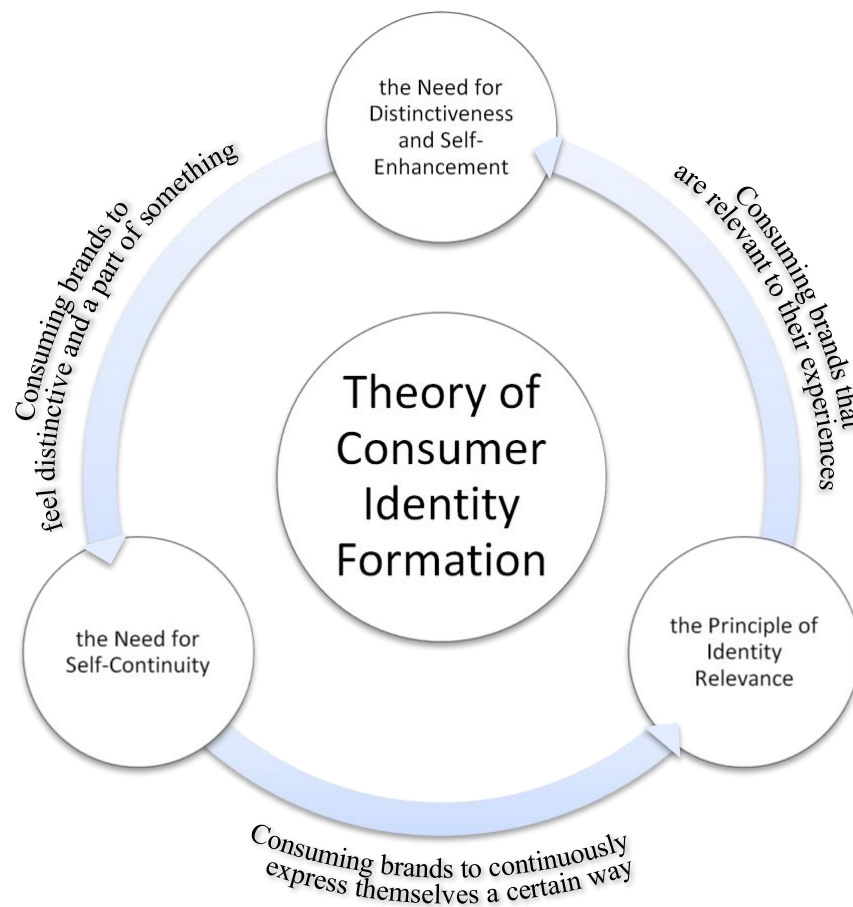


Figure 1 Theory of Consumer Identity Formation (based on Sihvonen 2019 and Huffman, Ratneshwar and Mick 2000)

The theory of consumer identity formation, as illustrated by Figure 1., identifies the three basic concepts that guide the formation of identity from the perspective of consumers: the need for distinctiveness and self-enhancement, the principle of identity relevance, and the need for self-continuity. Through the first of these concepts, the need for distinctiveness and self-enhancement, consumers try to affiliate themselves with others as well as set them apart from others. Thus, the brands that are positively evaluated by the people that consumers want to affiliate with will most likely be incorporated into the self-concept of the consumer in question. This means that the brands that showcase factors that consumers view as ideal will be preferred as a means of self-enhancement. (Sihvonen 2019, 9–10.) The second concept, the principle of identity relevance, reflects the fact that consumers will likely prefer brands that are relevant in their lives in terms of specific roles they have in life or life tasks they have or will complete, as seen for example in the lifestyles that consumers want to portray and communicate through brand choices (Sihvonen 2019, 10; Huffman, Ratneshwar,

Mick 2000). The need for self-continuity, in turn, showcases how consumers are motivated by the want to define and express themselves in a consistent way. Thus, by consuming certain brands, consumers may try to relive past experiences and keep them as a part of their identities in the present as well as in the future as they go through different stages of life. (Sihvonen 2019, 10–11.) Figure 1 illustrates how these concepts come together to form the described theory of consumer identity formation.

As these factors have showcased, when brands incorporate diversity in various different ways, they are able to reflect the identities of more individual consumers and therefore gain more possibilities to connect with consumers as well as form emotional connections. When consumer perceptions of self align with the marketing mix activities of brands, studies show it has positive impacts on the value perceived by consumers (Confente, Scarpi & Russo 2020). Therefore, by being able to connect with brands through their identities, the perceptions that consumers have about the value of the brands rises. Consumer perceptions of value dives deeper into this phenomenon.

### 2.1.3 Brands and Consumer Perceptions of Value

As the power of a brand is created in the minds of consumers – in their thoughts, feelings, opinions and perceptions, the value of a brand is directly linked to how consumers respond to brand marketing efforts and what make the efforts meaningful, or valuable, for them. In order to explore how consumers perceive diversity in brands and assess it further in this study, understanding why and how consumers perceive value is crucial. Thus, as brand equity is the universally accepted means of assessing the value of a brand (Keller 2003, 9), exploring how brand equity is created from a consumer perspective provides valuable insights for the purposes of this study.

As both academics and businesses have been highly interested in understanding how the value of brands can be built, brand equity has been researched vastly in the past decades (Çifci, Ekinci, Whyatt et. al 2016). While many models have been created to assess brand equity, Aaker's (1991) model has been most frequently used specifically in brand studies, which was created around the same time as Keller's (1993) model, that has also been widely recognized and cited in literature (Biedenbach 2012). While these two models have their similarities, Aaker (1991) argues that brand equity also includes proprietary brand assets in addition to brand awareness, brand loyalty, perceived quality and brand associations, whereas Keller (1993) focuses more on emotional aspects and postulates that brand equity ultimately comes from differential brand knowledge, which can be divided into two central elements: brand awareness and brand image. However, several alternative concepts have been suggested more recently, such as Rego, Brandy, Leone et al. (2022, 587) conceptualization of brand

equity, that proposes it stems from the combination of access, differentiation and engagement, as well as Tasci's (2020) suggestion that the total meanings of brands from a consumer perspective come from brand familiarity or awareness, brand image or associations, perceived quality as well as consumer value and brand loyalty. Nevertheless, Keller's and Aaker's models have remained the most utilized ones in research. Due to the characteristics of Keller's model, this study will utilize it to further inspect the formation of brand equity from a consumer perspective.

Keller's model of consumer-based brand equity comes down to the fact that it is fundamentally determined by the brand knowledge that has been created in the minds of consumers through any potential encounter with a brand, such as brands' marketing activities. Brand knowledge, thus, is not about the attributes of a brand but the associations linked to the brand in consumer memory, meaning all descriptive as well as evaluative information. (Khamis 2020, 1; Keller 2009; Keller 2003, 596–597.) As seen in Figure 2., which is a conceptualization of Keller's (1993) dimensions of brand equity, the two elements that brand knowledge consists of are brand awareness and brand image. The first of the elements, brand awareness, is reflected by the ability of consumers to recognize and recall the brand in different circumstances. In this case, recognize means being able to identify a brand as one that has been seen or heard of previously, and recall, meaning being able to generate it from memory, the brand in different circumstances. In other words, brand awareness means the strength of a trace of a brand in consumer memory. (Keller 2009; Keller 1993, 3.) Brand image, in turn, is referred to by Keller (1993, 3) as “the perceptions about a brand as reflected by brand associations held in consumer memory”. However, its more nuanced nature has made it a harder concept to define as well as manage and measure (Lee, James & Kim 2014). In research, it has been described as the synthesis of the intrinsic properties of brands and brand perceptions, beliefs and ideas as held by consumers (Wu & Chen 2019, 301; Keller 2003, 12) or as everything that people associate with a brand (Newman 1957). Simply put, it is the overarching meaning of the associations of brands as held in consumer memory (Keller 2003, 12).

As laid out in Figure 2., there are three types of associations related to brand image: attributes, benefits and attitudes (Keller 2009; 2003). According to Keller (2009; 2003, 11), the associations can be characterised as having three significant dimensions, strength, favourability and uniqueness, that have a fundamental role in how consumers perceive the meaning of a brand. What this means is that, when consumers associate a brand with strong, favourable and unique elements or characteristics, they become points-of-difference that serve as sources of brand equity. This is because the associations are able to evoke genuine responses that boost differential effects, such as brand trust, brand loyalty

and brand credibility. These responses are crucial in building and maintaining active loyalty consumer-brand relationships. (Keller 2009; Keller 2003, 12 –13.)

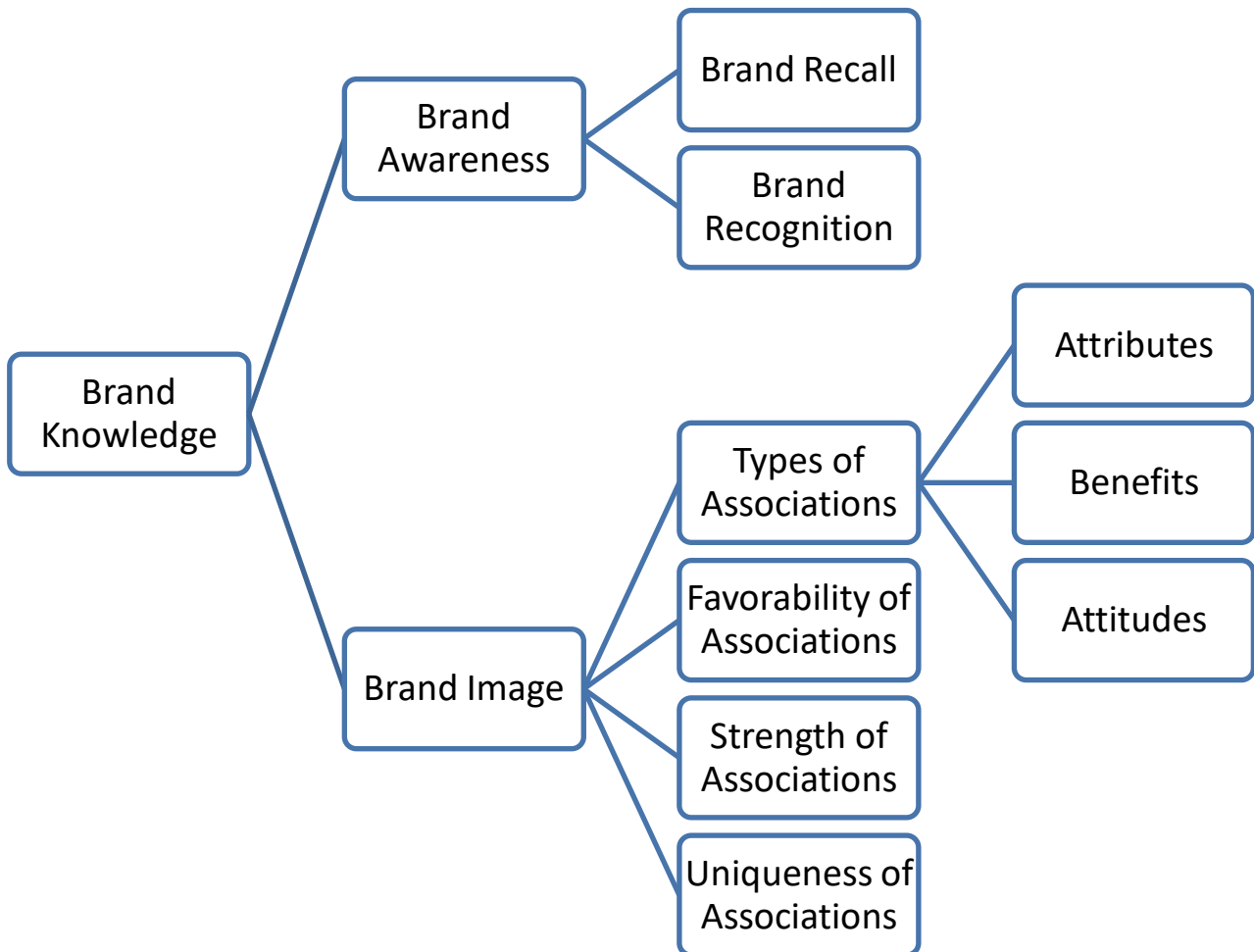


Figure 2 The Dimensions of Brand Knowledge (adapted from Keller 1993)

Based on Keller's (1993) dimensions of brand equity, it can be postulated that brand awareness and brand image have a unquestionable impact on the value of brands from the perspective of consumers. As has been theorized in Chapters 2.1.1. and 2.1.2., consumers want to consume brands that they can identify with and connect to in a broader way, which means the value and meaning that consumers attach to brands and seek to gain from them is derived from those factors. Understanding that everything that consumers connect brands to or think about when faced with them either add to or subtract from the meaning or value that consumers place on brands provides a basis for exploring the concept of diversity in brands further from the perspective of consumers.

## 2.2 Diversity in Brands

As the social shift towards inclusion has had a paramount impact on consumer behaviour, consumers today expect companies to go beyond basic transactional relationships and showcase their commitment to social and political issues that they deem important. Thus, as the possible consumer base that companies can reach has widened and brands increasingly try to reflect the identities, preferences and values of their consumer base, incorporating diversity into brands has become a central means to do so. (Burgess et al. 2021, 144; Sobande 2020; Swaminathan et al. 2020, 36.) Similarly, it has been argued that the stereotypical portrayal of people is not a feasible option for brands anymore, as prospective consumers may feel unrepresented and left out because of it, which will lead to missed customers and purchases (Dimitrieska, Stamevska & Stankovska 2019).

### 2.2.1 Tokenism vs. Authenticity in Diversity Efforts

While incorporating diversity into brands can be made seem as relatively easy by including diverse audiences into the first two layers of brands – the product itself and the marketing that surrounds the product, existing research shows that approximately half of consumers currently feel underrepresented by brands and especially their advertisements (Middleton & Turnbull 2021), which means that brands continue to be unsuccessful in their diversity efforts. This could be the result of brands inaccurately representing diversity or consumers sensing when brands engage in tokenism, or woke washing, and use socio-political issues just as a marketing gimmick (Hickman 2018). Tokenism is referred to as the act of making a superficial or symbolic effort (Merriam-Webster 2024), whereas similarly woke washing happens when brands use misleading messaging and symbols etc., that are not upheld by their actual purpose and values (Vrendenburg, Kapitan, Spry et al. 2020, 444). A giant FMCG brand Pepsi was called out in 2017 for engaging in tokenism and woke washing due to their ad campaign that featured Kendall Jenner from the Kardashian clan as a peaceful protestor delivering a can of Pepsi to an armed police officer, which turned the protest into a party. During this time many protests were being held especially in the U.S. but also around the world to support the Black Lives Matter socio-political movement, and consumers viewed the ad as inauthentic and opportunistic, as Pepsi at the time did not have a purpose, values or history that showed any support for Black Lives Matter, racial inclusivity or other social causes. (Vrendenburg et al. 2020, 451.) What ensued was harsh criticism for both Kendall Jenner and Pepsi brand as well as millions in losses for Pepsi, who had to pull the ad the next day and issue an apology (Victor 2017). Thus, if brands incorporate diversity only into their marketing activities and do not additionally have values or a purpose that reflects it, the outcome will be poor.

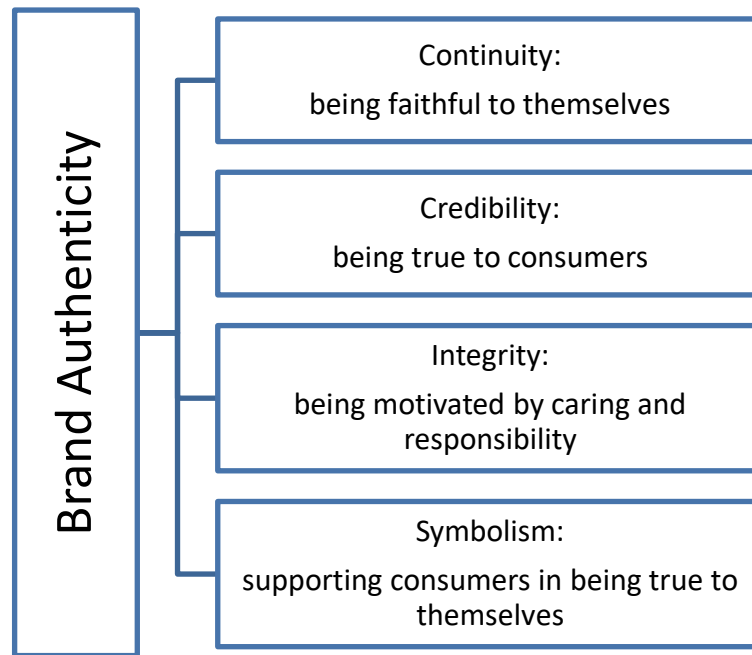


Figure 3 The Dimensions of Brand Authenticity (adapted from Morhart, Malär, Guévremont et. al 2015)

As brands increase their diversity efforts, the question of when and how these efforts can be perceived as tokenistic arises (Campbell et al. 2023). The concept of brand authenticity addresses these concerns, as portrayed in Figure 3 (adapted from Morhart, Malär, Guévremont et. al 2015). Morhart et. al (2015) identified the four key dimensions brand authenticity “as the extent to which consumers perceive a brand to be faithful towards itself (continuity), true to its consumers (credibility), motivated by caring and responsibility (integrity), and able to support consumers in being true to themselves (symbolism).” Thus, for example when brands make bold declarations about diversity or out of nowhere start featuring diverse models but do not acknowledge, address or in any way try to dismantle the issues surrounding exclusion or discrimination, consumers do not perceive their actions as authentic, which creates feelings of consumer scepticism and wariness around the brand (Burgess et al. 2021, 144; Sobande 2020). The Pepsi scandal is a prime example of this. However, in the Band-Aid example of broadening their product line to include multiple skin colours, the brand also showed support for the movement and showed concrete actions to fight racial inequality in society, the action was not seen as tokenistic by consumers. This is how incorporating diversity into brands should be done. When consumers perceive a brand as authentic, it leads to emotional brand attachment, positive word-of-mouth and a higher likelihood of brand choice (Morhart, Malär, Guévremont et. al 2015, 211). Similarly, according to Gilmore and Pine (2007, 5), authenticity has even overtaken quality as the number one criterion for consumers looking to make purchases, similarly to quality becoming more important than cost and cost becoming more important than availability. Thus, brand

authenticity is one of the most crucial aspects to be considered in the creation of meaningful diversity efforts by brands.

However, brands have recently also been reminded of the fact that some consumers do not value diversity in the slightest and try to steer clear from brands promoting it. Especially in the U.S., conservative groups have boycotted some brands due to campaigns that promote and showcase progressive social agendas, such as LGBTQ+ rights, racial equality and gender inclusivity, as they generally are seen as leftist ideals and thus oppose the traditional values of the conservatives. These right-wing consumers are pushing for brands to therefore stay out of social and political issues and rather opt for a neutral stance through their boycotts. (Meyersohn 2024.) One of the most recent brands that has received widespread criticism and been boycotted by conservatives has been Anheuser-Busch -owned beer brand Bud Light, whose products were promoted in April 2023 on Instagram by Dylan Mulvaney, who is a transgender influencer. Although the boycott was relatively short-lived, the backlash was felt by Anheuser-Busch, whose revenue in the U.S. in the second quarter of 2023 fell more than 10 percent from a year earlier primarily due to the decline in Bud Light sales. (Holpuch 2023.) While these backlashes and the possibility of tokenism are said to be the driving force behind a slight decrease in mentions of diversity-related efforts by brands (Maurer 2023), recent research shows that the consumers that do not value diversity represent a small minority, as the diversity and inclusion reputation of brands does influence the purchase decisions of most consumers. The 2024 Brand Inclusion Index shows that 75 percent of global consumers say that diversity and inclusion, or a lack thereof, influences their consumption decisions. This trend is especially notable among Millennials, those born between 1981 and 1996, and Gen Z, those born between 1997 and 2010, whose buying power is rising fast. Thus, the prominence of brands' diversity efforts is even expected to grow in the future. (Kantar 2024; The Economist 2023.)

While brands have been incorporating diversity in their strategies increasingly in past years, discussions about consumers failing to recognize themselves being represented and considered by brands and their products prevail. While global consumers have vast differences, for the sake of clarity, this study will focus on four dimensions of diversity that have all been at the center of public discourse in recent years: diversity in age, diversity in race and ethnicity and diversity in gender (including gender stereotypes). Diversity in age, race and ethnicity as well as gender especially represent dimensions of diversity that are central to the identity and cultural dynamics of today, as they have a profound influence in how people perceive themselves and others within social and commercial contexts. By perpetuating age, racial and ethnic stereotypes as well as binary gender roles, brands are unsuccessful in representing the actual diversity of societies while simultaneously

excluding some consumer groups entirely, thus failing to meet the needs and wants of consumers. (Branca, Grosso & Castaldo 2024.) The following three subchapters explore these critical dimensions of diversity, especially focusing on how they have been historically constructed and how they manifest in the diversity efforts of brands today, to offer insights and contribute to the growing discussion surrounding them. While this list is not exhaustive and other aspects of diversity do exist, it incorporates multiple dimensions of diversity that are needed to explore and analyse its complex and interconnected nature (Campbell et al. 2023).

### 2.2.2 Diversity in Age

A consumer demographic that is often excluded by brands due to misunderstandings and misconceptions are mature or older consumers. Although the buying power and influence of older consumers is only expected to grow in the future, older people are still widely underrepresented and stereotyped by brands. Historically, the representation of consumers over 65 years of age has mainly focused on health, hygiene and medical products, which reflects the judgements and oversimplified beliefs of society that link older age to sickness, weakness and even loss of cognitive abilities. (Eisend 2022.) This limited representation is extremely old-fashioned, as mature consumers of today not only have more time and resources than younger demographics, but they also live diverse vibrant lifestyles, are interested in trying new things and have many desires (Witschi, Bharadwaj, Barrios et al. 2023). By taking into consideration diversity in age, which refers to the increased representation as well as overall better consideration of mature consumers by brands and their products (Campbell et al. 2023), brands could tap into the multi-trillion-dollar market that they represent (Witschi et al. 2023). Case in point, mature consumers (those over 50) currently make up the wealthiest age group in the whole world and have been proven to spend far more on single purchases than other age group. Moreover, their spending habits stay mostly the same even in times of economic hardship, they are fiercely loyal to brands they enjoy, and they are considered more credible than younger people, which is seen in their ability to strongly influence other consumers (Witschi et al. 2023; Eisend 2022.) Despite these factors, brands generally target younger demographics, even if their products are used by consumers of all ages (Eisend 2022), which is mainly the case in FMCG products.

The reasoning for brands ignoring or overlooking older consumers seems to be trifold. Firstly, brands see younger consumers as innovators and trendsetters and are therefore seen as better to promote products to others than older consumers. Secondly, most marketing and advertising professionals, who are largely in charge of the representation seen in brands, are younger than the age of 45 and thus may unconsciously or consciously prefer models and product endorsers with whom they

themselves can identify with. Lastly, as the beauty and attractiveness of the models and representatives that brands use have positive effects on brand image and consumer perceptions, brands tend to showcase youth in their campaigns. However, due to the societal awareness about the negative aspects of stereotyping, the growing significance of mature consumers on business growth and the positive effects of diverse representation of the elderly, brands should be including mature consumers more and in a better way. (Eisend 2022.)



Picture 1 Stills from Ben & Jerry's Progress Comes in Many Flavors Campaign (Ben & Jerry's 2024)

An example of an FMCG brand that did not make the costly mistake of overlooking older consumers is Unilever's purpose-driven ice cream brand Ben & Jerry's. Although the brand did not have any activism-centered ad campaigns for nearly a decade, its 2024 campaign *Progress Comes in Many Flavors* calls consumers to stand up for what they believe in and features people from various demographics, including diverse ages, races and genders. The campaign starts with a powerful call to

action: “If you can bang a drum, bang it for something you believe in.” (Kelly 2024.) As portrayed in Picture 1, mature people are included in the ad as lively participants in activism, which challenges aging stereotypes and empowers older consumers. This reflects Ben & Jerry’s age-positive and inclusive standpoint and showcases that activism, passion and purpose are not limited by age. However, while Ben & Jerry’s has accurately represented older consumers in their campaigns, many other FMCG brands have not included them in their marketing mix practices and it shows. This has been proven to be a missed opportunity, as scholars have argued that by incorporating older consumers, brands may even increase the effectiveness of their campaigns, because older people are seen as more trustworthy and credible than others (Shoenberger, Kim & Johnson 2019; Becker, Wiegand & Reinartz, 2018.) Brands tending to overlook the importance of representing older consumers is exemplified by the fact that while consumers over the age of 40 make up 48 percent of the population, they are only represented by 13.6 percent of models used in brand campaigns. Likewise, the representation of different races and ethnicities by brands follows a similar inaccurate pattern. (Campbell et al. 2023.)

### 2.2.3 Diversity in Race and Ethnicity

Although positive racial representation has increased in the media in recent years, some racial groups have been and still are underrepresented or portrayed stereotypically by brands and not considered in their product lines. Diversity in race and ethnicity refers to the extent of which people with differing physical characteristics, such as skin colour, facial features and hair texture, as well as cultural and ancestral identities are represented and considered by brands and their products. (Campbell et al. 2023.) Historically, the diverse racial representation by brands was very limited, as most if not all advertisements and products were catered towards white people, as middle-class whiteness was noted to be the ultimate consumer aspiration. However, while much has improved since then, stereotypes and offensive portrayals of minorities have continued by brands in advertising and media. (Shankar 2020, 114.) For example, a social media ad by Dove received fierce backlash by consumers in 2017, as it portrayed a black woman removing her shirt to reveal a white woman, which prompted accusations of racism (BBC 2017). Similarly, within the same year, Nivea launched a deodorant ad with the slogan “White Is Purity”, that was hijacked by white supremacists and was therefore quickly pulled after protests by consumers (Wang 2017). While these ads were not intentionally racist and offensive, they showcased how racist ideologies and white superiority may still be promoted by large consumer brands, as studies suggest that racism is so systemically embedded marketing that it often go unrecognised (Davis 2017).

However, the harmful portrayals regarding diversity in race and ethnicity are not limited to advertising but are also seen in products. One such controversy has been by FMCG cosmetics brand L'Oréal Paris, that received backlash in the past for some of its foundations having very limited shade ranges, such as the Infallible Pro-Glow foundation that at the time of its announcement in 2016 had 12 shades of which only one catered to slightly darker skin tones (Sanusi 2016). However, partly due to the consumer uproar and the controversy that followed, L'Oréal recognized the issue and made a commitment to do better to showcase that the value of diversity is actually taken into consideration within the brand, and they are now celebrated as one of the best FMCG cosmetics brands with extensive shade ranges (Ogwanighie 2024). These examples showcase why consumers are demanding that brands to take on strategies that upend and reprimand for past blind spots, that have led to the aforementioned incidents and many others, as well as integrate diversity in race and ethnicity in genuine and meaningful ways (Schiffer 2020). As members of minority groups are 1.8 times more likely to recognize stereotypical racial representations in advertisements compared to other groups and feel as if they are shown more in ads about having different types of struggles (Alcantara 2021), it conveys and cultivates a damaging message that may be internalised and incorporated into consumer psyches as consumers are exposed these kinds of ads (Davis 2017). Consumers have therefore expressed that performative efforts by brands are therefore no longer enough and more thought as well as effort must be put in the representation in ads and the tailoring of product lines to serve and cater to racially and ethnically diverse audiences (Francis & Robertson 2021).

#### 2.2.4 Diversity in Gender and Gender Stereotypes

Similarly to age-related and racial stereotypes, the portrayal of different genders in brands has historically been rigid and reinforcing of traditional gender roles. Gender stereotypes refer to the beliefs that certain attributes, such as physical characteristics, occupational status, trait descriptors and role behavior, differentiate men and women (Knoll, Eisend & Steinhagen 2011, 869), whereas diversity in gender refers to the equal portrayal of genders that has evolved past binary classifications and the socially constructed expectations suitable for individuals based on their sex (Campbell et al. 2023). In the past, women have been portrayed by Western brands as homemakers and their physical appearance and youthfulness has been emphasized, while the strength and dominance of men has been highlighted (Purba, Manurung, Sibarani et al. 2024, 757; Soni 2020, 20). In fact, a number of studies show that the key female stereotypes used by brands are homemaker/housewife, a sexual object or a decorative object of beauty, and women are rarely shown at work or sporting roles. Moreover, women are often times shown in inferior roles to men. (Campbell et al. 2023; Middleton

& Turnbull 2021). Portrayals of men, on the other hand, focus primarily on power, financial success and physical strength and are often associated with career and social advancement, expertise and high education. In addition, men are more often depicted outside of the home than women. (Papaja & Świątek 2021; Ricciardelli, Clow & White, 2010.) While these portrayals have been challenged in the contemporary marketing mix activities of some brands through conveying women and girls as equal to men and boys and by portraying genders in non-traditional settings, the stereotypes of genders still seem to be showcased by others. (Purba et al. 2024, 757; Soni 2020, 20.)

As brands have the ability to influence society and cultivate ideas and perceptions through their marketing mix activities, brands perpetuate gender inequality in society and place pressure on individuals to conform to the limited gender stereotypes by using these types of portrayals. It has been suggested that the stereotypical portrayal of genders could cause harm by restricting people's choices, aspirations and opportunities as well as leading to a diminished view of women's competence, morality and humanity. Moreover, the risks associated with portrayals of objectification, sexualisation or unattainable body images and beauty ideals can cause especially women and girls but also men and boys to internalize unhealthy and even impossible expectations regarding their body images and beauty, which could result in eating disorders, depressive symptoms and body-focused anxiety. (Middleton & Turnbull 2021.) However, generally it could be said that while stereotypes do not necessarily always convey negative ideas about genders, they certainly oversimplify them, which could at worst ultimately lead to expectations and perceptions that restrict opportunities. This is when stereotyping becomes problematic. (Knoll et al. 2011, 869–870.)

A FMCG brand that used certain societal stereotypes of women to actually fight against them has been feminine hygiene product brand Always, that launched its *#LikeAGirl* campaign in 2014 that grew into an empowering movement. In the original video campaign, people of various ages and genders were asked to do certain activities “like a girl”, such as throw a ball or run, which led to exaggerated and even demeaning performances that reflected societal gender stereotypes. After this, young girls were asked to perform the same activities “like a girl” and they did so with pride and confidence and showcased their capabilities and strength. Always did this to highlight the insight found in one of their studies that more than half of women experience a drop in self-confidence during puberty and the use of “like a girl” as an insult was one of the factors that play a part in it. The campaign led to global conversations on social media, vast engagement from consumers and a positive shift in brand perception by consumers. (Procter & Gamble 2024; Vision 2023.) This campaign, as portrayed in Picture 2., is a prime demonstration of how brands are able to challenge gender stereotypes and create a lasting influence on society, as the number of girls that have a positive

association with the phrase “Like A Girl” increased from 19 percent to 76 percent after the launching of the campaign (Procter & Gamble 2024).



Picture 2 Always' #LikeAGirl Campaign (Always 2015)

Overall, the stereotypical and even offensive portrayal of different groups of people used by brands are seen as reflections of outdated ideas and perceptions of society. While the global population and thus the global consumer base is aging rapidly (Witschi et al. 2023), the belief that genders as well as race and ethnicity are social constructs rather than scientific facts is also becoming increasingly widespread (Campbell et al. 2023). Moreover, studies carried out within the U.S. indicate that a larger percentage of populations cannot fit within the boundaries of certain rigid gender or racial identities (Parker, Horowitz, Morin et al. 2015; Wilson & Meyer 2021). Thus, consumers are demanding that brands pay attention to these societal shifts and take them into consideration in their products and marketing activities (Burgess et al. 2023; Puntoni et al. 2021; Alcantara 2021). Understanding how the representation of diversity in age, race and ethnicity as well as gender in brands is central to how consumers are able to identify with and connect to them today. Thus, it plays a significant role in the exploration of consumer perceptions of diversity in brands.

### 2.3 Consumer Perceptions of Diversity in Brands

According to existing academic literature, there are several factors at play that impact how consumers perceive diversity in brands operating within the FMCG industry. In order to explore this phenomenon and create a thorough understanding of it, this study approaches it through the sub-questions listed in Chapter 1.2, each of which cover an integral part of the research agenda.

To begin, the first sub-research question aims to gather information about consumer awareness of diversity in brands through collecting insights into how consumers interpret and perceive the diversity

efforts of brands as members of society. Additionally, it explores how the collective identities of consumers align with the diversity efforts of brands. According to the social identity theory (Solomon et al. 2016), consumers can use brands as signals and communications of themselves to others in society, as consumers often use products that they feel reflect their values and beliefs. Moreover, as the cultivation theory (Gerbner 1998) argues, brands have the power to influence the perceptions of society through cultivating certain ideas and attitudes that are portrayed and represented by a brand. By perpetuating stereotypes and rigid beauty standards, brands may cultivate harmful ideas and strengthen them as a societal norm. However, when brands cater to and represent diverse audiences, they are able to cultivate a less segregated and inclusive society, and this way also affect consumer perceptions of diversity. Nevertheless, if consumers feel left out by certain brands, they may feel less inclined to consume their products, as the brands may seem less inclusive and not representative of them or their views of the broader society (Burgess et al. 2023; Puntoni et al. 2021). Therefore, consumer perceptions as members of society is one of the factors that should be examined in order to create further insights about the researched phenomenon.

Subsequently, the second sub-research question focuses on the importance of the different dimensions of diversity in the brand evaluation process of consumers. It aims to showcase how the diversity efforts of brands impact consumer perceptions as well as collect insights on which specific factors make the diversity efforts of brands stand out for individual consumers. As the theory of brand-consumer relationships (Swaminathan et al. 2007; Fournier 1998) and the theory of consumer identity formation (Sihvonen 2019; Huffman, Ratneshwar and Mick 2000) argue, consumers want to consume brands that are continuations of their own identities, values and beliefs as well as represent them as well as their roles and experiences in life. Consumers value representation and often times prefer consuming brands that include people who look like them in their marketing mix practices, as it facilitates the connections made between the brand and the consumer (Watson 2006; Fournier 1998). Thus, examining how consumer perceptions of identity influence their behavior and thoughts is vital in order to analyse their perceptions of diversity in brands.

Lastly, the third sub-research question seeks to collect insights on whether consumer perceptions of the overall worth, value, and importance that consumers connect to or place on brands align with their diversity efforts. The concept of brand authenticity is deeply aligned with this question, as it has been argued to be a significant driver of consumer behavior (Morhart, Malär, Guévremont et. al 2015; Gilmore & Pine 2007). Furthermore, according to Keller (2003), the value of brands or brand equity from the perspective of consumers is ultimately derived from the difference in consumer response to a brand's marketing based on their knowledge and perceptions of the brand. Therefore, as the

perceptions of brands are impacted by consumer perceptions of value, it can be deemed as the third significant factor to explore in order to gain a detailed yet extensive understanding of consumer perceptions of diversity in brands.

Taking into consideration the theories, frameworks and perspectives described in Chapter 2. of this study, it can be concluded that consumer perceptions of diversity in brands are influenced by consumer perceptions as members of society, consumer perceptions of identity and consumer perceptions of value. The following preliminary framework, Figure 4., is based on the theories and concepts mentioned in this study and was created to visualise the interlinked nature of the phenomenon as well as the research questions.

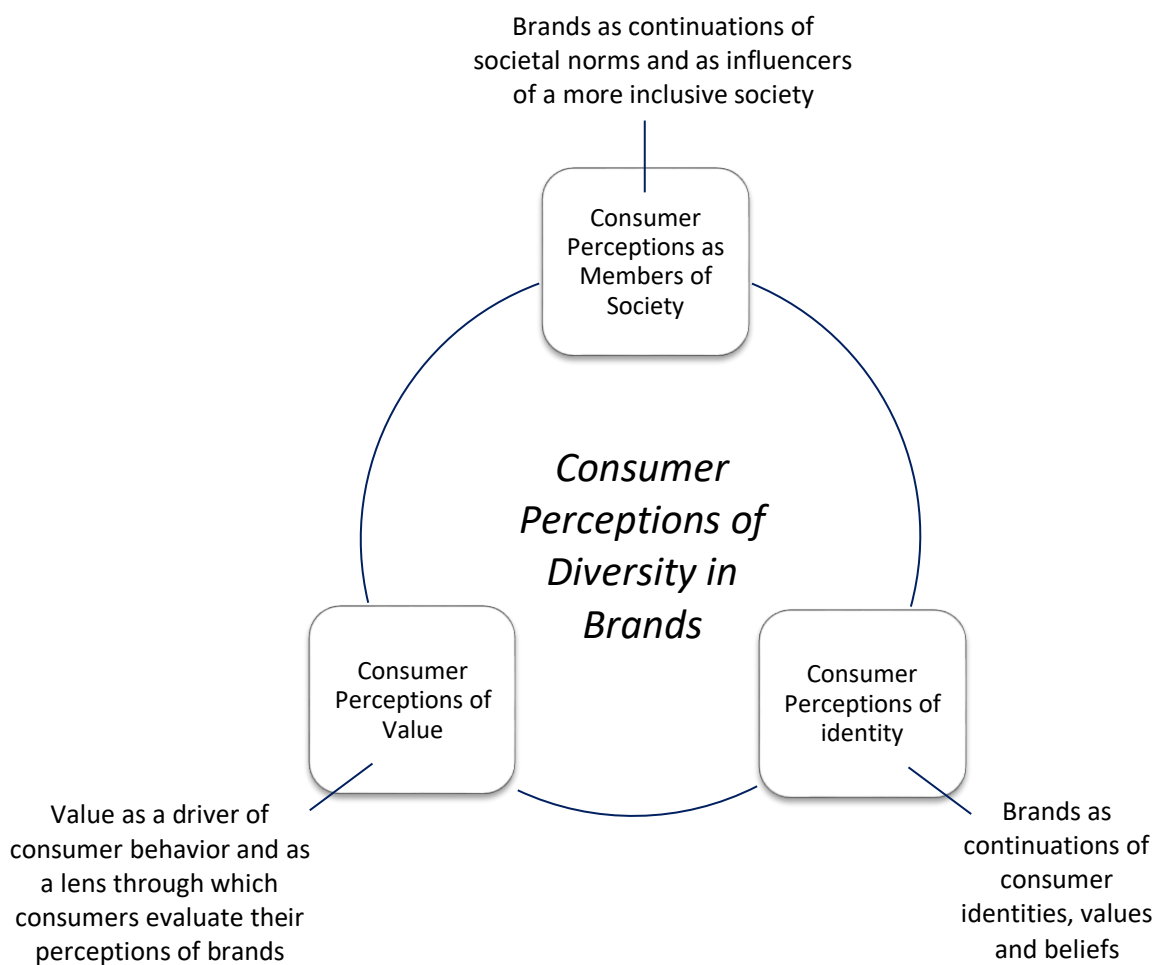


Figure 4 The Preliminary Framework of Consumer Perceptions of Diversity in Brands

These theories and their relevance to the phenomenon in question are examined through an empirical exploration of the experiences, thoughts and perceptions of Finnish and American consumers. By leaning on the framework above that is formulated based on these main theories and the other concepts explored in Chapter 2., the data collection is ensured to align with the study's research questions and core objectives.

### **3 Methodology**

This chapter details the methodology and its foundational assumptions that shape the study. It begins by introducing the chosen research approach and its philosophical foundation, which align with the study's objectives and thus shape its direction. This is followed by the methods used for data collection and analysis, which are explored through their relevance to the research questions. Finally, the methodology is evaluated by addressing aspects of reliability and validity as well as ethical considerations to ensure that the research meets high standards of trustworthiness and transparency.

#### **3.1 Research Approach**

While there are numerous ways to approach research, the aim of the research determines what approach should be taken (Vogt, Gardner, Haeffele 2012, 45). As this study seeks to explore how consumers perceive diversity in FMCG brands, the emphasis of the research is placed on the perspectives, thoughts, experiences and perceptions of individuals. Thus, an exploratory approach is needed (Vogt et al. 2012, 341; Ghauri & Grønhaug 2002, 48–49). As described by Ghauri and Grønhaug (2002, 48–49), there are three different kinds of research designs: exploratory, descriptive and causal design, of which the exploratory approach seeks to form a clearer understanding of the topic through observation. According to Vogt et al. (2012, 341), exploratory research refers to the types of studies that aim to find patterns or generate ideas rather than to test theories. Due to the limited knowledge of consumer perceptions of diversity in brands, an explorative research approach is considered the most suitable, as it strives to find patterns within consumers as well as formulate a deeper understanding of diversity in brands from the perspectives of various consumers (Eriksson & Kovalainen 2008, 5; Vogt et al. 2012, 341).

Furthermore, due to the purpose of the study, a qualitative approach is needed to gain a deeper understanding of the topic through the perspectives of various consumers. Qualitative research dives deep into the research topic through gathering information of the research participants' experiences, perceptions and behavior, which is especially useful in advancing understanding of consumer behavior (Fischer & Guzel 2022, 260–261), as is the aim of this study. As opposed to quantitative research that collects numerical data and answers how many or how much, the qualitative data used in this study answers the questions of how and why through examining individual and collective action and perspectives (Doz 2011.) Thus, rather than testing and verifying existing hypotheses, qualitative research approaches aim at comprehending phenomena holistically from research participants perspectives (Vogt et al. 2012, 45; Eriksson & Kovalainen 2008, 193–195; Ghauri &

Grønhaug 2002, 88–89). As the studied phenomenon is multifaceted and interconnected by nature, creating a holistic understanding from the perspectives of diverse consumers is vital.

However, as qualitative research seeks to enrich the understanding of social phenomena, it includes the perspectives from which phenomena can be perceived but excludes their frequency, place and range and thus is not inherently designed for generalizing across the general public (Lim 2024). Therefore, qualitative studies are often thought to be the first phase of research, which can then be verified through quantitative measures (Silverman 2001, 32). Nevertheless, qualitative studies are argued to be appropriate method of knowledge production by themselves (Eriksson & Kovalainen 2008, 5). Moreover, while qualitative studies encompass a more limited number of observations than quantitative ones, this study focuses on uncovering of the deeper subjective meanings that consumers place on their actions, decision and opinions, which means that the smaller number of observations is valid (Fossey, Harvey, Mcdermott et al. 2002; Ghauri & Grønhaug 2002, 87–88). All in all, due to the novelty value of the topic, the foundational objectives of the study and the type of data required, the use of a qualitative research method is both warranted and justified (Ghauri & Grønhaug 2002, 50–52). Therefore, the research approach of this study is both qualitative and exploratory.

### **3.2 Data Collection**

As the research approach and the preliminary framework of the study guides the data collection process (Eskola & Suoranta 1998, 48), the data collection method used in this study will be semi-structured focus group interviews and the data will be primary data. According to Ajayi (2023, 1), data refers to facts or figures through which conclusions are able to be drawn. As such, data collection plays a key role in all research. In both qualitative and quantitative research, there are various methods through which data can be collected, all of which fall into two categories: primary and secondary data. While primary data refers to the data that is collected for the first time by the researcher, secondary data has been already collected or produced by others. Therefore, primary data seeks to illustrate and address the problem at hand, while secondary data has been collected in the past for a different reason. (Ajayi 2023, 1; Eriksson & Kovalainen 2008, 77–78.) In qualitative research, the data collection methods used generally include small-group discussions, observation, semi-structured or in-depth interviews or analysis of different texts, visual materials and documents (Eriksson & Kovalainen 2008, 77–94).

Interviews as a data collection method are aimed at understanding the participants' perspectives of the topic of the study (Vogt et al. 2012, 33). Moreover, as interviews are the most commonly used data collection method and the semi-structured technique is most frequently used in qualitative

research (Kallio, Pietilä, Johnson et al. 2016), using semi-structured interviews to gather data is an appropriate decision for this study. However, as argued by Eskola and Suoranta (1998, 65), the interview method used must be carefully chosen based on the aim of the research, as different interview techniques produce different kinds of information. Semi-structured interviews are used to seek views on a focused topic in a way that allows for flexibility, finding patterns and relatively easy comparison (Guest, MacQueen & Namey 2012, 7; Eriksson & Kovalainen 2008, 82). Moreover, they are especially well suited for exploratory research: as the studied topic is relatively unknown in exploratory research, semi-structured interviews allow for more exploration when new ideas emerge but also make comparison possible due to their structured nature (Lim 2024; Eskola & Suoranta 1998, 64–65), which is important in this study. This combination would not be possible to the same extent in either structured or unstructured interviews (George 2022). Moreover, because semi-structured interviews are largely based on open-ended discussion, meaning that there are no set answers for them as opposed to structured interviews, they reveal the participants' own perspectives better (Ajanovic & Çizel 2021). This is also one of the reasons why semi-structured interviews are favourable when the examined group is heterogeneous (Eriksson & Kovalainen 2008, 180–181), which is an important aspect for generating insights on the studied phenomenon. Additionally, as the interview was arranged in a focus group setting, the participants were able to and encouraged to interact with each other, which further aided in stimulating conversation about the topic and in discovering variety within the group. Furthermore, due to the time limitations of the study, the focus group interview setting was also appropriate, as it elicits information on a range of norms and opinions in a short amount of time. (Mack, Woodsong, MacQueen et al. 2005, 52.)

In order to link the research questions and the theoretical concepts used in the preliminary theoretical framework to the study, the themes of the research and the interview question were carefully crafted based on the objectives of this study, as is illustrated by the interview guide (Appendix 1). For this purpose, the research questions of this study were operationalized, as shown in Table 1. Based on the operationalization, six important themes were found that formed the basis for the interview questions: (1) general awareness of FMCG brands' diversity efforts, (2) perception of diversity, (3) perception of self as a consumer, (4) diversity in brand messaging and consumer expectations of diversity, (5) the value gained from brands integrating diversity and (6) the effects of diversity on brand awareness and brand image.

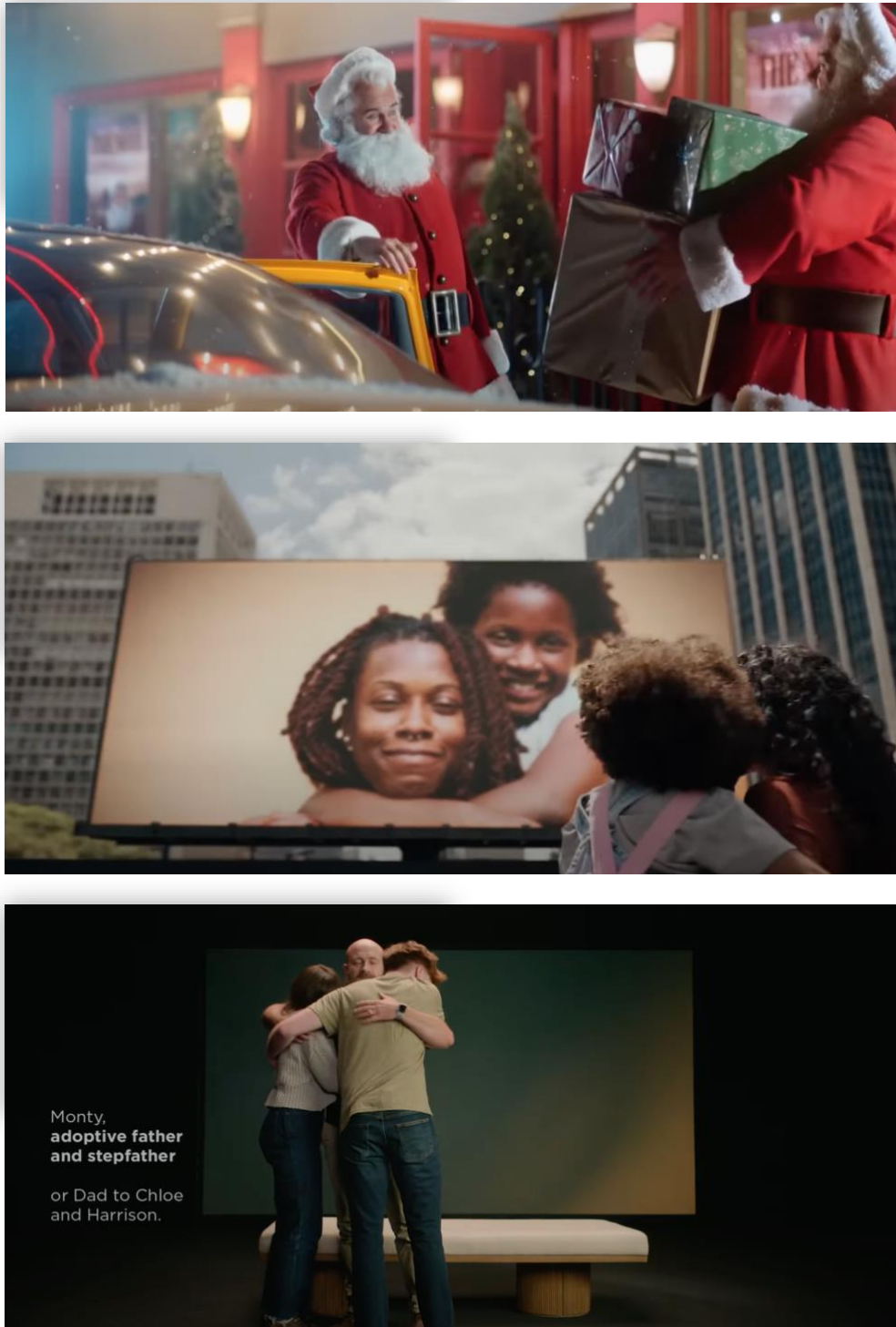
Table 1 illustrates the categorization of the themes based on alignment with the research question and the sub-research questions as well as showcases the overall connection between the research questions to the theory and used literature as well as to the chosen themes. As seen in Table 1, the first three

themes of the interview correspond to the theory and the literature used for the first sub-question. Similarly, the fourth, fifth and sixth themes correspond to the theory and literature of the second sub-question, and sixth and seventh to the third sub-question. Based on this operationalization (Table 1) the interview guide was formed (Appendix 1). In the interview guide, seven main research questions were formulated as well as several additional questions that could be used to guide the conversation if needed after the main question was asked. These questions were created to support the researcher in the interview situation to make sure that the conversation would remain relevant to the researched topic as well as to ensure that each of the interview themes would be covered. In addition, the interview guide also showcases the correspondence of the theories used and the theme formed based on the research questions for each of the interview questions. In this study, the interview guide worked well in aiding the researcher to guide the conversation.

Table 1 The Operationalization of the Research Questions

<b>Research question</b>	How do consumers perceive diversity in FMCG brands?		
<b>Sub-research questions</b>	How aware are consumers of diversity efforts from FMCG brands?	What dimensions of diversity do consumers find important in FMCG brands?	How do FMCG brands' diversity efforts affect consumer perceptions of value?
<b>Theories used</b>	Social identity theory Cultivation theory	Theory of identity formation Brand-consumer relationship theory	Consumer-based brand equity The concept of brand authenticity
<b>Themes in interview</b>	General awareness of FMCG brands' diversity efforts Perception of diversity Perception of self as a consumer	Diversity in brand messaging Consumer expectations of diversity The value gained from brands integrating diversity	The value gained from brands integrating diversity The effects of diversity on brand awareness and brand recall

As illustrated in the interview guide, a part of the interview is based on three different ad campaigns from three major globally known brands, Coca-Cola, Dove and DoveMen+Care, to stimulate conversation and illustrate how brands may integrate diversity in their messaging. Stills from these ad campaigns are portrayed in Picture 3: the first being from the Coca-Cola ad (2023), the second being from the Dove ad (2024b), and the third being from the DoveMen+Care ad (2024).



Picture 3 Stills from the Chosen Ad Campaigns (Coca-Cola 2023, Dove 2024, DoveMen+Care 2024)

By showing ads that emphasize various aspects of diversity (such as age, gender and race/ethnicity), the interviews allow participants to reflect more broadly on the representation within the campaigns and how they may affect the participants' opinions and perceptions of the brand. This approach encourages a broader discussion on the authenticity and effectiveness of diversity in advertising and aids in collecting more valuable data surrounding the topic across demographics. In addition, by incorporating various campaigns in the interview, the data collection aligns with the best practices in qualitative research, which emphasize the importance of varied and contextually relevant stimuli to obtain detailed participant insights (Silverman 2020, 145).

To begin the actual process of data collection after the operationalization of the research question aided in the formation of the interview themes, the participants of this research were selected through purposive sampling. Likewise to the overall data collection process, the sampling method must be consistent with the aim and the research approach of the study (Morse & Niehaus 2009). Thus, as an exploratory qualitative research, this study is aimed at gaining an understanding of the studied phenomenon rather than attempting to generalize the findings (Lim 2024). In addition to this, the sampling strategies used in studies should be designed on the basis that they are both efficient, by using resources such as time and participants effectively (Makwana, Engineer, Dabhi et al. 2023, 767), and valid, by ensuring the sample accurately represents the population or phenomenon being studied (Lee & Landers 2022). According to Eskola and Suoranta (1998, 15), given the limited number of informants in qualitative research, it is important to select individuals who are well-representative of the studied topic. Purposive sampling refers to identifying and selecting individuals that are especially knowledgeable about or experienced with the studied phenomenon (Patton 2015). Moreover, purposive sampling is argued to be an effective use of limited resources (Patton 2015), as is the case with this study. As the studied phenomenon includes a variety of consumers, it could be argued that practically anyone could take part in the study. However, as the data was collected through two focus group interviews and validated at a later point with one last smaller focus group interview, it was important to gain the perspectives and opinions of as many different types of consumers as possible (meaning different ages, genders and races/ethnicities). Therefore, using the purposive sampling method is appropriate and valid for the purposes of this study. The overall criteria used in choosing the participants of the interview were: (1) to be a consumer of current international FMCG brands, (2) represent a broad range of ages, (3) aid in achieving gender balance within each age group, (4) be able to communicate and express their opinions well in English, and (5) represent varying racial or ethnic backgrounds, if possible. All in all, the selected participants reflected the listed criteria. However, the last criterion (5) was reflected in each of the focus groups rather than the individuals of

the focus groups, as the Finnish group consisted entirely of Caucasian participants and the American group predominately of Black Americans.

The decision to hold two focus group interviews, one in Finland and one in the United States, was mainly twofold: to aid in increasing the diversity of the data while guaranteeing that the findings of the study did not represent the perspectives of consumers from a single location. As the study is international by nature, the researcher felt that including consumers from two countries would enhance the transferability of the findings (Singh, Benmamoun, Meyr et al. 2021) as well as make the findings of the study more interesting through adding a comparative dimension to it. Finland and the United States were specifically chosen due to the connections that the researcher has to both of these countries. As a born and raised Finn, the researcher wanted to study Finnish consumers, as she was one and thus felt that she could relate and understand their perspectives better. Moreover, this study would aid in generating more knowledge about Finnish consumers, which remain quite underresearched in the grand scale of international business research especially regarding the novel phenomenon at hand. However, the researcher is also connected to the United States, as she has lived in the states of Iowa as well as Georgia on two separate student exchanges, once in high school and once during university. Additionally, she has visited the country multiple times per year, usually for an extended duration. Therefore, she has immersed herself in the local culture and built a genuine connection with local communities and the American people. This allows for a more detailed understanding of the perspectives and opinions of the American research participants and the cultural contexts of the study.

Table 2 provides a detailed overview of the selected participants of the first focus group interviews. All in all, the group interviews included 10 participants from Finland and the United States of different genders, ages and races and ethnicities. The first of the interviews was held on the 1<sup>st</sup> of December 2024, in the state of Georgia in the United States, while the second interview was held on the 28<sup>th</sup> of December 2024, in Espoo, Finland. Participants A1 to A4 took part in the first focus group interview, which was held to gain the perspective of American consumers, while participants F5 to F10 attended the second focus group interview, in which the focus was on Finnish consumers. The first interview lasted for 56 minutes and the second for an hour and 7 minutes. The participant codes were formed as they are to aid readers in understanding whether a specific quote was said by an American (code A) or a Finn (code F) in the findings of the study described in Chapter 4.

Table 2 The Participants of the First Two Focus Interviews

<b>Participant code</b>	<b>Age</b>	<b>Gender</b>	<b>Race/Ethnicity</b>	<b>Country of residence/nationality</b>
A1	25	Male	Black American	The United States, American
A2	54	Female	Black and Native American	The United States, American
A3	31	Male	Black American	The United States, American
A4	57	Male	Black American	The United States, American
F5	30	Female	Caucasian	Finland, Finnish
F6	71	Female	Caucasian	Finland, Finnish
F7	75	Male	Caucasian	Finland, Finnish
F8	37	Male	Caucasian	Finland, Finnish
F9	61	Male	Caucasian	Finland, Finnish
F10	59	Female	Caucasian	Finland, Finnish

Both of the interviews were held face-to-face in calm settings in private residences, which allowed the researcher to observe non-verbal cues, such as gestures and tone, which are crucial when studying participants' emotions and perceptions (Ghauri & Grønhaug 2002, 100–102). Moreover, the setting also aided in creating a more relaxed and informal feeling to the interview, which is argued to aid in enabling participants to share their perspectives and opinions more naturally (Kvale 1996, 131–133). As the participants of the study were purposively chosen, they were sent a small pre-interview questionnaire a few days prior to the interview to collect information about their personal demographics and background alongside the data management plan and a research brief, that contained important information about the study and a consent form (Appendix 2). However, due to possible technical difficulties with electronically filling out the pre-interview questionnaire as well as signing the consent form, the participants were also given the option of doing them in-person before the interview. While one person sent the forms before the interview electronically, the rest opted for doing them in-person.

While the first language of the focus group interview participants varied between Finnish and English, it was decided to hold both of the interviews in English due to the good level of proficiency in English of all of the participants as well as the researcher. This was mainly due to the fact that, if one of the interviews would have been held in Finnish as opposed to English, it would have needed to be translated, as the findings of the study are reported in English. Translations are said to add to the complexity of the research process and its reporting as well as the increase possibility of misunderstandings, which in turn could have affected the trustworthiness and validity of the findings of the study (McKenna 2022). However, the participants of the first focus group interview were asked if they felt that they could express their opinions well in English, as was one of the criteria for the participant selection. Additionally, the participants were asked if they agreed to conducting the interview in English. During the first focus group interview, there was one instance where one of the participants did not understand the question fully in English and requested a clarification in Finnish, which the researcher gave promptly. Otherwise, English was the only language used. All in all, the decision to conduct both of the group interviews in English was deemed appropriate by the researcher to simplify the research process and to ensure the rigor of the findings (McKenna 2022).

Due to the Finnish focus group interview having no Gen-Z participants, meaning those born between the years 1997-2012, it was decided to validate the findings of the data analysis with a final small focus group interview consisting of Gen-Z interviewees as the last phase of the data collection. The participants of the validation interview were also purposively chosen and born in 1997, 1999 and 2000, thus representing the previously excluded generation well. The interview, which was also the third focus group interview, was held on online through Zoom on the 21<sup>st</sup> of March 2025. The validation interview lasted for 23 minutes. Table 3 provides a more detailed overview of the participants of the validation interview.

Table 3 The Participants of the Validation Interview

<b>Participant code</b>	<b>Age</b>	<b>Gender</b>	<b>Race/Ethnicity</b>	<b>Country of residence/nationality</b>
F11	27	Female	Caucasian	The Czech Republic, Finnish
F12	25	Female	Caucasian	The Czech Republic, Finnish
F13	23	Male	Caucasian	Finland, Finnish

The validation interview did not follow the interview guide, as the purpose of it was to confirm whether the research findings were seen as relevant and accurate by Finnish Gen-Z consumers. However, the interview was still conducted as semi-structured, as it included pre-planned open-ended questions to guide the conversation and reveal the thoughts of the participants better (Ajanovic & Çizel 2021). Moreover, a Canva presentation was used by the researcher as the basis of the validation interview. It aided the researcher in describing the findings to the interview participants in a clearer and more coherent manner while acting as a visual aid for the participants (Glegg 2018) as well as helping the researcher guide the validation discussion.

The validation interview began with the researcher explaining the purpose and topic of the study in order for the participants to become familiar with the study and its aim. After this, before moving on to the exploration of the findings, the interviewees were asked a couple open-ended questions to express their consumption habits and become comfortable with the interview setting. This was followed by the researcher presenting the findings of the study one by one in a clear and detailed manner, after which it was possible to start exploring the interviewees perspectives of what was found. This was done by the researcher asking whether the interviewees agreed or disagreed with the findings after describing each of them. After the findings were presented and the participants agreement or disagreement with them were discussed, the researcher asked some additional open-ended questions to further induce discussion and to gain a deeper understanding of the participants' views of the findings, such as:

- Did these findings seem unclear or confusing to you in any way?
- Thinking back on the topic, do you think that any important factors were overlooked or left out?
- Do these findings accurately represent your perspectives of diversity in FMCG brands as a consumer?

All in all, the validation interview was successful in generating an environment where the participants freely shared their opinions and perspectives of the findings of the study. As is the case with validation interviews in general, it is possible that participants may simply agree with the findings of the study without fully reflecting on their meaning, thus falsely reinforcing the findings of the study (Eriksson 2018, 47). However, while the interviewees agreed with most of the findings presented, they also explained their opinions and discussed them with each other, giving interesting insight about their perspectives and some new factors to consider that did not fully manifest in the prior interviews. The pre-planned questions and presentation helped to guide the conversation, which was hardly needed, and in the end of the interview, none of the participants had anything to add when prompted to do so.

### 3.3 Data Analysis

Once the data collection process has been completed, the data analysis may begin to clarify the findings and generate insights aligned with the research objectives (Ghauri & Grønhaug 2002, 122; Eskola & Suoranta 1998, 100). In qualitative research, data analysis can be described as a dynamic and creative process of making sense of the voluminous amount of data generated. Thus, it can be defined as the process of systematically sifting the trivial from the important and organizing the accumulated data to increase the understanding of the studied phenomenon. (Patton 2015.)

According to Ajanovic and Çizel (2021, 204–205), the three types of reasoning that can be used to guide data analysis are deductive, inductive and abductive. Considering their differing natures, this study takes a deductive approach. In inductive studies the data collected is used to form new general theories or hypotheses, whereas in deductive studies the data analysis process is done in the context of existing theories to confirm propositions of them. (Ajanovic and Çizel 2021, 204–205.) Abductive reasoning, on the other hand, is used to generate new ideas from existing research and is used in a cyclical process of generating insights (Kistruck & Shantz 2021, 1480). While studies that have an exploratory approach are primarily inductive, it was possible to apply existing theories to the context of this study in the form of a preliminary framework (Figure 4.), making the study deductive by nature (Guest et al. 2012, 7). However, as the study's purpose is not to solely confirm propositions of the preliminary framework but also to generate new insights of the studied topic, the preliminary framework will be modified according to the findings of the study (Casula, Rangarajan & Shields 2021). This way the formed theory will generate a more appropriate and improved understanding of the studied phenomenon based on the contextual empirical data (Thompson 2022, 1411).

In order to explore and analyse the vast amount of data that qualitative research produces and produce valid insights, the data analysis process must be systematic and well thought out (Oplatka 2021, 1885). One widely used method for qualitative data analysis is thematic analysis, which will also be utilized in this study. As this method has received some criticism for its 'anything goes' -approach (see, for example Braun & Clarke 2006), the method used in this study is guided by the step-by-step method for thematic analysis created by Thompson (2022, 1411–1412) in order to be as transparent within the process as possible while still leaving some space for the researcher's own interpretation and creativity.

Thompson's (2022) step-by-step guide to thematic data analysis moves as follows: (1) transcription and familiarisation, (2) coding, (3) codebook, (4) development of themes, (5) theorising, (6) comparison of datasets, (7) data display, and (8) writing up. Thus, the data analysis process went as

follows: The collected data from the audio recording of the focus group interviews was first transcribed into written format, which was then read thoroughly to form a general understanding of the data and become familiar with it. Then, the process of coding took place, during which short phrases and words that summarised the essence of a portion of the written transcript were created, that condensed the vast amount of data available. To consolidate the data in a way that no repetitive codes were remaining, the process took 2 rounds. The third part was to create a codebook, in which key details and criteria for the use of the code were created. Once the coding was completed, the researcher carried on with the development of themes. Themes are referred to as “a group of codes that can effectively portray a phenomenon” (Thompson 2022, 1414). Then, the data analysis process moves on to theorising, which is a crucial part of thematic analysis. During this step, the relationship between the themes and the dataset are described. After this, the comparison of the datasets may begin. The seventh step was creating a data display, in which the themes and codes are used to create a visual display of their connections. However, due to the limited amount of data and the limited resources of the researcher, there simply was no need to create a visual display of the data and this step was therefore skipped. Many other guides to thematic analysis do not include creating a visual display (e.g., Kananen 2008), and therefore it was deemed less meaningful for conclusion of the data analysis process. Finally, the last step includes writing up the findings with headings denoting each theme that is accompanied by theories that are linked to the empirical data with quotations from the raw data to provide empirical evidence for the theorisation.

In this study, the transcription of the interviews was done by utilizing the Transcribe tool in MS Word, which however required some manual corrections by the researcher, while each of the remaining steps were carried out in MS Excel. The data from the two first focus group interviews were analysed together but in order to keep up with which one of the participants of the study expressed their perspectives and opinions, each of their expressions were marked with different colour. This enabled the researcher to compare and cross-examine the data smoothly. The data analysis process is presented in Table 4. As the third focus group interview, or the validation interview, took place after the initial data analysis process, the data that was compiled from it was analysed later in the same file with the same colouring technique to effectively cross-examine the findings.

Table 4 Thematic Data Analysis Process

Quote	Code	Theme	Theory
"Diversity is very much a thing to see ... especially when brands are trying to sell something, and they try to target specific people like us or the LGBTQ -community"	Targeting certain demographics	Diversity in brand messaging and consumer expectations of diversity	Gerbner's cultivation theory; social identity theory
"Absolutely I do research [before purchases]. I look at the brands and what their products include, what they value and how they show it."	Research-based decision-making	General awareness of FMCG brands' diversity efforts	Social identity theory; theory of brand-consumer relationships
"I think these kinds of ads are annoying because I know they are only doing this to gain customers, like they don't really do anything to highlight real people. Like the Dove ad, they still used influencers, not real people."	Brands making a symbolic effort	Diversity in brand messaging and consumer expectations of diversity	Tokenism; brand authenticity
"Some brands that come to mind support some things I don't agree with, so I try not to buy products from those brands."	Brands supporting certain values and beliefs	Perception of self as a consumer	Theory of brand-consumer relationships; theory of consumer identity formation

Table 4 shows an example of the data analysis process that the researcher undertook to connect the themes of the of the interview questions in Table 1 to the data gathered from the interviewees during the data collection phase. As seen, codes were formed based on original quotes from the 10 interview participants that capture the central meaning of their expression. Codes can be singular words, but in this case, the researcher opted to form codes from short phrases to make the process clearer and to fully capture the essence of the interviewee quote. The formed codes were then sorted into groups that portray a certain phenomenon well. These groups were then allocated under the themes formed from the operationalization of the research questions (Table 1). As seen in the examples in Table 4, the quotes in blue and red have different codes: "Targeting certain demographics" (blue) and "Brands making a symbolic effort" (red). As the thematic analysis process went on, the researcher found that

the different codes had similar nuances and thus they belonged in the same group: “Diversity in brand messaging and consumer expectations of diversity”. Themes are meant to be theoretically explain phenomena and can therefore be more complex than codes (Thompson 2022, 1415). Especially in this case, the themes are latent themes, which go beyond the collected data to describe the findings in a way that is easier to connect to theories and concepts (Campbell, Orr, Durepos et al. 2021). The themes were then connected to the theories that were used in the preliminary theoretical framework of this study, as seen in Table 4.

These findings of the focus group interviews were cross-examined with those that came from the validation interview, from which the data was analysed according to the same process described in Table 4. Moreover, due to the diversity of the participants, the findings of each of the interviews were also analysed and cross-examined based on the gender, age and nationality and race/ethnicity of the interviewees. In the cross-examination, nationality and race/ethnicity were combined as one of the factors through which the answers of the interviewees were analysed, as all of the Finnish participants were Caucasian, and all of the American participants identified as predominately Black in addition to one of them also having Native roots. This aided the researcher in finding similarities as well as differences between the subgroups of the participants, which enhances the trustworthiness of the study (Singh et al. 2021).

### **3.4 Evaluation of the Study**

#### **3.4.1 Trustworthiness**

In order to produce information that readers can trust, it is essential to convince them of the truthfulness and significance of the findings of the study (Eskola & Suoranta 1998, 153). To evaluate the trustworthiness of this study, the criteria developed by Lincoln and Guba (1985) will be utilized, as it is widely used in and in correspondence with qualitative research. This criteria encompasses the examination of credibility, transferability, dependability and confirmability of the research. (Lincoln & Guba 1985, 300.)

*Credibility* answers the question of “How congruent are the findings with reality?” (Stahl & King 2020, 6). Therefore, credibility can be described as the probability of the research to create findings that are believable within the researched context as well as justified (Puusa & Juuti 2011, 155). One of the methods that demonstrate credibility is triangulation, that is present in the study through theoretical triangulation, which refers to the use of various theoretical constructs to comprehend findings or to guide the research (Stahl & King 2020, 7), as well as site triangulation, which is described as “exploring similarities and differences across multiple settings” (Singh et al. 2021). As

illustrated in the operationalisation table, there are various theories applied to the research questions, which showcase the clear congruency between the findings of the study and existing theoretical concepts. This promotes the credibility of the study. Moreover, the extensive academic background in consumer behavior on behalf of the researcher as well as the in-depth semi-structured group interviews with multiple consumers increase the probability of the study to create believable and justified findings (Puusa & Juuti 2011, 158–162; Lincoln & Guba 1985, 305–306). Additionally, as is important in international business, the researcher took initiative through purposive sampling to gain diversity within the participants of the study, making sure that they were representatives of different cultures and countries. Through this triangulation of sites, the richness of the findings was enhanced. (Singh et al. 2021.) However, some factors of the study may reduce its credibility, such as the limited amount of interviews conducted. Nevertheless, as in qualitative research there are no universal rules on a suitable number of participants – rather, the objectives and nature of the study should dictate the number of participants. In exploratory research, a smaller amount of interviewees is justified, since the purpose is to explore the studied phenomenon deeply, as opposed to studies with an aim to generalize findings. (Vogt et al. 2012, 143–144). Thus, the credibility of the study is promoted within the boundaries of this particular study.

On the other hand, *transferability* refers to the applicability of the patterns and descriptions from one context to another. By design, qualitative research does not generally strive for replicability. Thus, the transfer of the findings of the study is only possible when readers are provided with a thick description of the special circumstances of the study to help them understand the process of the research. (Stahl & King 2020, 27; Lincoln & Guba 1985, 316.) To better the transferability of this study, the researched described in detail all the aspects of the research setting, which includes the research approach, and the theoretical background in earlier sections (Chapter 2. and 3.) in addition the findings of the study. Moreover, the transferability of the study may be increased due to purposive sampling (Merriam 2014, 227). In order to study the phenomenon through many different perspectives, the chosen participants for the study were from two different countries and cultures, of different genders and ages, and of varying racial backgrounds that further provided more diversity to the study sample (Singh et al. 2021). Moreover, the participants suited the criteria set by the researcher, which were described in Chapter 3.2. However, as with all exploratory research, the findings of the study must be confirmed by further studies (Ghauri & Grønhaug, 2002, 48–49). Additionally, as the study focuses on brands operating within the FMCG industry, its unique characteristics must be considered in regard to the transferability of the findings of the study.

The third criterion, *dependability*, refers to the trust in trustworthy (Stahl & King 2020, 27), and describes the accuracy and the overall comprehensiveness of the methodology of the research (Lincoln & Guba 1985, 316). Thus, the dependability of research can be increased through accurate and detailed descriptions of the research approach and the data collection as well as data analysis processes (Puusa & Juuti 2011, 160). Thus, the dependability of this research is enhanced by the detailed descriptions of the data collection and data analysis processes (Chapter 3.1, 3.2 and 3.3) that were carefully crafted based on the objectives of this study. Additionally, the findings of the first two focus group interviews were verified through a third focus group interview, which is also known as a validation interview. This made it possible to gain information about the applicability and accuracy of the findings of the study, which increased the trustworthiness of the research. (Eriksson 2018, 47.) Moreover, this study utilized the Thompson's (2022) guide to thematic analysis, which in itself furthers the transparency of the findings and eases the replication of the study.

The final criterion in Lincoln and Guba's (1985, 290) conceptualization of trustworthiness is *confirmability*, that evaluates the neutrality of the study. Thus, by promoting confirmability, the researcher makes sure that findings of the study do not reflect their own prejudices or perspectives of the studied phenomenon but rather showcase the perspectives of the participants (Stahl & King 2020, 28). The confirmability of this research is enhanced by detailed description of the research stages, including the data collection and analysis processes (Lincoln & Guba 1985, 299–300). Moreover, the preliminary theoretical framework created from existing academic literature (Figure 2) is modified based on the findings of the study. However, some of the findings of the study are consistent with the concepts explored in the review of existing literature, which directly illustrate the confirmability of the data. Additionally, the findings of the study in Chapter 4 are illustrated by direct quotations from interview, providing empirical evidence for the theorisation as well as enhancing the transparency of the study, both of which enhance the confirmability of the study (Thompson 2022, 1418).

### 3.4.2 Research Ethics

The guidelines and principles that regulate the responsible conduct of scientific researchers are governed by research ethics. Upholding these ethical standards is essential to safeguarding the dignity, rights and well-being of research participants. (Tutkimuseettinen neuvottelukunta 2019, 7.) Moreover, ethical norms in research promote the aims of all research, such as generating knowledge and advocating for the truth, and the values that are essential in collaborative work, such as trust, mutual respect, accountability and fairness (Resnik 2020). As such, for instance, the usage of AI in all research must be described. Additionally, as human beings are in the center of the phenomenon

under scrutiny in qualitative research, it is argued that the participants must feel respected in order to give out valid information. Thus, researchers must adhere to ethical considerations, that include voluntary participation, the right to privacy and confidentiality as well as the freedom to stop participating in the study. (Laryeafio & Ogbewe 2023.)

As an important ethical factor, the usage of AI in an academic context and scholarly research has been debated during the past few years. While it has been argued that AI could be seen as a concern due to the possibility of students using it to cheat during their academic journey, scholars have also postulated that AI can also be used effectively as a tool in performing repetitive tasks and aiding in research and analysis. (Whitfield & Hofmann 2023.) In this study, two different AI-powered tools, Scopus AI and Grammarly, have been used to aid in the research process as well as in proofreading and checking the finished text for grammatical errors. Scopus AI, as a research tool, was used to locate relevant scholarly articles and prior research papers about the research phenomenon for the literature review part of this study. The researcher used the following prompts to retrieve fitting articles in Scopus AI: “Consumer perceptions of brands and branding”, “Qualitative research on consumer perspectives” and “Consumers and brands within the FMCG industry”. Grammarly, on the other hand, as an AI-powered writing enhancer, was used to proofread and catch grammatical errors on the final draft of the study. The researcher did not utilize the summaries of the articles in Scopus AI nor the other available tools in Grammarly, such as Rewrite or Brainstrom. Therefore, AI was used only as a tool in this study.

In this study, the researcher obtained informed consent from each individual participant of the focus group interviews before they took place to ensure that participants comprehend the optionality of participation and that they can leave questions unanswered, if they so wish. In addition, the purpose of the focus group within the context of the study was explained in the form of a research brief, that was sent to the participants prior to the interview. (Mack et al. 2005, 54.) The participants also received a data management plan, which expressed how the collected data would be stored after the interviews took place. It is argued that standard consent processes should always consist of two stages: during the first stage the information of the research is given to participants and they have ample time to reflect on it and respond to the researcher, and the second stage includes actually obtaining the consent from the participant through them agreeing to the terms of the study (such as being audio recorded and the interview taking place with other participants) and then agreeing to actually take part in the study as a whole. (University of Oxford 2021.) This study succeeded in this required duality of the consent process, as the participants were sent the research brief a few days

before the actual interviews took place, which adds to the reliability and validity of the findings (Laryeafio & Ogbewe 2023).

Issues within ethical considerations of research generally have to do with researcher failing to ensure the anonymity, confidentiality and privacy of the participants. Additionally, some cases may include coercion or inducement, unfair power dynamics, deception or failing to adhere to cultural sensitivity norms. (Laryeafio & Ogbewe 2023.) As the data collection of this study took place in focus group settings, maintaining confidentiality required some special precautions and emphasis, as the researcher could not promise that each of the members of the interview would treat everything that was shared as strictly confidential. As a general guideline in focus group interviews, it is often even preferable to avoid using participants' names during the interview. (Mack et al. 2005, 53.) However, the circumstances of both of the focus group interviews of this study were slightly different, as the participants knew each other relatively well, at least on a first name basis. While there are advantages to conducting acquaintance interviews, in which the interviewees have a prior relationship with the researcher, they also call for greater attention to be placed on research ethics and the researcher's personal positionality (Roiha & Iikkanen 2022).

In this study, the importance of respecting each other's privacy and anonymity was emphasized before, during, as well as after the interview, as the participants of the study were informed of the importance of not revealing the identities of the other participants nor who made which specific comments during the discussion to anyone outside of the group (Mack et al. 2005, 54). However, the interviewees full anonymity may be compromised due to the fact that the possibility of who they could be is narrowed down to the researcher's acquaintances. Thus, there is a chance, albeit very slight, that someone recognizes their answers in the study. Therefore, it is crucial that the participants have been sufficiently informed about the research and its aims in addition to the possibility of them being recognized based on their answers. (Roiha & Iikkanen 2022.) This being said, while the topic addresses personal ideas, it is not a generally sensitive or uncomfortable in nature. While the participants have been fully anonymized in the study, emphasis was still placed on not revealing any background information about the participants or other aspects that were not relevant to the study in order to secure their anonymity (Roiha & Iikkanen 2022). Moreover, the participants were instructed to not answer any questions that they deemed too personal or otherwise sensitive and to contact the researcher in any case of sensitivity that they wished assistance or guidance with. Overall, the aim of the interview setting and the ethical considerations before, during and after it were set to not place pressure on the participants and to make sure that the data collection process would feel as natural as it could (Aluwihare-Samaranayake 2012, 69).

However, while these ethical factors must be especially considered when conducting acquaintance interviews, it could be argued that the personal relationship between the researcher and the participants is also an advantage. According to Roiha and Iikkanen (2022) as well as Garton and Copeland (2010), in qualitative interviews it is possible to use the prior relationship as a resource to build rapport. Rapport is generally defined as a harmonious relationship built on the development of mutual trust that allows for the free flow of information (Spradley 1979, 78). This in turn may allow the researcher to access information that might not otherwise be available, such as in instances where the researcher shares no background or history with the interviewees (Roiha & Iikkanen 2022). Therefore, due to the prior relationship between the researcher and the participants of the group interviews, it was possible gain deeper information about the interviewees' thoughts, perceptions and prior experiences regarding the research topic. This being said, to maintain transparency within the research process, it is also important to express that there is a prior connection between the researcher and the interview participants, as it may affect the data that has been generated through the interviews (Roiha & Iikkanen 2022).

As the data collected for this research was owned and managed by the researcher and was obtained solely for the purposes of the study, the information collected could be easily removed if the participant so wished and will be destroyed as soon as the study is completed. Moreover, as the research was not solely dependent on any of the participants, they were able withdraw themselves from the research, if they so wished. These factors were explained to the participants of the study in the data management plan that was created by the researcher. This enhances the trust between the participants and the researcher and the fairness of the research (Resnik 2020) as well as enhances the success of voluntary participation (Laryeafio & Ogbewe 2023).

## 4 Findings

In this chapter the findings of the study are described and showcased to offer insights about consumer perceptions of diversity in brands within the FMCG industry in a way that answers to the stated research objectives in Chapter 1.3. The findings are presented through a thorough exploration of the primary data collected during the research process. By showcasing the perspectives shared by the interview participants, this chapter seeks to contribute to the understanding of the studied phenomenon by providing a detailed illustration of the different factors that were found to shape it.

The studied phenomenon, consumer perspectives of diversity in brands, is explored through seven notable broad topics that were found through the data collection process in order to systematically provide empirical evidence to findings of the study in a way that aligns with the research questions in a clear and concise manner. The topics that emerged were: (1) factors affecting consumer decision-making, (2) consumer expectations of diversity, (3) the determining factor of practicality, (4) consumer alignment with brand values, (5) perceived authenticity in brand actions, (6) the significance of reliability, and (7) the effects of diversity on brand awareness and brand image.

### 4.1 Factors Affecting Consumer Decision-Making

The first significant insight that was captured during the semi-structured focus group interviews was that there are different factors that have an impact on consumer decisions regarding which brands they consume. During the data analysis process the three factors that influence the purchasing decisions of consumers were found to be familiarity with brands, perceived brand image as well as product knowledge based on research. While most consumers regardless of age, gender or race and nationality rely on familiarity on brands and the brand image that has been created in their minds through years of interaction with brands (A1, A3, F5, F6, F8, F9, F10, F11, F12, F13), some consumers seem to base their purchasing decisions more on research than others do (A2, A3, A4, F6).

“I rely on familiarity; like the stuff my parents have bought, and I have seen on social media, or my friends have recommended, and I have tried from them ... if I had no clue about the brand, I wouldn't buy it.” – A1

“Depends on the product, but I might read the label and the ingredients sometimes before purchases. Mainly I rely on the image I have of them in my brain ... the image I have personally that has built to my mind over years and years.” – F9

“I do research before I buy things but I also rely a lot on familiarity, like brands that my parents and family have bought before ...” – A3

“Absolutely I do research. I look at the brands and what their products include.” – F6

A surprising insight was that especially Finnish consumers highlighted brand image in their decision choices, even more so than American consumers. What made this interesting was that Finnish consumers seemed to trust what brands were saying about themselves in their marketing mix activities significantly more than American consumers. As one of the American interviewees expressed their thoughts on the matter:

“Advertising is a spectacle trying to push a product to you, so regardless of the ad, I will do research before I buy something.” – A3

While three out of the four American consumers that were interviewed brought up research in addition to brand image and familiarity in their decision-making process, only one Finnish consumer (F6) highlighted researching products before making purchases. When this aspect was discussed deeper with the American participants, the relatively low level of consumer trust became apparent. All of the American participants seemingly agreed to regarding all advertising activities as persuasive and even exaggerated, which prompts them to verify the claims made by brands and rely more on personal research rather than brand image or familiarity. The reason for this could be that advertising and marketing may be more regulated in Europe than in the U.S., which has led to consumers in the EU becoming more trusting of established brands and their image. This may be exemplified by the fact that most of the Finnish consumers (F5, F7, F9, F10, F13) that were interviewed expressed looking for and even relying on labels on the packaging of the products when making purchases, such as the Produced in Finland label, the Heart Symbol or the Key Flag symbol, whereas none of the American participants mentioned simply trusting the packaging of products. Moreover, American consumers may be taking part in online shopping more than their Finnish counterparts, which means that they have to conduct research in order to lessen the risks associated with the purchase, as they will not be in personal contact with the product in-store. Furthermore, the Gen Z participant of the American focus group interview brought up recommendations seen in social media as one of the factors that he relies in when making purchases, which the Millennial participant agreed with. This could be a sign of the battle going on between traditional and new media in influencing and winning over consumers, which is also seen in the younger generations in Finland.

“Especially with cosmetics and cooking, even though I might not want to admit it, I look at the trending products and foods on TikTok or Instagram and usually want to try them myself.” – F5

The reason for user-generated content and influencers becoming more reliable than brand messaging in traditional media outlets, however, needs further exploration. This being said, some educated guesses could be made as to where the distrust in American consumers is coming from, as they are

being fed the idea that traditional media, such as the news, could not be trusted through multiple streams.

All in all, among Finnish consumers, the prevailing factors that impact consumer decision-making are familiarity with brands and their products as well as the perceived brand image that they have, whereas among American consumers, the importance of actual knowledge about products through research is heightened among the two aforementioned factors.

## 4.2 Consumer Expectations of Diversity

The second salient finding that was evident in the collected data was that each of the participants had noticed the diversity efforts of brands. Based on the data, both Finnish and American consumers regardless of age and gender seem to think that seeing diverse representation is basically a necessity in today's business landscape in order to succeed, as globalization has led to more cultures and nationalities becoming integral parts of societies. As was said during both of the group interviews:

“All brands have to think about [diversity]. Well, they are partly forced to think about diversity. Even Finland is much more multinational today and that is seen in the advertising.” – F10

“I think diversity means a lot on the fact that if you want to widen your audience to whoever could buy your product, then you need to have a brand that has diversity ... [I pay attention to] skin colour and hair mostly.” – A1

These comments gained approval within the discussion from virtually each of the participants, which could signal that consumers sense the underlying reasons for brands integrating diversity, such as making a profit. However, whereas the comments above were made by two widely different consumers in regard to their age, gender and nationality/race, they could also represent the collective shift towards a more inclusive culture, in which consumers want brands to cater to and represent different kinds of people in their products and business practices. This being said, they could also be a sign of consumers wanting to see themselves being reflected better by the products and brands they consume. Nevertheless, based on the data, it is clear that consumers expect brands to think about diversity and showcase diverse models in advertising and products, at least up to a certain level. This was seen as especially true regarding products that many demographics use, such as FMCG products.

To shed some light on the reasons why consumers are wishing for brands to incorporate diversity, the women participants of all ages in both the American and Finnish interviews brought out an interesting point to consider: brands offering cosmetics and hygiene products have a special need to have products that cater to differences in skin, whether it is to do with skin types or skin colours, as well

as differences in hair types. Thus, one of the reasons why American and Finnish women hope to see diverse models in cosmetics and haircare brands is representation. The validation interview confirmed that Finnish Gen-Z consumers, both male and female, regard representation as the most important by all brands related to appearance. However, with other brands, it did not have the same level of significance for them.

“For me, it's important that I can see myself in the ads, especially in cosmetics. For example, if a brand showcased only older ladies, I would not buy from them because I would think they are not the products for me.” – F5

“Especially with cosmetics and hygiene products, I need to see diversity ... Because of my hair and skin colour I have to buy the products that cater to my needs and are made for me. It depends on what product you're buying, especially in [FMCG] products, I guess.” – A2

“I would say I agree with the fact that it matters more when it's related to appearance, for example, cosmetics and things related to those kinds of products.” – F13

“It really depends on the product and market if it's like relevant or not in my point of view, like the example of buying toilet paper, it doesn't really matter. But with makeup, [diverse representation] makes more of a difference. – F11

Based on these comments, it can be postulated that female consumers and younger males feel that seeing someone that is similar to themselves in the marketing mix activities of brands acts as a signal that brand has thought about you in the making of the product. This could create a sense of trust in that product and brand, making it safe or easier for them to consume. Thus, both American and Finnish women seek to consume brands that they feel represent their identities, whether it is regarding their age, race, nationality or hair type, among other dimensions. Younger male consumers also represent these views.

All in all, the data revealed that the consumers regardless of age, gender or nationality/race expect brands to have incorporated diversity in their products and marketing mix activities. One reason that was expressed during the discussion for this was as it helps consumers connect with brands. However, the diversity efforts of FMCG brands were seen with differing levels of importance. While women and younger men value seeing diversity especially in appearance related brands, men over the age of 37 did not place as much importance on diversity. However, based on their agreement to expecting brands to have diversity efforts nowadays, men over the age of 37 could regard the diversity efforts of brands as more ideologically significant, or somewhat of a cultural norm, rather than an important factor that they consider when making purchases. This could simply show that men over the age of 37 are not as concerned with their appearance as women and younger men are. However, it also

showcases that there are also other more important drivers for making purchases for both Finnish and American men over the age 37.

### 4.3 The Determining Factor of Practicality

The third insight that was found during the interviews was that while consumer expect brands to reflect the diversity of society, practical aspects, such as availability, price and convenience of purchase, are also crucial drivers of purchase decisions especially in FMCG products. Price was a factor that both American and Finnish interviewees say to have considered (A1, A3, F5, F8, F12, F13) and one of the factors for them that usually determines whether the purchase is made or not. This is exemplified the following comments:

“.. for the most part I check discounts. Price is important to me, especially in [FMCG] products.” – F5

“It’s nice when I can see that the brand is diverse ... But if I need a certain product, I’ll get it regardless of whether or not the brand’s marketing is diverse.” – A3

“I look at the quality and what's like, what's available to me when I am buying something. I look at the price, in that moment I think I don't really think about the store that sells it or the brand itself.” – A1

“Usually anything goes as long as the price is good, and I know the brand already... I don’t really look for anything else.” – F8

Other practical factors, such as quality and the convenience of purchase, were also brought up by some of the participants (A1, A2, A4, F6, F7, F9, F10, F11) as important factors that they consider among others when making purchases. What makes these insights interesting is that while younger generations place a heightened importance on the price of products, only one of the older consumers mentioned price as being a factor that they consider when buying FMCG products whereas others placed higher importance on the quality and the convenience of purchase. Therefore, there seems to be a dichotomy between the actual practical drivers of purchases for younger consumers and older consumers. The reasons for this could be numerous. For example, younger consumers may be more price sensitive than older consumers, as they may have a lower disposable income and therefore less money to spend. Older consumers, on the contrary, may have a more stable income and thus more money to spend. Therefore, for younger consumers, budgeting may be necessary, whereas older consumers can spend more on better quality and more convenient products. Moreover, older consumers may have more brand loyalty with brands and their products that they have deemed as superior to others, which may come with a higher price tag, whereas younger consumers may be more

willing to try different brands for example based on what is currently discounted, as interviewee F5 pointed out. Nevertheless, the answers were very similar between Finnish and American consumers.

As seen in the original interviewee quotes, consumers often consider the practical aspects of products, like the convenience, the availability and the price of them, when making purchasing decisions. However, as seen in Chapter 4.2, diversity is also an aspect that consumers, especially women and younger men, think about when making purchasing decisions. Thus, it is possible to postulate that the value that consumers gain from the practical aspects of FMCG products is weighted against the value that the diversity efforts bring – in the case of appearance related brands, such as cosmetics and personal care brands, the value of diversity are especially high, as seen in Chapter 4.2. However, in other FMCG products, consumers may value the practical aspects more than diverse representation. This is exemplified by a comment made in the validation interview:

“When it's sort of irrelevant in terms of appearance, the representation isn't that important ...” – F13

#### **4.4 Consumer Alignment with Brand Values**

Another theme that was prevalent in the discussions was consumer alignment with brand values. When discussing the perceptions that consumers have of themselves as well as the brand campaigns from Dove, DoveMen+Care and Coke that were shown during the interviews, it became evident that both Finnish and American consumers have noticed brands showcasing their values and beliefs more in recent years. However, American consumers regardless of age and gender expressed high levels of wanting to identify with the beliefs and values of brands in order to consume their products. This was also prevalent in younger Finnish consumers as well as Finnish women. As seen in the quotes below, some participants that took part in the interviews showcased the importance of being in alignment with the values and beliefs of the brands that they consume.

“Some brands that come to mind support some things I don't agree with, so I try not to buy products from those brands.” – A2

“The Coke ad tries to focus on a belief that is not accepted in all cultures, so not all can embrace the things within the ad and connect to it because of this.” – A4

“You can see that people are sort of buying [a brand's] products to identify with [their values and beliefs].” – F13

As exemplified by the quotes, the consumption habits of American consumers are strongly guided by their own personal beliefs, values and cultures. For example, participant A4 does not celebrate Christmas, which he made known during the interview. Thus, as Santa Claus and Christmas

imaginary has become an integral part of Coca-Cola's brand identity especially around Christmas time, it is hard for him to connect with the brand. Therefore, while he saw the underlying message of the Coca-Cola campaign *The World Needs More Santas*, which was to highlight the importance of kindness towards the people around you, embedding the message together with Santa Clauses and Christmas deterred him from connecting with it. The other American participants agreed with his explanation, as seen by the comment made by participant A2.

Finnish women of all ages and younger men also expressed wanting to connect with the values and beliefs of the brands that they consume. However, while Finnish men over the age of 37 had noticed this phenomenon more, they did not place such a high importance on agreeing with all the values and beliefs that brands have. This being said, each of the Finnish men over 37 (F7, F8, F9) expressed that they paid closer attention to the background of a brand: while they did not expect to be in full ideological alignment with the brands they consume, they prefer to consume the brands that had a good reputation and image in the product group that they are looking to buy. However, F9 did say that seeing brands highlight values that they think are important "is nice to see", stating that it makes purchases easier as one of the reasons, while referring to the earlier part of the discussion about brands using the Heart symbol (highlighting health consciousness) or the Made in Finland label (highlighting local products) in their product packaging. An interesting point that came up after this was that each of the interviewed Finnish consumers seemed to value Finnish brands, especially the brands that are vocal about being local. However, local brands being valued higher than others did not come up with the American participants. This could be due to cultural reasons, for example, as Finnish products are often linked to being more environmentally friendly, ethical and even better in some instances by Finns, whereas the consumer culture in the U.S. often celebrates abundance of options and multicultural preferences. Furthermore, as the U.S. is so large in size, what is made in California could be even considered exotic in Maine rather than local, and vice versa. Finland, on the contrary as a small country, considers what is made in Rovaniemi as local even by people living on the other side of the country in Helsinki.

Moreover, the discussions revealed that both American and Finnish consumers seem think that most brands and their marketing mix activities can be seen as mirrors of prevalent values and beliefs, while some consumers (A1, A2, A4, F5, F6, F9, F10, F13) went as far to think that brands are even able to shape them in certain situations. The participants also discussed the possibility of brands being a signal that can communicate or express something about you to other people. This topic brought out a lively discussion especially during the American focus group interview.

"Especially when brands are trying to sell something and they try to target specific people like us or the LGBTQ -community, you can see that by the models they use ... I see the underlying message and what they're trying to convey ..." – A4

"I think brands do play a role in shaping the ideas and opinions of people. Like if I buy the Fazer bread in a paper bag rather than the normal plastic bag bread, [my friends] think I'm acting rich." – F5

"[Buying] certain brands definitely say something about you to others. For example, you're health conscious and try to buy from brands that highlight that." – A4

"I see that if you have like an idea of a brand or people who wear a brand and you like who they are and you want to be like them, you can go that way with your [purchasing] decisions." – F11

All of the interviewees representing a mixture of ages, genders and nationalities regarded brands being a signal of their values and beliefs to others around you as true. As participant A4 expressed, by focusing on certain aspects of diversity in their marketing mix activities, brands are sending a certain message, which consumers may or may not agree with. Generally, consumers do gravitate towards the brands that convey a message they can connect with, as exemplified by the original quotes. As consumers associate different attributes to different brands, they may transfer those attributes to the people consuming them, as shown in the quotes by F5 and F11. Moreover, the American interviewees expressed that some brands, if not most, in the U.S. may jump on bandwagons and showcase values and beliefs that are trending among the general public. This way, by coming to contact with them especially in challenging or debated times, most of the interviewed consumers (A1, A2, A4, F5, F6, F9, F10, F11, F13) regarded that brands have an impact in collective values and beliefs. For example, the American participants brought out the Black Lives Matter movement and how many major brands came out in support of it. However, while it got people talking, this was not always seen as a good thing, as it lacked authenticity.

#### **4.5 Authenticity in Brand Actions**

A fifth notable theme that stood out during the discussion was the perceived authenticity of the diversity efforts of brands. Authenticity was seen as important by all of the interviewees regardless of age, gender or nationality/race. Especially brands being honest to their consumers was a prevalent topic during each of the discussions, which was brought up by the male participants of the focus group interviews.

"I focus more on getting info about products and getting products that actually are what they are. – A3

“As long as the price is good and they are honest about what they are, I don’t really look for anything else.” – F8

“I pay attention to if that product is actually good and what they say they are.” – F7

The comments above are all from Finnish and American men representing a wide array of different ages. As such, it becomes clear that honesty is a significant factor that men look for in brands regarding all of their actions, not just diversity efforts. Women, however, used the words genuine and authentic more when describing the phenomenon. While these concepts can be used interchangeably, they could also be a sign of the differences in building a connection and consumer trust between men and women. Especially Western men may value brands to be direct, transparent and real about their products, giving them actual facts and figures that they can base their purchasing decisions on. Women, on the contrary, may want a deeper connection based on emotion and thus want to consume brands that mean what they say and act accordingly to their expressed ethos. Nevertheless, authenticity can be regarded as a broader concept that combines the meanings of aforementioned more precise concepts.

An interesting insight about authenticity was that nearly all of the interviewees agreed that they all have seen and felt some brands being performative in their diversity efforts, which was perceived as even worse than showing no effort in diversity at all by most of them (A1, A3, A4, F5, F6, F8, F10, F11, F12, F13). This phenomenon brought out a lively discussion among each of the interviews especially during the part of the interview in which the marketing campaign videos of three brands, Dove, DoveMen+Care and Coca-Cola, were discussed. Some of the participants showed the most emotion during the conversation at this time and expressed frustration about tokenism as well as the heavy editing and retouching used by what they felt was from all brands, even the ones that seemingly celebrate real people.

“I know they're trying to do something that they haven't always tried to do. They're jumping on the bandwagon; they're trying to fit in into this generation now ... it's not genuine.” – A1

“The Coke ad is trying to promote kindness, but still in an excessively sweet way. I still believe in it more than the Dove one, because Coke has been doing this for ages whereas I don't think Dove has. I still believe in the Coke one more ... I think these kinds of ads are annoying because I know that they are only doing this to gain customers, like they don't really try to do anything to highlight real people. Like the Dove ad, they still used influencers, not real people.” – F5

“It's more important to be authentic rather than just having a bunch of different people and kind of like forcing it. I think sometimes you can see it if something is forced.” – F11

During the American focus group interview, brands coming out with campaigns, products, posts, and slogans during the Black Lives Matter movement was discussed, as often the interviewees reacted critically and even negatively to these messages. The scepticism was rooted in the interviewees sensing that some of the brands were just trying to boost their image or “jump on a bandwagon” without actually making any meaningful changes in their operations or trying to actually do anything that supports the cause. This made many of the brands feel opportunistic and disingenuous rather than them actually trying to authentically show support to the people and the cause that created the movement. Thus, especially during emotionally charged times, brands must be informed, educated and especially authentic in their actions, if they attempt to place themselves into these movements or causes in any way. Otherwise, the attempt may have long-lasting negative consequences for the brand.

The collective perception among the participants regardless of age, gender or nationality/race was that authenticity in diversity efforts is important, and some even regarded as the most important factor that shapes their thoughts about brands (A1, A3, A4, F5, F8). What is interesting about this insight is that most of the consumers that expressed authenticity to be the most important factor shaping their thought about brands are men. As most of the Americans that were interviewed expressed authenticity to be the most important factor that shapes their thoughts about brands, it could be postulated that authenticity is key in connecting with American consumers, especially those identifying as male. However, for Finns, based on the data, it may be argued that authenticity is in fact more important for Millennial women and men, whereas other age groups may place authenticity on the same line as the other factors that have been discussed, such as practical aspects and simply having diverse representation. Another factor that emerged from the data was the consistency of the brands’ diversity efforts in determining the authenticity behind them, as some of the participants (A1 and F5) felt that if they had seen diversity efforts by brands before, they could trust them more.

#### **4.6 The Significance of Relatability**

The sixth central theme that emerged during the data analysis process was the significance of relatability in the diversity efforts of brands in the FMCG industry. Especially regarding brands in the FMCG industry, the participants wanted to be able to see the products in action and handled by genuine, real people.

“Why don't brands just show people in genuine situations that we can relate to?” – A2

“If I see real people in situations that could actually happen, I can see that it isn't just fakeness ... In my opinion that's really important ... If I'm buying a soap that is advertised as skin clarifying, I actually don't want to see someone with perfect skin using it ... It doesn't even make sense.” – F5

“[The DoveMen+Care ad] was very nice; it had real human stories and I could listen and connect.” – F9

As exemplified by the comments, both American and Finnish consumers of different ages and genders resonated with brands showcasing real people with whom they could form a connection through their own identities and even the roles they have in life. For example, the DoveMen+Care ad was well received by all men, and most women apart from A2 and F6 enjoyed the message they embedded in the campaign as well. By showcasing a role that all consumers can relate with or have a desire to be, either being a loving parent or having a loving parent, Dove was able to form connections with interviewed consumers. Moreover, as the participants felt that Dove was showcasing real people of different ages, genders and races as well as ethnicities rather than using models, it made it easier for the consumers to link themselves to the campaign and the message of it. Thus, the diverse representation was seen to facilitate the ability of consumers to place themselves into the campaigns and attach positive attributes to it. The discussions revealed that especially women, both Finnish and American, place a high level of value on relatability by the brands they consume. However, younger American men saw relatability as important, as well.

“[Seeing diverse representation by FMCG brands] does affect me in a way because I probably won't buy the product that is sold using people who don't look like me.” – F5

“If there is always a specific kind of person used in a commercial by a specific brand, and I am not included, then I might say I don't want it anymore.” – F10

“I felt like I was totally on the outside. Like I wasn't a part of any of them.” – F6  
(Talking about the ads that were shown in the interview)

“[The DoveMen+Care ad] was inclusive and they told a good story. I felt connected to it and assume women would feel connected to the other one ... I always see the light skin and curly hair, but they gave me more than that.” – A1

These comments highlight the notion that the participants feel a stronger connection to the brands that had diverse representation embedded in their marketing and products, as it facilitated their relatability. While most of the participants expressed that relatability was one of the factors why the diversity efforts of brands were seen as valuable, participants A4, F7 and F12 did not regard relatability to have as much importance as the other aspects explored during the study. Therefore, it could be speculated that older American and some older Finnish men and some younger Finnish women do not hold relatability to a high significance. This being said, all of the participants felt that if the marketing of a product was misleading from or unrealistic to its purpose, they would be hesitant to purchase it. The comment made by F5 about skin clarifying soaps marketed using models with perfect skin exemplifies this aspect. Additionally, hair removal products that are marketed using

models with no body hair whatsoever were also mentioned. Therefore, in the end, the reason for most consumers wanting brands to incorporate diversity in their marketing mix activities is connected to the importance of relatability and the ability to connect with the brands.

#### **4.7 The Effects of Diversity on Brand Awareness and Brand Image**

The final theme that emerged during the data analysis was the effects of brands' diversity efforts on brand awareness as well as brand image. This topic emerged when consumer perspectives of the chosen brand campaigns were discussed, as the effects of the campaigns on brand image and brand awareness were very evident between most of focus group interview participants. This is exemplified by the following comments:

“After seeing these ads [from Dove], I can imagine a situation where my wife tells me to go buy soap and then at the store, I reach for the Dove brand.” – F7

“For me, Dove went up. I enjoyed their ads and would buy their products, if I needed them.” – F9

“I didn't understand [the Coca-Cola ad]. They always try too hard and don't let people just be. Then again, I don't use Coke products and won't start now.” – A2

“I used to love their polar bear commercials... They do too much now.” – A4 (When talking about the Coca-Cola campaign)

One participant of the American group, A4, expressed enjoying Coca-Cola's older ads that featured a polar bear but disliking this newer version, which he felt was confusing at first and even somewhat chaotic. Moreover, as described in Chapter 4.4, his beliefs did not align with the ones embedded in the Coca-Cola ad, which could have also had an effect on him disliking it. Participants A1 and A2 of the American focus group interview did not like the Coca-Cola ad either, which led to the realization among the participants that almost each of them had placed negative associations with the brand before the interview took place. While they expressed not consuming or liking the products of the brand previously, the shown ad campaign only worsened the perceived brand image, as they did not understand it, align with its message, or simply enjoy it. However, they were aware of the brand, its current and previous products and ad campaigns and had paid attention to them having diverse representation within them even before the interview. Therefore, it could be argued that while American consumers may see a brand as having a negative brand image, their diversity efforts in brand campaigns could still have a positive effect on brand awareness, meaning that the consumers are able to recall and recognise the brand better.

The negative effects of ad campaigns on brand image also became apparent during the Finnish focus group interview, when the usage of AI came up within the conversation, as some of the participants (F8 and F9) remembered Coca-Cola utilizing AI more in their ad campaigns in 2024. This had a negative effect on the perceptions of the brand by all of the participants of the focus group interview apart from participant F5, even if they had not seen the ads, which could be due to the perceived loss of authenticity. However, while the negative associations hurt the brand image, they also had a positive effect on brand awareness through both brand recognition and brand recall, as the participants could remember that a brand that had done something they did not agree with as well as recognize which brand it was.

Dove and DoveMen+Care, on the other hand, were applauded by participants of both of the group interviews (A1, A3, A4, F7, F9, F10) due to their authentic representation of diverse people. For example, a Finnish interviewee (F9) expressed enjoying the Dove ad due to its authenticity and promise to never use AI to represent real people. After this comment was made, it became clear that that each of the Finnish consumers, that thought that the discussed brands had genuine diversity efforts, also attached their brand image with positive attributes. Especially the American men that were interviewed, had positive reactions to both of the Dove ads, which led to them gaining a better brand image as well as brand awareness.

“Dove ad was nice that they were telling people that they don't use this AI at all but rather real women. I think that was rather authentic and cool. Well done, well said. One point for them of that.” – F9

“It was good to see a brand shine a positive light on dads, that's sometimes downplayed in today's culture so what is was trying to convey is great and felt genuine.” – A3 [discussing the DoveMen+Care ad]

“What they did was a good job; you can't come up to me and shove diversity in my face. From my perspective as a black man, it feels pandering to us.” – A4 [discussing both the DoveMen+Care and Dove ads]

However, participants A2 and F5, who are Finnish and American women of different ages, expressed not enjoying any of the discussed ads, which admittedly hurt their perceived brand image. Moreover, participant F6 expressed not being able to connect with the brands through the ads. Therefore, the ability to impress and connect with both American and Finnish women was seemingly more difficult than with men. This could be due to the differences in building a connection and consumer trust between men and women, which were described in Chapter 4.5. This being said, participant F6 did not at first catch the brand imagery in the DoveMen+Care ad, which led to a lively discussion about the effects of ads on the subconscious.

“It’s in your subconscious still ... when you go to the store you’ll figure out that these freckled people in this lovely commercial that I saw, ohh, that must be Dove. Yeah, I’ll buy that.” – F8

The participants of the Finnish group interview saw that even though participant F6 herself could not connect to the ad campaigns, they thought that the Dove ads had still left a positive impression on her. She agreed that the message of the ads was indeed something she liked but she simply did not feel included by the ads. Thus, the participants of the group interview felt that the ads had left a positive impression on her subconscious mind, and thus if she needed a product that Dove sells, she might gravitate towards it. This exemplifies the impact of the ad campaigns on brand awareness as well as brand image.

The general consensus among both the American and Finnish participants was that the Dove campaigns were good and had positive effects on their brand image, while the Coca-Cola ad had a negative effect on brand image. As has been found during the study and described in Chapter 4.2, brand image and familiarity with brands are two of the three factors that affect consumer decision-making. While familiarity with brands and brand awareness are two different concepts, it can be said that familiarity with brands is built upon brand awareness. Thus, it can be postulated that the diversity efforts of brands have an effect on consumer decision-making through having an impact on brand knowledge and brand image.

#### **4.8 Synthesis of the Empirical Findings**

Through a thorough analysis of the collected data, several key themes were found that provide valuable insights of the perspectives of Finnish and American consumers on the diversity efforts of brands. However, while there were many similarities between their opinions, experiences and thoughts, some surprising contradictories also emerged.

Firstly, both American and Finnish consumers of various ages and genders largely rely on *brand image and familiarity* in their consumption habits. However, surprisingly, Americans place a higher level of significance also on doing their own *research* about the brands and products they consume. Secondly, *consumers do expect brands to incorporate diversity* nowadays, however mostly as a way to connect with as many consumers as possible. This being said, having diverse representation becomes important especially in appearance related FMCG products for women of all ages and younger men, whereas older men do not see diverse representation as important as them. Thirdly, with brands in the FMCG industry, value is often considered through the practical priorities of consumers. Millennial and Gen Z women and men from both countries have expressed looking at the

price of products when making purchases, whereas older consumers place a higher importance on the quality and convenience of purchase. Therefore, the value brought by diversity is often weighted against *the practical aspects of the products*, such as price and availability. This brings along the fourth salient topic, which centered around the *importance of consumer values and beliefs aligning with those of the brand*. The study found that consumers generally want to consume brands with values and beliefs that they relate to. However, this way of thinking was heightened in Americans in addition to Finnish women and younger men. Moreover, consumers of varying demographics expressed that brands can be seen as signals that communicate something about the person consuming it to others, and through this perspective, they can also have *societal influence*. The fifth notable theme found was the *authenticity* of diversity efforts. While most of the participants of the study agreed that diversity was important to a degree, they also expressed frustration and concern about brands appearing performative. Authenticity was seen as one of the key factors shaping the perspectives of consumers, and especially men placed it as the most significant aspect. However, the interview also revealed that the value gained from diversity efforts is not based on solely the fact that brands showcase a diverse range of identities but that it is done in a way that presents real people with whom the participants could *identify* with in real situations that *reflect* the real-life experiences that they have had or could possibly have in the future. The FMCG brands that succeed in this are the ones that deliver value for consumers. Lastly, the authentic representation of real people in brand campaigns were seen to have *a positive effect on brand awareness as well as brand image* by consumers representing various demographics, while *performative diverse representation had negative effects on brand image but positive effects on brand awareness*.

Table 5 summarizes the empirical findings of the study by describing the collective thoughts of American and Finnish consumers as well as differences between them. As can be seen, the perspectives of American and Finnish consumers differed majorly only within two themes of the study: (1) factors affecting consumer decision-making and (4) consumer alignment with brand values. Otherwise, the study found that there were similarities between the different demographics, such as genders or age groups. The cells are split into columns to describe the differences between the perspectives of American and Finnish consumers. However, if there was a general consensus among all consumers, the cells are split into rows to describe the similarities as well as differences between the different demographics.

Table 5 Overview of the Findings of the Study

	American consumers	Finnish consumers
Factors affecting consumer decision-making	<ul style="list-style-type: none"> <li>- Place a high level of importance on doing their own research</li> <li>- Younger men also value brand image and familiarity</li> </ul>	<ul style="list-style-type: none"> <li>- Base decisions mainly on familiarity and brand image</li> </ul>
Consumer expectations of diversity	Consensus: Consumers are very knowledgeable about the diversity efforts of brands and expect brands to have diversity efforts	
	<ul style="list-style-type: none"> <li>o All women and younger men see diverse representation as especially important by appearance related brands (race, hair, etc.)</li> <li>o All older men do not place as much importance on diverse representation</li> </ul>	
The determining factor of practicality	Consensus: Consumers value practicality when making purchase decisions, and the value gained from brands' diversity efforts is weighted against practicality	
	<ul style="list-style-type: none"> <li>o All younger consumers mainly look at price from practical aspects</li> <li>o All older consumers mainly look at quality and convenience of purchase from practical aspects</li> </ul>	
Consumer alignment with brand values	Consensus: Brands can be seen as signals of consumer values and beliefs, and they have societal influence	
	<ul style="list-style-type: none"> <li>- Consumption habits are strongly guided by their own personal beliefs, values and cultures</li> </ul>	<ul style="list-style-type: none"> <li>- The consumption habits of women and younger men are guided by their own personal beliefs, values and cultures</li> <li>- Older men pay closer attention to the background and reputation of a brand</li> </ul>
Perceived authenticity in brand actions	Consensus: Authenticity is one of the most important, if not the most, important factor in the diversity efforts of brands, and performative diversity efforts are seen as worse than having no diversity efforts	
	<ul style="list-style-type: none"> <li>o Women value genuineness</li> <li>o Men value honesty, some even as the most important factor</li> </ul>	
The significance of relatability	Consensus: If the marketing of a product is unrealistic to its purpose, consumers are be hesitant to purchase it. Diverse representation facilitates being able to relate with brands, which is important to most consumers.	
	<ul style="list-style-type: none"> <li>o Especially women think relatability is important</li> <li>o Some older men may not place as much importance on relatability</li> </ul>	
The effects of diversity on brand awareness and brand image	Consensus: The authentic representation of diverse real people has positive effects on brand awareness and brand image, whereas performative diverse representation has negative effects on brand image but positive effects on brand awareness. Thus, the diversity efforts of brands affect consumer decision making through influencing their perceptions of brand knowledge.	

## 5 Conclusions

The diversity efforts of global brands have started to increase within the past years due to the pressure to mirror and honour the variety that can be seen in their audiences (Burgess et al. 2023). Especially in the FMCG industry, where products are characterized by frequent consumption, high consumer demand and short shelf lives, having a strong brand that resonates with diverse audiences is of utmost importance (Ihebom 2023). This being said, the brands' acknowledgement and integration of diversity has not been without fault, as only a small group of consumers think that brands successfully reflect diversity in their products and marketing (Burgess et al. 2023, Middleton & Turnbull 2021). This thesis aims to address this gap by creating a more thorough comprehension of consumer perceptions of diversity and the factors that shape it through exploring the thoughts, experiences and opinions of American and Finnish consumers.

The main objective of this study, therefore, has been to find an answer for the following research question:

*“How do consumers perceive diversity in FMCG brands?”*

The main research question was divided into three sub-research questions outlined in Chapter 1.3 to explore and analyse the phenomenon more deeply:

- *How aware are consumers of diversity efforts from FMCG brands?*
- *What dimensions of diversity do consumers find important in FMCG brands?*
- *How do FMCG brands' diversity efforts affect consumer perceptions of value?*

In this chapter, these sub-questions will be addressed through combining the empirical findings of this study to existing literature and the preliminary framework (Figure 4.) formed from it in Chapter 2.3. This way, this study will be able to address the research questions set in a clear manner while confirming existing theoretical concepts and generating new knowledge. Moreover, this chapter will describe the managerial implications of the study as well as the limitations of this study. As an exploratory study, the suggestions for future research are also vital to describe in order to further expand on and confirm the findings of this study.

### 5.1 Reflection on the Research Questions Based on Empirical Data

As the data collection of this study was guided by the operationalization of the study's research questions (Table 1), the strong alignment between the aim of the research and the empirical data was

guaranteed. Thus, the findings of the study provide meaningful insights to the set sub-research questions, which are revisited in the following paragraphs.

To address the first sub-research question, this thesis sought to generate empirical findings on whether consumers are currently aware of the diversity efforts of brands operating within the FMCG industry. The empirical findings on this are clear: consumers currently are very aware and knowledgeable of the diversity efforts of brands. This being said, the study found that consumers generally place varying levels of importance on the diversity efforts of brands: while most consumers express wanting to see diverse representation by brands, as Burgess et al. (2023) and Puntoni et al. (2021) have argued, for some consumers, such as older men, other aspects rise above the need for diversity. Even so, the study also confirmed that consumers regardless of age, gender and nationality/race gravitate towards the brands that showcase values and beliefs that they can connect with, as suggested by the social identity theory (Solomon et al. 2016). This was true for especially American consumers, whose consumption habits are strongly guided by their alignment with the beliefs and values that brands showcase. Moreover, as consumers generally want to consume brands that they have similar values and beliefs with, they also thought that brands can communicate something about them to others, which is illustrated also by the social identity theory (Solomon et al. 2016). Therefore, through showcasing different values and beliefs, brands can also cultivate certain perceptions, ideas and even support for a cause to grow among the general public, as has been suggested by the cultivation theory (Gerbner 1998). This was found to be especially factual within challenging times or emotionally charged situations. Thus, while some consumers expect brands to have diversity efforts mainly as a way to connect with as many consumers with possible on a global scale, some consumers may even base their consumption choices in some cases on the diversity efforts of brands.

The second research question is centered around the different dimensions of diversity, such as age, gender, race and ethnicity, and which of these aspects do consumers find important in FMCG brands. Surprisingly, the research found that consumers generally do not hold any one dimension as more important than another, as the real significance of diversity efforts lies within being able to connect with and relate to brands. By seeing brands showcase people with similar roles in similar situations as consumers have themselves, they are able to relate with the message of the brand and thus form a connection with what is being sold to their identity and current situation. This has been conceptualized by the theory of brand-consumer relationships (Swaminathan et al. 2007; Fournier 1998) as well as the theory of consumer identity formation (Sihvonen 2019; Huffman, Ratneshwar and Mick 2000). Thus, the research found that the aspects of the diversity efforts of brands that actually make it successful are not focusing on certain dimensions of diversity but rather *the representation of*

*diversity* as well as *relatability*. This being said, skin colour and hair type were mentioned more than once as being the dimensions that some of the consumers look at in order to connect with the brands. However, the real finding was that consumers prefer consuming products of brands that include people that look like them or that they can identify with in their marketing mix activities, as has been argued previously by Watson (2006).

The third and final sub-question sought to understand whether the diversity efforts of brands affect consumer perceptions of value. In this study, value is measured by Keller's (1993) consumer-based brand equity, as illustrated in Figure 2. During the study, it was found that the authentic diversity efforts of brands have a positive impact on both brand image and brand awareness, the two main components of brand knowledge that ultimately determines brand equity (Keller 1993). Moreover, while the performative diversity efforts of brands had an automatic negative impact on brand image, they had a positive effect on brand awareness. Furthermore, as it was found that two of three main factors that influence consumer decision-making are brand image and familiarity with the brand, which is closely associated with brand awareness, it can be also postulated that the diversity efforts of brands have an effect also on consumer decision-making, which is a surprising finding of the study. Nevertheless, the results were clear in that the diversity efforts of brands do affect consumer perceptions of value. However, it is important to note, that positive value effects were only gained by the brands that were seen as having *authentic diversity efforts*, as illustrated by Morhart et al. (2015) in Figure 3, while *performative diversity efforts* were seen as worse than having no diversity efforts at all by consumers representing various demographics. What is more, taking into consideration the context of the FMCG industry, some practical factors like availability, convenience and price, were sometimes found to outweigh the benefits and value that consumers gain from diverse marketing and product initiatives. This finding suggests that consumers may balance the importance of the diversity efforts against other practical aspects in their decision-making process. However, the cosmetics and personal care segment is different within the FMCG industry, as the research found that with these products, especially female consumers want and actually need not only diverse representation but also products that cater to diverse audiences. Based on these findings, *practicality* can be seen as having a trade-off effect on the perceived value of diversity within the context of FMCG brands with the exception of the cosmetics and personal care segment and appearance-related brands (Shaddy, Fishbach & Simonson 2021).

Based on these empirical findings and their connection to the research questions of this study, the theoretical contribution of this research may be further addressed and reflected upon based on the preliminary theoretical framework (Figure 4.).

## 5.2 Theoretical Contribution

According to the preliminary theoretical framework (Figure 4.), consumer perceptions of diversity in brands are influenced and shaped by (1) consumer perceptions as members of society, (2) consumer perceptions of identity, and (3) consumer perceptions of value. Based on the empirical data collected through the research process of this study, the majority of this framework has been confirmed but some aspects of it need to be modified to fully reflect the perceptions of Finnish and American consumers.

As is illustrated in the preliminary framework, according to academic literature consumer perceptions as members of society can be seen to influence consumer perceptions of diversity. This argument was largely based on Gerbner's (1969; 1998) cultivation theory as well as the social identity theory described by Solomon et al. (2016), which posit that brands are able influence consumer perceptions by cultivating certain ideas and perceptions and that consumers use brands to communicate or signal certain aspects about themselves to others in society through the values, identities and beliefs that brands themselves showcase. Thus, the preliminary framework is based on the notion that brands are able to promote a more inclusive and accepting society through incorporating diversity in brands successfully (Burgess et al. 2023, Williams, Lee & Haugtvedt 2004, 4). The research found this to be true, as consumers were found to think that brands mirror collective thoughts, beliefs and values and may even promote certain beliefs and values, which in turn have the power to shape society. As according to research made by Solomon et al. (2016, 393), the norms of society play significant role in consumer behaviour, which in turn increase the possible influence of brands on society as a whole as well as on individual consumers. The study found that consumers expect brands to incorporate diversity somehow simply because societies are diverse globally, and thus diverse representation is needed to connect with all consumers. Especially in times of societal uproar, brands could be seen as cultivating certain beliefs and thoughts through their activities, such as supporting a more inclusive and accepting society. This being said, consumers needed to perceive the diversity efforts to be authentic in order for them to have positive cultivation effects, as performative efforts could be seen as performative and even insulting, which in turn would hurt the cause the brand was trying to show support to and cultivate positive perceptions about.

The second factor that is seen to influence consumer perceptions of diversity based on academic literature were consumer perceptions of identity. As consumer identities vary greatly between people, according to previous research (Swaminathan et al. 2007; Halko & Hytönen 2014; Fournier 1998), consumers have been argued to use brands to express and communicate various aspects about

themselves, such as their identities, values, beliefs and roles in life, to others. Therefore, the brands that consumers use are seen as signals to others in society. The research found this to be true. Interviewees from both Finland and the United States felt that their consumption choices have the power to express certain aspects about themselves to others, for example, about their values, cultures and beliefs. Additionally, especially American consumers place a high level of importance in connecting with the beliefs and values that brands incorporate in their marketing mix activities and thus their consumption habits are strongly guided by their own values, beliefs and cultures. Moreover, according to Sihvonen (2019), the principle of identity relevance that showcases that consumers likely prefer brands that are relevant in their lives regarding the roles they have as well as the tasks they have and will complete. According to the empirical data, consumers want brands to showcase genuine people in real-life situations that they can see themselves in. In other words, consumers are hoping to relate to what is portrayed by a brand. When consumers can see themselves and relate to what a brand is messaging or portraying, they feel a stronger connection to it, which fosters a sense of belongingness (Shankar & Fitchett 2002, 512). The findings of this study confirm these arguments.

The third part of the preliminary theoretical framework focuses on consumer perceptions of value. This study used Keller's (1993) dimensions of brand knowledge to showcase how consumer-based brand equity is built. Consumer-based brand equity is the aspect through which the loyalty and preference of consumers is captured, according to Kotler et al. (2017, 243). The research confirmed these aspects by suggesting that the brands whose ad campaigns were perceived to be authentic in their diversity efforts saw an immediate positive boost of both brand image as well as brand awareness, whereas the brands with what seemed to be performative diversity efforts were linked with negative associations, which hurt their brand image. However, even the brands with diversity efforts that were perceived as performative saw positive effects in brand awareness. Therefore, as consumer-based brand equity refers to the differential effect of brand knowledge on consumer response to the marketing of the brand (Keller 1993, 5), the results of this study argue that the diversity efforts of brands that consumers perceive to be authentic strengthen brand knowledge, which in turn leads to more favourable consumer responses to the marketing of said brands. In other words, the authentic diversity efforts of brands have a positive impact on consumer-based brand equity, whereas the diversity efforts that are seen as performative have an immediate negative impact on it. Therefore, the findings suggest that the authenticity of the diversity efforts of FMCG brands leads to the most value gained and the brands successfully capturing the preference of consumers. Thus, it could be suggested that authentic diversity efforts of FMCG brands may aid them in winning over the consumer and winning with the consumer, which were deemed as vital for surviving the upcoming

years by Webster & Apps (2024), as described in Chapter 1. Consistency was found to be one of the factors that impacts the authenticity of the diversity efforts of brands, which goes along the findings of Morhart et al. (2015), who identified continuity to be one of the four key dimensions of brand authenticity. Moreover, the study proposed similar arguments as the one made by Gilmore and Pine (2007, 5), who argued that authenticity has become the number one criterion for consumers looking to make purchases.

However, one of the most notable findings of this study that was not foreseen was that the value that consumers gain from the diversity efforts of most brands operating within the FMCG industry is balanced with the value that they gain from the practical aspects, such as convenience, availability and price, of the brand. Therefore, if another brand holds more practical value, consumers will prefer them over a brand that has less practical value but promotes diversity. According to Shaddy et al. (2021, 182), trade-offs happen when consumers “must decide whether and how much to satisfy one consideration at the expense of another”. This finding suggests that in this context, consumers prefer to compromise when given the choice between these different attributes, namely the practicality and diversity efforts of brands (Shaddy et al. 2021, 185). However, while this study suggests that practicality has a trade-off effect in the perceived value that consumers gain from diversity efforts, it needs to be confirmed through further research. Additionally, it must be noted that appearance related brands were seen as an exception regarding this finding by the participants of this research.

Figure 5 illustrates the combination of the empirical data collected in the study and existing literature. The findings of the data analysis are closely tied to and aligned with the theoretical concepts outlined Chapter 2, as exemplified by the figure. As such, the modified framework illustrated in Figure 8 corresponds with the preliminary framework (Figure 4) for the most part. This being said, the preliminary framework was constructed in a relationship-style layout to place the focus on the interconnected nature of the three factors influencing consumer perspectives of diversity in brands. As the research progressed to the data collection and analysis phase, it became clear that the findings of the study were more directional and layered than was initially anticipated. Therefore, to better represent the empirical insights, the framework was restructured into a hierarchical format. The modified framework utilizes a gradient coloring system that moves from a shade of white to progressively deeper shades of blue. This progression of color represents the increasing depth of the layers within the studied phenomenon that were found during this study. The top layer, depicted on a white background, symbolizes the general concept that was studied. The next layer, presented on a very light shade of blue, illustrates the three key factors that were confirmed to influence the phenomenon. The subsequent layers deepen in shade and offer further insights of the studied topic.

This layout enhances the clarity and the coherence of the findings, while still reflecting the holistic nature of the phenomenon. By integrating the theoretical insights with the perspectives, experiences

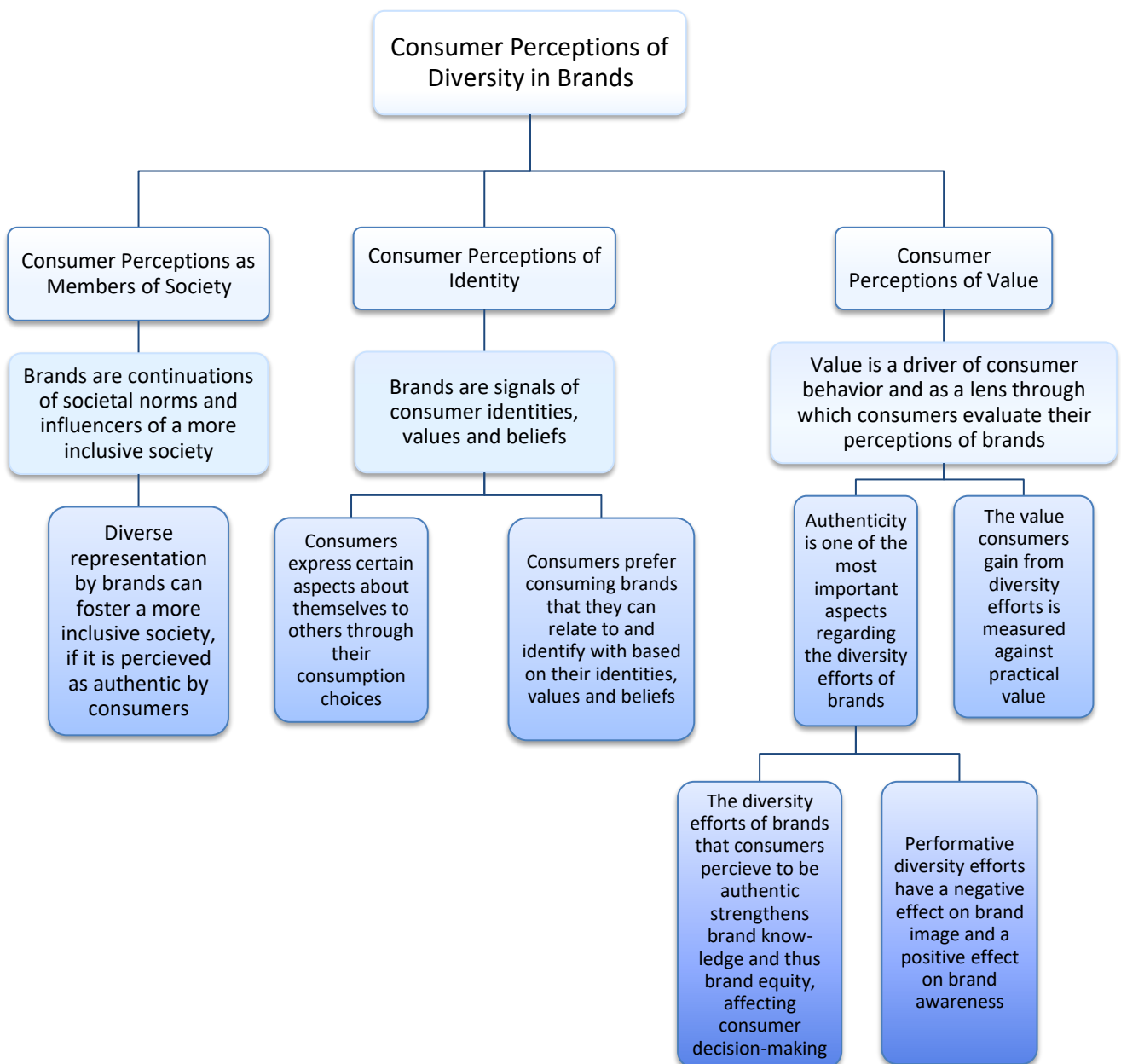


Figure 5 The Modified Framework of Consumer Perceptions of Diversity in Brands

and opinions of the participants of this study, the synthesis that has been created highlights the relevance of the theoretical foundation as well as demonstrates how the research findings contribute meaningful insights to an increasingly studied phenomenon within the context of the FMCG industry.

All in all, the study confirmed the initial propositions of the preliminary framework made based on existing theories and academic literature: consumer perceptions of diversity are influenced by

consumer perceptions as members of society, consumer perceptions of identity and consumer perceptions of value. However, while the study also confirmed that brands can be seen as continuations of societal norms and influencers of a more inclusive society, as has been postulated by Gerbner (1969) and Solomon et al. (2016), as well as that value can be seen as a driver of consumer behaviour and as a lens through which consumers are able to evaluate their perceptions of brands (Kotler et al. 2017; Keller 1993), rather than seeing brands as continuations of consumer identities, values and beliefs, they are better described as signals of them based the combination of research by Swaminathan et al. (2020), Swaminathan et al. 2007 and Fournier (1998) as well as the findings of this study. This is the only aspect that was modified from the preliminary framework, apart from the added findings of the study depicted on the deepest shades of blue and the overall modified layout. Therefore, the preliminary framework was mostly found to be an accurate description of the phenomenon, albeit offering a lighter analytical depth than the modified framework, as the empirical findings were added to the modified framework to offer further insights and a deeper comprehension of the topic.

To sum up, the findings of the study reveal that authentic diversity efforts by FMCG brands are able to foster a more inclusive society, as authenticity is one of the main aspects that consumers look for and derive value from regarding the diversity efforts of brands. However, the value that consumers are able to gain from the diversity efforts of brands is measured against the practical value of the products, that is derived from different practical aspects of the product, such as price, availability, quality and convenience of purchase. Moreover, as consumers use brands and their consumption choices to express certain aspects about themselves to others, they prefer consuming brands that they can identify with and relate to based on their identities, values and beliefs, as they feel that those brands are the ones that most accurately represent them. Lastly, the study found that the diversity efforts of brands are able to affect consumer decision-making through impacting the perceived brand image and brand awareness of consumers: the diversity efforts that were perceived as authentic had a positive effect on both brand image and awareness, which could lead consumers to choose the products of the brand based on the findings of the study, whereas performative diversity efforts had a negative impact on brand image, which could in turn deter them from consuming the brand.

All in all, the findings showcase the layered yet interconnected nature of the phenomenon that suggests that there are many at play to consider when consumers are interpreting the diversity efforts of FMCG brands. Additionally, the findings indicate that there could be other factors that are also considered in other contexts, such as different industries. While these findings need to be investigated further to make definitive conclusions, they suggest several factors that should be considered when

brands operating within the FMCG industry are attempting to integrate diversity efforts in their marketing mix activities.

### **5.3 Managerial Implications**

In addition to the theoretical contributions discussed in the previous chapter, this study is also able to offer some practical insights that could be beneficial for companies operating within the FMCG industry to consider in order to incorporate the diversity of their audience in their brand in better, more meaningful ways. All in all, three managerial suggestions can be derived from the findings of the study: (1) ensure the authenticity of the efforts, (2) focus on diversity in product ranges in addition to marketing and advertising campaigns and (3) invest in consumer research.

Firstly, according to the empirical findings, consumers regard authenticity as one of the most important factors that they consider when interpreting the diversity efforts of FMCG brands. Thus, it is of utmost importance that brands pay attention to the authenticity of their efforts, as the diversity efforts that consumers perceive as performative or opportunistic could lead to a negative brand image and losing of consumer trust and preference. As Morhart et al. (2015) as well as the findings of the study postulate, consistency is one of factors that should be considered in regard to the authenticity of the diversity efforts of brands. Additionally, according to Morhart et al. (2015), the other three factors that brands should keep in mind are credibility, integrity and symbolism. In other words, brands should not abruptly start incorporating diversity efforts or using current socio-political movements in their marketing mix activities, if they have no background or current actions in acknowledging or addressing the issues coming from discrimination and exclusion. Rather, they should be true to themselves and to their consumers about what they have done in the past as well as the present and what they want to promote in the future. By taking the time to ensure the authenticity of their diversity efforts, the brands are able to reap the benefits, as the findings of the study suggest that authentic diversity efforts have a positive effect on brand knowledge, as conceptualized by Keller (1993), and also on consumer decision-making.

Subsequently, brands should also consider their diversity efforts not only within their marketing mix activities but also in their product ranges, especially regarding appearance related products, and answer the simple question: do their products cater to a diverse range of consumer demographics? The empirical findings of the study suggest that consumers representing diverse ages, races and genders found it important that they can find products that are not only marketed with their demographics in mind but also cater to their diverse yet specific needs regarding, for example, different hair types, skin colours and skin types. Especially within the FMCG industry, brands need

to consider that their audience is made up of the general population and in order to serve consumers across all demographic segments, they must consider wide ranges of needs. As consumers were found to be more likely to purchase products from brands that represent their identity, beliefs and values, it is an important factor for brands to consider. Furthermore, widening product ranges is also a way for brands to acknowledge and address past mistakes or current mishaps regarding exclusion or even discriminatory practices and make their diversity efforts appear more genuine and authentic in the eyes of consumers.

Lastly, in order for brands to understand the diversity of the needs within their audience, they should invest in consumer research to gather insights about the specific needs and identities of the consumer segments they are looking to target. As the study found that consumers regardless of age, gender or race and nationality hope to see products and marketing that they can relate to, companies should adequately invest in consumer research to grasp what makes their brand's diversity efforts relatable for different consumer segments. While the empirical findings of the study suggest that the expectations of diversity are similar within the general public, women and younger men tend to have deeper expectations regarding the diversity efforts of brands, whereas older men generally focus more on the reputation and background of a brand. While it can be argued that the consumer base of FMCG brands is the general public, FMCG brands do have different products that cater to different consumer segments, for example elderly consumers or young women. By recognizing the specific nuances of the consumer segment brands are trying to win over, they can tailor their marketing mix activities, campaigns and product ranges to suit their needs without alienating other segments. This would help ensure that the brand's diversity efforts and content are both relatable and authentic in the eyes of consumers while still being strategically aligned with the specific goals of the brand.

As implied by these three suggestions, it can be argued that incorporating diversity efforts is a strategic imperative for FMCG brands nowadays. Especially in an over-crowded and highly competitive market space, how consumers recognize, evaluate and respond to brands is more important than ever. As the findings of this study suggest, authentic and meaningful representation that includes a variety of consumer demographics leads to positive consumer perceptions and a heightened brand image, which ultimately may result in the brands gaining consumer trust and preference. The reason for this is that diverse representation facilitates the connections made between what the brand portrays and the consumers themselves. Thus, rather than viewing diversity efforts as a marketing gimmick or a superficial addition, the real value within diversity for managers lies in a genuine and thoughtful incorporation that can be seen throughout the brand and the corporate entity behind it. Therefore, diversity-related decisions and efforts should be approached strategically, with

close detail being paid to their consistency, context and broader alignment with the brand's values and beliefs.

#### **5.4 Limitations of the Study and Suggestions for Further Research**

While this study has generated new knowledge for the increasingly crucial phenomenon of consumer perceptions of diversity in brands, it is also of utmost importance to also recognise and consider the limitations of the study.

Due to the limited existing knowledge about consumer perceptions of diversity in brands, this study acted as a preliminary exploration of the phenomenon that was aimed at analysing the topic to aid in comprehending its interconnected and nuanced nature. Due to the explorative research approach, the data collection sample that consisted of two focus group interviews with ten participants from two different countries and cultures in addition to a third validity focus group interview with three participants was considered sufficient. However, because of this, the findings of the research cannot be generalized as they are and must be confirmed through further studies. Furthermore, the study focused on solely on brands within the FMCG industry, which means that explorations of other industries may provide alternating results. In addition, as all of the participants of the study were Finnish and American, collecting data from a more international, ethnically and racially diverse population and larger sample would be beneficial given the context of study.

Nevertheless, this study provides a great starting point for further exploration of the studied phenomenon. As its importance to brands can be seen as increasing, it is the researcher's recommendation to continue studying it from different perspectives. An interesting opinion would be to examine the phenomenon through the company or brand perspective to gain a more comprehensive understanding of the nuances that influence the factors of why and how brands opt to integrate diversity into their marketing or offerings or why they choose not to. Secondly, as this phenomenon is global, gaining the perspectives of a larger group of consumers and increasing the diversity amongst them could generate more generalizable results. As the perspectives studied within this study are those of Caucasian Finns and predominately Black Americans, examining and combining the perspectives of other ethnicities, nationalities and races could offer more comprehensive and definitive insights of the phenomenon. Lastly, as this study focused on brands from the FMCG industry, it would be interesting to research other industries as well, such as the cosmetics industry or perhaps luxury products, to seek further comprehension of the phenomenon from different angles.

## 6 Summary

The fast-moving consumer goods (FMCG) industry provides a challenging environment to succeed due to ever-increasing competition. In order to win over the consumer, multinational companies must build strong brands that set them apart from competitors and resonate with consumers all over the world. However, due to globalization, technical advancements and an increasingly diverse consumer base, this presented to be a challenge, as consumers still do not consider that most brands are successful in their diversity efforts. This study aimed to address this gap by exploring the perceptions of consumers regarding the diversity efforts of FMCG brands and what shape them through a set of sub-research questions connected to “*How consumers perceive diversity in FMCG brands?*” The research questions guided the formation of this study through the examination of existing literature and the generation of a preliminary theoretical framework as well as through the empirical research process of this study.

This study was qualitative-explorative in nature, and the research was conducted through two focus group interviews and one validation interview that consisted of diverse participants. The interview questions were formed in alignment with the research questions of this study based on their operationalization, and the collected research data was analysed through a thematic analysis method to generate transparent and trustworthy findings. Through the thematic data analysis process, several themes were found that were reduced into seven broader salient topics that provide meaningful insights about the studied phenomenon, consumer perceptions of diversity in FMCG brands.

The findings of this study were used to build a comprehensive theoretical framework that combined existing literature to the empirical research findings of this study. The empirical findings showcased that consumer perceptions of diversity are influenced by consumer perceptions as members of society and consumer perceptions of identity as well as value. Both American and Finnish consumers saw, that while diversity in FMCG brands is expected and valued at least on some level by everyone, the value it brings to is weighted against aspects that bring practical value, such as price, quality and convenience of purchase. Thus, it could be suggested that *practicality* may have a trade-off effect on the perceived value of FMCG brands’ diversity efforts. Moreover, it was found that the true value within the diversity efforts of brands lies in showcasing the diversity of society authentically – real people and relatable experiences – which allow consumers to see themselves and the people around them being reflected in the brand genuinely. Consumers derived the most value from the diversity efforts of appearance related brands, as they were deemed vital by consumers in making connections of self with the brand. Furthermore, as authentic diversity efforts were seen to positively impact brand

image and brand awareness, which were also revealed to affect consumer decision-making, the findings of the study suggest that authentic diversity efforts may help FMCG brands in cultivating a more inclusive society and further gaining the preference of consumers in the highly saturated business environment. However, if perceived as opportunistic or performative by consumers, the diversity efforts of FMCG brands may lead to great losses due to negative associations with their brand image.

As this study was explorative, it presented various possibilities for further research. As the study was bound within the context of the FMCG industry, future research could examine the phenomenon in other industries. Moreover, as the study focuses on consumer perspectives, it would be beneficial to examine the topic through the company or brand perspective, as well. Additionally, conducting a larger, more internationally focused and diverse study could produce more knowledge and more generalizable findings.

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## Appendices

### Appendix 1 Interview guide

Main question	Additional questions (to guide conversation if needed)	Theory	Theme
1. How would you describe yourself as a consumer of everyday consumer goods?	<p>When thinking of FMCG brands, do any particular ones come to mind? Why?</p> <p>Would you say your brand choices are influenced by trends? What about advertisements or recommendations from those around you?</p> <p>Have you ever felt that your choice of brand says something about you to others?</p> <p>How important is it for you that the FMCG brand you consume reflects your personal values?</p>	<p>Theory of identity formation</p> <p>Brand-consumer relationship theory</p> <p>Social identity theory</p>	Perception of self as a consumer
2. How aware do you think you are of the overall efforts of FMCG brands related to diversity?	<p>What does diversity mean to you?</p> <p>In your opinion, do FMCG brands usually showcase diversity somehow? Are there any specific brands that stand out to you regarding this topic?</p> <p>Where or in what ways have you noticed FMCG brands promoting diversity?</p>	<p>Social identity theory</p> <p>Cultivation theory</p> <p>Theory of identity formation</p> <p>Brand-consumer relationship theory</p>	Perception of diversity and general awareness of FMCG brands' diversity efforts

<p>3. What aspects of diversity do you consider important in FMCG brands?</p> <ul style="list-style-type: none"> <li>- Focus especially on age, gender and skin colour</li> </ul>	<p>How important is it to you that brands consider diversity in their purpose, products and marketing, etc.?</p> <p>Do you expect brands to have diversity incorporated in their ads? How and why?</p> <p>What dimensions of diversity do you usually pay attention to? Why?</p> <p>Have you ever chosen or avoided a brand based on its diversity efforts? If you have, why?</p>	<p>Theory of identity formation</p> <p>Social identity theory</p> <p>Brand-consumer relationship theory</p>	<p>Different dimensions of diversity and consumer expectations of diversity</p>
<p>Showing three different brand ad campaigns: Coca-Cola ‘The World Needs More Santas’, Dove ‘The Code’ and DoveMen+Care ‘Care Makes a Dad’</p>			
<p>4. After looking at these ads, what are your immediate thoughts about them?</p>	<p>Did you like the ad? Why or why not?</p> <p>What do you think the ads were trying to convey? Did they succeed? Why?</p> <p>How genuine did you think the ads were? Why?</p> <p>Do you think the ads were typical for FMCG brands?</p>	<p>Cultivation theory</p> <p>The concept of tokenism</p> <p>The concept of brand authenticity</p>	<p>Diversity in brand messaging</p>
<p>5. How did the appearance of the models used in the campaigns affect your perceptions or opinions of the brands?</p> <ul style="list-style-type: none"> <li>- Focus especially on age, gender and skin colour</li> </ul>	<p>Did you notice the ads showcased diversity? If you did, what aspects did you pay attention to?</p> <p>Do you feel connected to the brands through the ads? Why or why not?</p> <p>Do you think other consumers feel included by the brand through the ad?</p> <p>How do you think the ads highlighted or reflected societal values?</p>	<p>Brand-consumer relationship theory</p> <p>Social identity theory</p> <p>Theory of identity formation</p> <p>Cultivation theory</p> <p>The concept of tokenism</p>	<p>Different aspects of diversity in the chosen campaigns and consumer expectations of diversity</p>

	<p>Do you think these brands successfully promoted diversity through these ads? How or how not?</p> <p>If not, what could the brands have done differently to make the diversity efforts in their ads feel more authentic and sincere?</p>	The concept of brand authenticity	
6. Did the ads affect your perceptions or opinions of the value of the brands?	<p>Do you feel that brands like these that showcase and integrate diversity are more attractive to you in the long-term? Why?</p> <p>Did these ads influence your purchasing decisions? How?</p> <p>Do you remember what brands made the ads?</p> <p>Do you remember having seen ads or products from these brands previously?</p>	<p>Consumer-based brand equity</p> <p>The concept of brand authenticity</p> <p>The concept of tokenism</p>	The value gained from brands integrating diversity and the effects of diversity on brand awareness and brand image
7. Do you have any other comments regarding the topic and discussion today?			

## Appendix 2 Consent form

### Interview consent: Master's Thesis

Consent to take part in research

Researcher: Katariina Ojala

Participant:

I voluntarily agree to participate in this research study. I understand that even if I agree to participate now, I can withdraw at any time or refuse to answer any question without consequences of any kind.

I understand that I can withdraw permission to use data from my interview, in which case the material will be deleted. I have had the purpose and nature of the study explained to me in writing and I have had the opportunity to ask questions about the study.

I understand that I will not benefit directly from participating in this research. I agree to my interview being recorded. I understand that disguised extracts from my interview may be quoted in the master's thesis or other topics related to studies at Turku School of Economics.

I understand that signed consent forms, interview notes and original audio recordings may be retained until the completion of this study, which is at the latest until 31.5.2025. After this date the data will be destroyed. I understand that I am free to contact any of the people involved in the research to seek further clarification and information.

Signature of research participant

Signature of researcher

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Date