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Management Review

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REPRINT NUMBER 46306

The Complexity of Identity

Unlike static demographic and psychographic techniques, identity marketing taps into the multilayered and fluid nature of who customers are and who they want to be.

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Companies have long known that people's sense of who they are influences their purchase decisions. Even so, the power of that basic premise has yet to be exploited fully. It is not captured by segmentation and targeting based on easily observable and superficial classifications, such as simple demographics. Nor is it usually captured by static, psychographic personality profiles based on broad lifestyle associations linked to product categories. Instead, a person's "identity" is a complex, often fluctuating, deeply enduring aspect of how that individual sees himself, and the labels that consumers use to define who they are do not necessarily correspond to the variables that marketers typically rely on.

Identity marketing, which recognizes the complex process of how customers become strongly attracted to the brands and products that help them to express who they are, is the next step in the evolution of the field. It is a potential steppingstone to what is now being referred to as "cult marketing." When performed effectively, it can transform a firm's brands or offerings from a mere collection of products into a deeper constellation of self-embodied lifestyle symbols. Indeed, identity marketing can enable organizations to build stronger brands and more durable customer relationships. But companies first need to understand the crucial role that identity plays in their customers' lives.

What Is Identity?

Identity can be defined as the myriad labels that people use to express who they are. Consumers categorize themselves on the basis of demographics, social roles and shared consumption patterns or preferences. The potential identities

that people possess are both numerous and fluid, varying over an individual's lifetime and across situations. In a work setting, for example, a person's professional identity as an entrepreneur might be at the top of her mind. Later, at home, her identity as a parent may move to the forefront. And on the weekends, her identity as an outdoor enthusiast could take precedent. Identities can be thought of as hats that consumers put on and take off. Psychographic segmentation ignores this complexity by assuming the existence of one hat that fits all occasions.

Identity marketing recognizes that customers are more powerfully attracted to products and brands that are linked to their *multiple* identities. This connection may come about because the brand symbolizes a customer's actual identity, but a brand may also embody an "aspirational identity" — the type of person an individual admires or wants to become more like. The passion for Harley-Davidson motorcycles, for instance, is based on a rebel identity that is aspired to but not necessarily held by its customers.

To understand some of the concepts of identity marketing, consider how people form attitudes toward hybrid cars. Consumers might assess the product feature-by-feature, using reasoning that is relatively analytic. Or they might adopt an environmentalist perspective and review the product's attributes in that light. The second process, called judging from the "inside out," is very different from the first, called "outside in." Although analytic reasoning is often held up as the ideal for decision making, research suggests that identity-driven thinking is more powerful. For one thing, identity-based judgments are especially resistant to change because they are entrenched in people's views of themselves, which are shared and reinforced by others. Furthermore, such attitudes can be complex and multidimensional. Put simply, wearing a hat alters a person's viewpoint, affecting how he sees himself, others

and the world around him. And each hat worn does so in its own way.

With hybrid cars, the products were initially positioned around the tangible benefits they provided, including gas-mileage economy and long-term cost effectiveness. More recent marketing has been oriented toward a customer's intrinsic concern for the environment and desire for pollution-free living. Such identity-based images have

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subsequently been reinforced by cause-oriented celebrities and other philanthropic opinion leaders who have chosen to be innovators in adopting the new technology even in the absence of an established installed base. And the products themselves have become increasingly stylish. The Toyota Prius has won awards for its sleek design, and Honda now promotes its Civic Hybrid with the message, “Get earth-friendly with the sporty Civic Hybrid — the best of both worlds.” Such multilayered messages have been effective in connecting to consumers' different identities, making it smart, socially responsible *and* fashionable to drive a hybrid. In contrast, a conventional demographic or psychographic approach might have targeted the cars just toward middle-income parents who listen to NPR and are concerned about the world they will leave their children.

Positioning a product around tangible features or demographic and psychographic segmentation is a relatively easy thing for competitors to copy. Identity marketing is not. To be sure, the complexity of identity-based judgments presents both opportunities and obstacles for marketers, but companies often fail to appreciate that. Indeed, many common marketing mistakes can be traced back to a misunderstanding of customer identity.

Mistake #1: Selling new products solely on their features. A traditional marketing approach is to draw people's attention to tangible features, particularly for new products, and to prompt customers to make decisions on the basis of this information.

Indeed, one popular theory is that brand attitudes are a function of the importance and value of brand attributes — and not the other way around. But in a recent study, consumers were asked to judge a new electronic book after considering its features or after adopting the perspective of an environmentalist. The result: Attitudes based on a strong environmentalist identity persisted more than those based on a feature-based analysis of the product. That is, “who the customer is” dominated “what the product is.”

The disappointing market performance of many new products, including e-books, often arises because marketers emphasize features without linking them to the identities that matter to consumers.

In contrast, consider how palmOne Inc.'s handheld devices were successfully positioned as essential accessories of young, mobile professionals. Indeed, the bells and whistles of many new products are important mainly because they are a way for consumers to express their identity — quite literally, in the case of personalized ring tones and face plates for cellular phones.

Mistake #2: Failing to solidify first-mover advantage. Companies often rush to market to be the first with a new product or service. But then they fail to solidify that advantage by forgetting to link their brand to customers' identities. Research suggests that an early identity-based judgment is “sticky” — that is, strongly resistant to subsequent counterarguments. In one laboratory experiment, consumers were asked to consider the issue of pollution credits from the perspective of a businessperson. They were then told to consider the opposite viewpoint by assuming the identity of an environmentalist. The initial assumed attitudes tended to persist despite the subsequent efforts to reverse them. In other words, not only can products themselves have first-mover advantage, the perspectives they tap into through identity marketing can also have that benefit.

One organization that seems particularly adept at solidifying its market position in that way is NASCAR Inc. Conventional marketing based on demographics and psychographics might have concentrated on blue-collar males who are patriotic, possibly by highlighting the NASCAR

requirement that only American cars are allowed to compete. But that focus would have missed the fact that the NASCAR identity of being carefree, fun and thrill-seeking also appeals to many white-collar professionals, women and those who are less jingoistic. To market that aspirational identity to a broad audience, NASCAR's Web site includes a "Travel & Lifestyle" section and highlights the "Women of NASCAR." Such efforts have helped the organization establish itself across demographic and psychographic lines. For instance, currently 40% of NASCAR attendees are female. To demonstrate their loyalty, fans readily purchase products such as T-shirts, hats and jackets with logos from NASCAR and other sponsoring brands. In a way, people wear such clothing as a "badge" that reinforces their identities to the extent that they cannot conceive of themselves as whole without the brand.

Mistake #3: Fighting the competition head-on.

But even entrenched organizations like NASCAR aren't invulnerable. In fact, one of the advantages of identity-based marketing is the recognition that consumers are complex, with numerous identities that define who they are. For marketers, this complexity provides numerous ways to position products in order to counter the identity marketing of competitors. One particularly effective strategy is to avoid head-on attacks and instead foster attractive alternative identities for customers.

Consider the antismoking campaign, which has traditionally emphasized the health and addiction risks of cigarettes. The consensus is that such appeals have generally been ineffective, particularly in reaching teenagers — a not surprising result, given the entrenched imagery of smokers as cool rebels. Thus, recent efforts are instead focusing on creating an alternative identity for young people, that of the savvy consumer who can't be manipulated by the tobacco industry.

Mistake #4: Sticking with what's worked before.

The multitude of identities that matter to customers, and the many ways that such identities can be associated with brands, provides ample opportunity for marketers to stake out a special position in consumers' minds. Consider, for example, the evolution of the erectile-dysfunction

market. The early entry of Viagra was characterized by marketing that tried to communicate product benefits and overcome reluctance to seek help, thus the ads with former Sen. Robert Dole. Those efforts were mainly demographic, concentrating on pre-baby boomers, and psychographic, targeting people who were ill at ease discussing sexual problems. The later entry of Cialis and Levitra heightened competitive pressures, with both drugs claiming superior benefits but also emphasizing the importance of the product for personal relationships. This reflects an identity appeal — specifically, being an intimate, thoughtful, loving and romantic partner. More recently, Pfizer Inc. has responded by emphasizing how Viagra can restore the vitality of one's lost youth, exemplified by the slogan "get back to the mischief." Current ads now feature a handsome, fit man, possibly in his 50s but seemingly in his 40s, with playful devil horns — an attractive aspirational identity.

Although critics contend that Pfizer may have gone too far — positioning Viagra around a youthful, carefree identity might have inadvertently associated the product with recreational use — the important point is that companies need to evolve their identity marketing instead of always sticking with what's worked before. An example of a company that was slow to react is McDonald's Corp. Even as U.S. consumers became increasingly health-conscious, the company failed to link its brand to that identity trend. Instead it offered "Super Size" portions of its meals, which seemed to target the company's traditional demographic and psychographic base of people with tight budgets and limited time or desire to cook. Now, realizing that a healthy lifestyle is important to consumers, McDonald's has been touting its salads and other more nutritious offerings as part of its "Eat smart, be active" initiative. The company has thus recognized that the same person can have two identities that might seem to be mutually exclusive but aren't: fast-food consumer and health-conscious individual.

Mistake #5: Underestimating low-involvement products. Identity marketing can be particularly important for products that have a complex set of features. Rather than expending resources to explain the importance of those features to cus-

tomers, a company might be better off linking the product to an identity that already matters to them. Consider, for example, the formation of political attitudes in the 2004 U.S. presidential race. If asked, most of the voting public would have been hard pressed to articulate details regarding the candidates' platforms. Instead, people's decisions seemed to reflect an emotional response

Demographic and psychographic techniques are too simplistic because consumers have many selves that cannot be easily compressed into neat categories.

associated with their own political identity and the values they attributed to either political party.

But identity marketing isn't just for products like cars and financial instruments that might otherwise require sophisticated decision making. It can also be effective for low-involvement items. Calvin Klein Inc.'s successful line of men's underwear is a case in point. Traditionally, demographic and psychographic marketing emphasized just a few features of male undergarments, including durability, fit and price, but Calvin Klein managed to associate its products with an attractive aspirational identity: a young, sexy, well-built man. The company also rightly anticipated the rise of the "metrosexual," a phenomenon that incorporates two seemingly incompatible identities: the heterosexual man and a sophisticated urbanite who spends considerable time and money on his looks.

Mistake #6: Attacking negative word of mouth.

Prior research in marketing has clearly documented the adverse effects of negative word of mouth on brand equity. Identity marketing can shield against such damage. In a sense, identity is an internalized source of social influence, reflecting beliefs about what others who are similar — that is, who share the identity — think about a product or brand. As such, it can insulate a group from conflicts with external sources. In one study, consumers were asked to engage in an online focus group regarding a particular branded product, and the participants were then exposed to social influences from outsiders. Not surprisingly, people who strongly identified with the brand were likely

to reject any outside negativity that was inconsistent with their identity.

Thus, instead of attacking negative word of mouth, companies might do well to consider ways to transform it into a positive. The Boston Red Sox are a good example of how prior product failure, namely, a World Series drought of 86 years, and continual criticisms from sportswriters and naysayers could be deflected by identity marketing. The Red Sox organization fostered a mentality of the scrappy underdog versus the evil, overpaid New York Yankees, and that identity appealed enormously to a diehard fan base that cuts across various demographic and psychographic segments. The result: lucrative sales of ballpark tickets and merchandise that appeared impervious to whether the team won or lost. In fact, after the Red Sox suffered a crushing defeat to the Yankees in the 2003 playoffs, ticket sales actually increased the following season.

EVERY COMPANY KNOWS that its marketing campaign has to connect with customers, yet many organizations make crucial mistakes in trying to do so. The problem is often a fundamental misunderstanding of how customers become attracted to brands, products and consumption behaviors that help them to express who they are. Identity marketing is not just a repackaging of psychographic-segmentation techniques, which assume that people's stable personality traits can be identified and linked to broad lifestyle orientations that can then be classified into general product classifications. Researchers and practitioners are now beginning to realize that such approaches are too simplistic because consumers have many selves — some of which might appear to contradict each other — that cannot be easily compressed into such neat categories.

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