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Marketing with Purpose

The Psychology of Inclusion and the Effects in Advertising: Gen Z

Key Insights and Ideas for Application

Inclusive Marketing Research
Microsoft Advertising

Forward

At Microsoft Advertising we're invested in helping our clients and partners create brands that are welcomed into people's lives--like a best friend who someone can rely on, especially during these challenging times. Never has there been a more important time to show up in ways that matter.

How a business operates, communicates, and responds is an opportunity to focus on your brand's purpose in relevant and authentic ways. We expect that trust built on responsibility, values, and authenticity will emerge as an operating model for brands to build relationships with their customers that have purpose, withstand the test of time and ultimately drives immense business value.

Inclusive Marketing is a crucial factor woven throughout the entire journey of building this meaningful relationship. Inclusive brands don't want to just reach people; they want to make all people feel seen and understood. Understanding that the human experience is diverse and has a wide spectrum of experiences is key. Inclusive marketing isn't just about targeting niche segments or policy compliance. It's about building genuine relationships with people that celebrate diverse values, respects them, across a wide range of human experiences.

Our Inclusive Marketing research summary highlights key learnings that can be infused, not only in your advertising execution, but also into your product approach, content creation, and more. It calls for our collective creativity across the industry to uncover exclusions to drive innovation—to truly expand our thinking to create more possibilities in storytelling and inspire the world to be the world we want to live in.

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The Psychology of Inclusion and the Effects in Advertising
Microsoft Advertising 2020

Research methodology by phase

The research you'll see referenced in this whitepaper was broken out into 3 phases:

1

1:1 ZMET Interviews

Understanding and defining the experience, context, metaphors, and emotions for inclusive/exclusive

Gen Z | Age: 18-22 | n=12

Diverse sample as it relates to race, religion, political values, sexual orientation, physical abilities, income, and education level

Research conducted in partnership with Olson Zaltman, June 2019. ZMET is Olson Zaltman's proprietary methodology.

2

Implicit Association Test

Measuring the strongest associations for inclusive/exclusive based on response time

Gen Pop | n=1540

Diverse sample across the U.S.

9 brands were chosen for the test

Research conducted in partnership with Olson Zaltman, Oct 2019.

3

Simile Concept Test

Testing advertising through a new understanding of inclusive/exclusive

Gen Z | Age: 18-24 | n=219

Screen: Aware of Tommy Hilfiger

Research conducted in partnership with DeriveOne, Dec 2019-Feb 2020.

Key Demographics:

Gender: Female (71%), Male (25%), Other (4%)

Race: White (50%), African American (26%), Latino (13%), Asian (6%), Other (5%)

Disability: Yes (9%), No (89%), NR (2%)

The Psychology of Inclusion and the Effects in Advertising research
Key findings - summarized

Goal of study

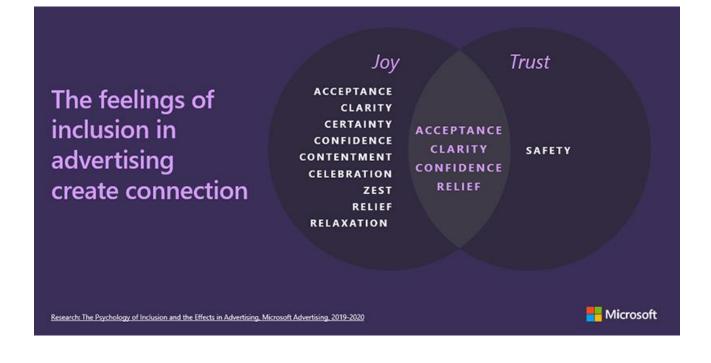To understand if inclusive advertising drives trust, builds loyalty and leads to purchase intent for Gen Z.

The answer is yes.

76%
are more likely to support brands that are authentic in their advertising

70%
are more trusting of brands that represent diversity in ads

69%
said that brands that represent diversity are more authentic

47%
are more trusting of brands that represent me in ads

49%
have stopped purchasing from a brand that did not represent their values.

+23 pt. lift ⬆
Lift in purchase intent on most inclusive ad shown

1 Inclusive advertising drives trust.

Inclusive Advertising done authentically, feels like connection and family. It produces the feelings of joy and trust.

The feelings of inclusion in advertising create connection

Joy
ACCEPTANCE
CLARITY
CERTAINTY
CONFIDENCE
CONTENTMENT
CELEBRATION
ZEST
RELIEF
RELAXATION

ACCEPTANCE
CLARITY
CONFIDENCE
RELIEF

Trust
SAFETY

Research: The Psychology of Inclusion and the Effects in Advertising, Microsoft Advertising, 2019-2020

Our research shows that inclusion in advertising feels like connection or a version of family where there are underlying feelings that inclusive advertising produces in people.
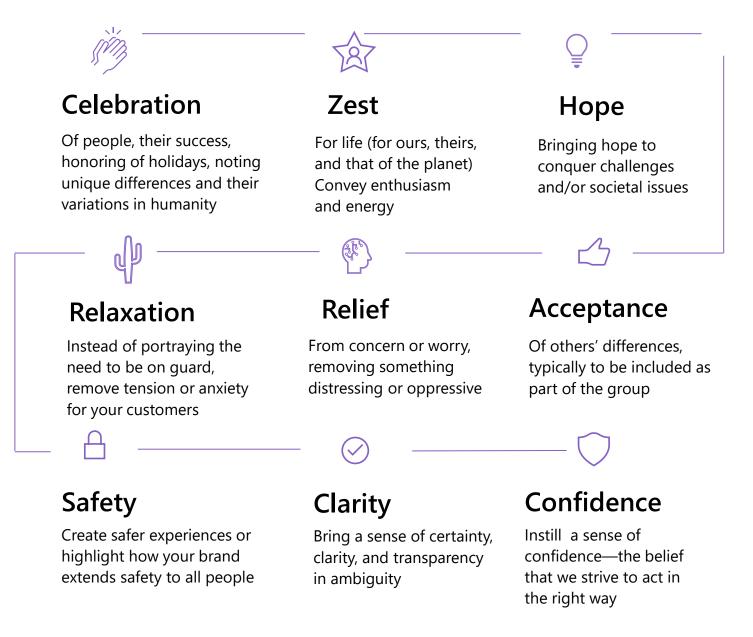
Overall, the main feelings produced by inclusion are joy and trust. The various feelings that were identified that made up the overall category of joy from experiencing inclusive advertising was acceptance, clarity, certainty, confidence, contentment, celebration, zest, relief, and relaxation. The various feelings that were identified that made up the overall category of trust were also acceptance, confidence, clarity, and relief, but with the addition of safety.

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1 Inclusive advertising drives trust (continued).

The feelings of inclusion in advertising create connection.

Key idea and application:

Because inclusive advertising can conjure feelings of joy and trust, look for brand connection points in product, features, storytelling, content or experiences that can create one or more of **the feelings of inclusion** identified in our study. This can **facilitate connection** with your audience, making your clients feel like part of a family – your brand's family. Here are some ideas to bring inclusive connection points to life either in your customer experience, product, services or advertising:

Celebration

Of people, their success, honoring of holidays, noting unique differences and their variations in humanity

Zest

For life (for ours, theirs, and that of the planet) Convey enthusiasm and energy

Hope

Bringing hope to conquer challenges and/or societal issues

Relaxation

Instead of portraying the need to be on guard, remove tension or anxiety for your customers

Relief

From concern or worry, removing something distressing or oppressive

Acceptance

Of others' differences, typically to be included as part of the group

Safety

Create safer experiences or highlight how your brand extends safety to all people

Clarity

Bring a sense of certainty, clarity, and transparency in ambiguity

Confidence

Instill a sense of confidence—the belief that we strive to act in the right way

1

Inclusive advertising drives trust (continued).

Inclusive advertising improves perceptions around trustworthiness, market leadership and likelihood to recommend.

When someone sees an inclusive ad, it signals that the brand is one or more of the following: genuine, trustworthy, is a market leader, and increases likelihood to recommend.

From the Oslon Zaltman in the Implicit Association Testing phase of the study, ads that are deemed as inclusive are more likely to show stronger signals of market leadership, trustworthiness and being genuine, than ads that are not seen as inclusive. These perceptions are known drivers of purchase intent. However, to change perceptions of brand leadership, trustworthiness and genuineness, brands need to provide sustained inclusive messaging not just a "one-and-done" moment in a year. For example, a temporary logo change that signals it supports LGBTQI+ in Pride, or Black Lives Matter is a great start and has meaning but continued support with various activations that give reasons to believe your brand is genuine will help prevent coming across opportunistic. Authentic inclusive messaging is built through repeated, multi-channel exposure.

Brands that do not focus on inclusive advertising and marketing today risk being left behind, as brands that are investing in inclusive messaging continue to grow perceptions of market leadership, authenticity and trustworthiness. Investing now, despite what appears to be minimal gains with gen pop, will likely continue to grow over time as gen pop becomes more "inclusive-centric" with the aging of today's younger generations. It is worth noting that that data shows a positive correlation with age with the impact of inclusive messaging on brand associations of recommendation, genuineness, and purchase intent.
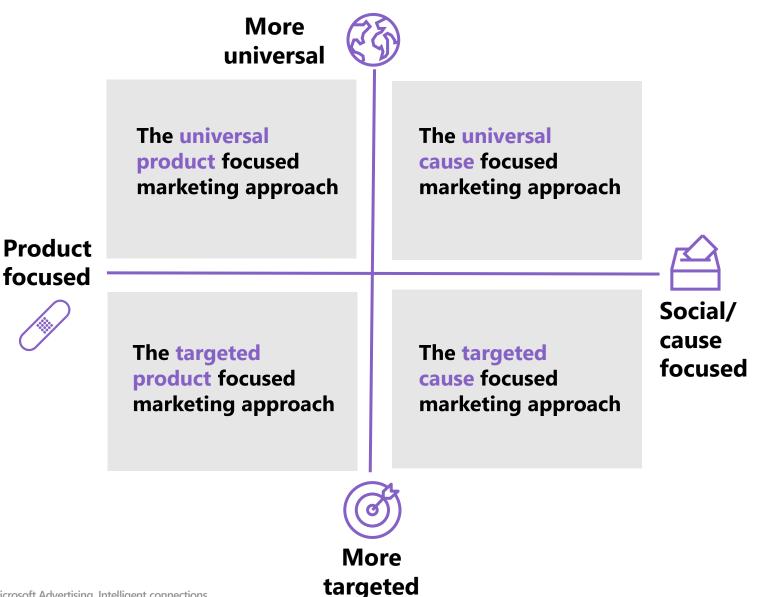
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1 Inclusive advertising drives trust (continued).
A model for inclusive advertising campaigns and brand positioning

Key idea and application:

We identified 2 dimensions to consider with inclusive advertising: product focused and cause focused, illustrated below on the x-axis. Then along the y-axis, consider how universal or targeted your marketing message could be. Across these dimensions there comes into view four distinct marketing approaches to consider in when designing content, product positioning, or in your brand storytelling to build your marketing and advertising inclusively. The key in deciding which content strategy approach is right for your marketing efforts is to align genuinely to what are your brand mission, product truths, and specific campaign goals. The point here is that there is a spectrum of marketing dimensions and they could be used to guide your content creation strategy. Let's share a few examples on the next page to illustrate how these come to life.

More universal

The **universal product** focused marketing approach

The **universal cause** focused marketing approach

Product focused

Social/ cause focused

The **targeted product** focused marketing approach

The **targeted cause** focused marketing approach

More targeted

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Bringing inclusive content marketing to life

More universal

Marketing or advertising with this dimension conveys a common human value or something that touches a majority of the global, human population. It could convey that we all have the power, considers everyone, even people who may not be directly in that population but has a derivative story in relation to the core topic; it makes you feel empowered or connected. An example of this is the universal human value of health in Stand Up to Cancer's campaign, and "that we all have the power to stand up to cancer". Another incredible example is Levi's commercial called, "Circles." Where the universal cultural phenomena of the love of music and dance across cultures can bring us together in living harmony.

Product-focused

Marketing or advertising with this dimension focuses on how the product is inclusive which could mean personalization across many less considered variations of dimensions of diversity for that product category. In other words, it could also simply solve for how the product category has historically excluded a population. It could mean deliberate supply chain practices where the raw materials are sustainably sourced or organic. It could also mean accessible features for that product. An example of this is TruColor, first aide bandages for skin color variations. And how IKEA has developed a whole line of 3-D printable accessories that fit onto their current line of products to make them more accessible, called ThisAbles and check out their videos as well as Tommy Hilfiger Adaptive – accessible clothing line.

More targeted

Marketing or advertising with this dimension focuses on how the brand is about empowering a niche audience, like a lifestyle, but that it inspires all to have agency in the brand and product line. An example of this is VANS – they target the skater lifestyle, but they marketed to everyone, and are adopted and worn by anyone. Everyone is welcomed to the brand.
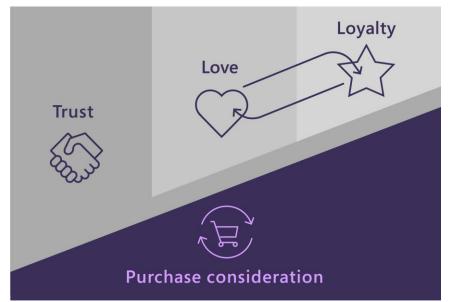
Social/Cause-focused

Marketing or advertising with this dimension is about taking a stand on a societal issue or supporting a cause. A great example of this is REI's campaign #OptOutside where they took a stand against the consumerism culture of Black Friday and encouraged people to get outdoors instead. They closed all their retail stores and gave their employees the day off. Another great example is Dream Crazy by Nike. According to the Edelman Trust Barometer, 80% of people believe that brands should play apart in solving societal issues and this approach highlights how brands can co-author with their customers a solution.
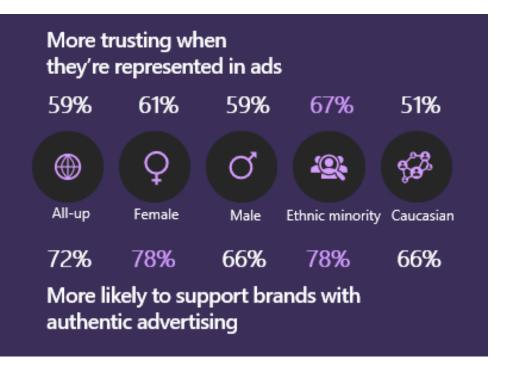
2 Inclusive business drives loyalty.

It's worth noting that from the Microsoft Advertising research around trust[1], we found that there is a strong tie between Trust, Love, and Loyalty. Once trust is established as the baseline, a brand can begin to build love and loyalty. To do this, brands must go the extra mile to make someone feel understood through inclusion. Inclusion was found to be a key brand attribute that creates loyalty.

The same story threads are woven through our inclusive advertising research. Our research uncovered that authentic representation in advertising builds trust and brand support, with 72% of people stating they're more likely to support brands with authentic advertising.

Authentic representation in advertising is important – it drives trust and brand support

More trusting when they're represented in ads

	All-up	Female	Male	Ethnic minority	Caucasian
More trusting when they're represented in ads	59%	61%	59%	67%	51%
More likely to support brands with authentic advertising	72%	78%	66%	78%	66%

1. Accelerating Brand Performance Through Trust, Love and Loyalty Research (Microsoft Advertising, 2020)

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3 Inclusive advertising drives purchase intent.

Our research showed that an inclusive ad drove a 23pt lift in purchase intent whether the person experiencing the ad was personally represented in the ad or not.

In the last phase of our research, and building on the first two phases, we attempted to scale our learnings and look at the business impact in addition to the feelings inclusive advertising creates. We used one brand, Tommy Hilfiger, to ensure that our results were not clouded by brand perceptions. We chose Tommy because they displayed an awesome spectrum of inclusive to non-inclusive advertising.

1. The best performing ads were the "most appealing" and the "most inclusive."

2. Between the "most appealing" and the "most inclusive" ad, the inclusive ad outperformed the appealing, non-inclusive ad with a 23 pt. lift in purchase intent vs. the 10 pt. lift in the non-inclusive, yet appealing ad.

3. The participants stated that the most inclusive ad made the brand feel more **genuine** and **authentic.** It made them feel "seen."

4. While only 10% surveyed in this researched identified with a disability, the "most inclusive" ad that drove the 23 pt. lift in purchase intent contained multiple people across age, gender, and ethnicity but all had a form of disability. Not only does inclusion in advertising drive purchase intent if someone like you is represented, but it drives it with people who might not be personally represented in the ad.
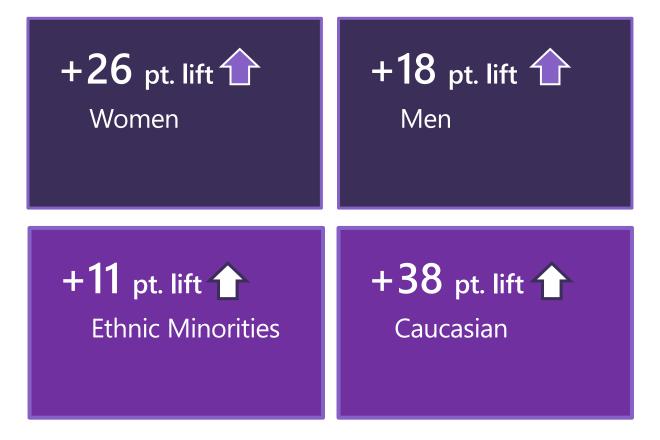
The Psychology of Inclusion and the Effects in Advertising research
Key findings - summarized

Key idea and application:

In a prior study with Accenture, Microsoft Advertising identified that number one reason for not executing multicultural or inclusive marketing by marketers was the fear of getting it wrong. And getting it wrong from our conversations with multiple advertisers across the world invariably was linked to the concerned of alienating their core customer base. Here we can see that no matter what gender or if you were a person of color or not, inclusive ads drive an increase in purchase intent.

Lift in purchase intent after viewing ad deemed as inclusive

+26 pt. lift ⬆
Women

+18 pt. lift ⬆
Men

+11 pt. lift ⬆
Ethnic Minorities

+38 pt. lift ⬆
Caucasian

No matter what gender or ethnicity, there was an increase in purchase intent after being exposed to an ad deemed inclusive.

4 Words matter and so do images.

Discovered in our research, consider the following fifty language-based cues in your ad copy, advertising or content that indicates inclusion. We identified three key concepts that can indicate a brand is inclusive if it demonstrates: **1) connection, 2) being a container for open mindedness, or 3) a balance in representation across dimensions of diversity**. Note that these are all in English but that we recommend finding the most closely aligned translated word to use in other languages.

Words to indicate connection

Diversity
Involvement
Unity
Coming together
Positive
Family
Fit
Cohesive
Community
Care
Happier together
Joy
Relate
Trust
Empathy
Understood
Accepting
Bonded
Support system
Belonging
Share

Words to indicate open-mindedness

Open
Friendly
Warm
No discrimination
Opens up
Versatile
Open minded
Included
Open to everything and everyone
No limits
Free
Expanding
Safe
Secure

4 Words matter and so do images (continued).

Words to indicate balance

Accepted	Understanding
Progressive	Validated
Supportive	Authentic
Equality	Valued
Comfort	Genuine
Welcoming	Real
Growing	Unique

Key idea and application:

Here are some examples of how one might use the word "diversity" and other inclusive-indicating words. The trick is to use words authentically in ways that are anchored by your business promises and truth.

- Ad copy for a fictitious travel brand: "**Diverse** customer needs inspired our accessible vacation packages. Choose from our **versatile, supportive**, and **welcoming** travel partners."

- Email copy for current customers: We'd love to hear from you – **diversity** inspires us and inclusion moves us. What **unique** need might you have that we could consider serving in the future? We are **open** to hearing from you! We are looking to **grow** our **understanding** of more **diverse** and **unique** customer needs.

- Announcement blog: "Recognizing **diversity** in our employee experience **opens up** our ability to serve more parents and children in our product line. ContosoSense, a line of furniture for children with cognitive sensitivities, was an idea born from employees who have first-hand experience as parents with children with cognitive-sensitivities who saw the need for **real** and **progressive** furniture solutions."

4 Words matter and so do images (continued).

Consider these insights when choosing your imagery for your campaign across the creative collection of assets or you may lose the value after the initial engagement:

Be accurate.

Photos or images should be of people with authentic and real genuine visual cues that indicate accurate cultural representation. For example, if you are representing people with disabilities and a person is in a wheelchair, are they in a hospital wheelchair or are they in a real day-to-day one? The choice of wheelchair should match the storyline authentically.

Use connection literally and figuratively.

Use photos where people are touching in some way, which is a visual cue indicating inclusion. Create a visible relationship or interaction between people in your images. Not every ad or visual needs to be this way but if you have a choice – someone leaning on another's shoulder is perceived as more inclusive than one where people are standing apart or separately.

Demonstrate balanced inclusion.

The research shows that the more dimensions of diversity represented in an image, the more inclusive the ad is deemed. Consider, where appropriate, that multiple people are used with variation in diversity represented, like ability, age, race gender, family design, health conditions, or language, etc. Consider including larger body sizes, multiple people of color and that everyone is featured with the same prominence.
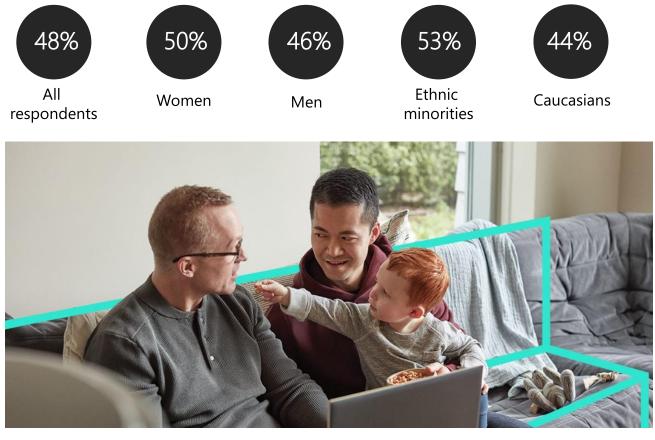
Be real and authentic.

Images of people or people cast in video should be real customers whenever possible, not actors. The representation should be genuine, authentic, and align to the topic you are looking to bring to life. For example, if you want to represent customers with disabilities, consider casting real customers with disabilities, for your video or photoshoot. Using an actor playing that role or "acting" that they have a disability is a recipe for the message not resonating because it inherently lacks authenticity. So, ensure realistic diversity, displaying a range of different people, while not being over-the-top and trying to include every possible dimension of diversity. This can end up feeling disingenuous and also lack authenticity.

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5 Playing it safe is riskier than taking a stand.

When looking at the psychological implications of gut reactions of those who experienced the advertisements in the study, all the ads that were deemed "inclusive" were also signaled as "risky."

Why are we saying it maybe risker to play it safe than taking a stand when ads deemed inclusive were also signaling "risky"? From a *psychological perspective*, the idea of inclusion appears to be risky. However, in our framework for how to convey inclusion, we see inclusion associated frequently with concepts like **openness, progressive, versatile, and limitless,** similar to characteristics of a trailblazer. Inclusive ads show higher purchase intent and perceptions, without negative repercussions, signaling that the interpretation of risk is more perceived than actual. In fact, in our research we also uncovered that 48% of people stopped purchasing from a brand because it did not represent their values. This number is 50% for females, 46% for males, 53% for ethnic minorities, and 44% for Caucasians. In the end, inclusive ads give a sense of a limitless brand that is openminded, which can be perceived as "risky" but has a high reward for a brand willing to take a stand for inclusion.[1]

I have stopped purchasing from a brand because it did not represent my values.

48%	50%	46%	53%	44%
All respondents	Women	Men	Ethnic minorities	Caucasians

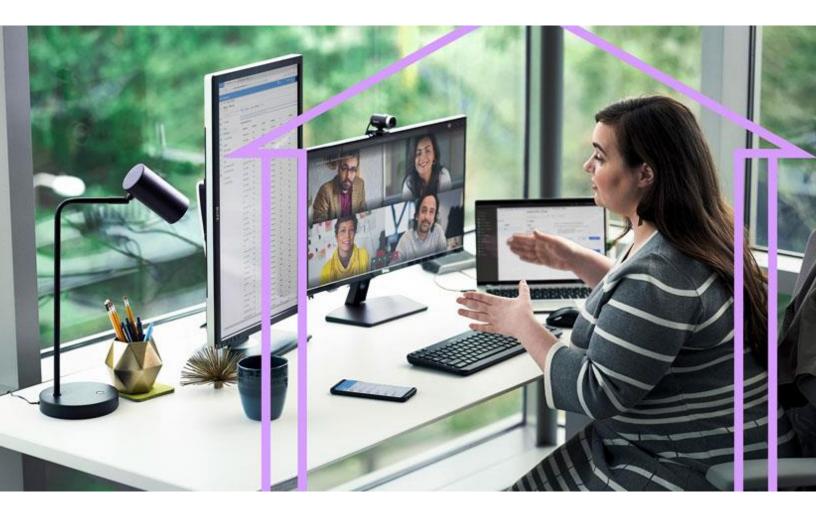# Summary: You can be the catalyst for change

1 Be inclusive. It drives trust, loyalty, and purchase intent.

2 Anchor on your brand mission. What does your brand stand for?

3 Playing it safe is riskier than taking a stand.

Our best collective future depends on an inclusive today.

Our world has barely scratched the surface of considering, understanding and supporting the broad spectrum of human experiences. What a different place we will live in when we unlock the enormous potential and ingenuity of diverse human beings who have extraordinary experiences and abilities; within our teams, with our colleagues, our clients and our customers.

Imagine if a true representation of all people was included at the beginning of any project or idea. There's an opportunity for inclusive leadership at any level and that can have a profound domino effect across an organization and the world of which they are a part.

By embracing continued learning of diverse human experiences through empathy, we at Microsoft Advertising have been working with our clients and sharing strategies we've uncovered as a framework to ignite a new relationship with people brands are trying to better reach, resonate and serve with their products, services or experiences. We're not only optimizing the businesses we partner on with our clients, we're optimizing the lives of the customers we are collectively striving to serve together.

Proximity drives empathy, and empathy gives us insight.
Here's to a brighter future, by inclusively marketing.

Additional resources

Blog Post
Inclusive Marketing:
Why it's essential for your brand

> READ BLOG POST

Blog Post
Inclusive Marketing: Five mindset shifts every brand can make

> READ BLOG POST

eBook
Modern marketing is accessible marketing

> READ EBOOK

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