

Review

How social perceptions influence consumption for self, for others, and within the broader system

Nailya Ordabayeva¹, Monika Lisjak² and Aziza C. Jones³

Abstract

This article builds an organizing framework for understanding how social perceptions influence consumption at three levels: consumption for self, consumption for others, and consumption within the broader system. At each level, social others play a distinct role in individuals' consumption behaviors, from passive observers to active agents. Importantly, consumption at each of these levels is characterized by common tensions and misperceptions, which sometimes undermine individuals' consumption choices, outcomes, and intent. We describe some of the tensions and explore how individuals navigate them. At the end, we discuss how the proposed framework offers exciting opportunities for future research.

Addresses

¹Carroll School of Management, Boston College, 140 Commonwealth Avenue, Chestnut Hill, MA, 02467, USA

²W. P. Carey School of Business, Arizona State University, 400 E Lemon St, Tempe, AZ, 85287, USA

³Wisconsin School of Business, University of Wisconsin–Madison, 975 University Avenue, Madison, WI, 53706, USA

Corresponding author: Ordabayeva, Nailya (nailya.ordabayeva@bc.edu)

Current Opinion in Psychology 2022, 43:30–35

This review comes from a themed issue on **People-Watching: Interpersonal Perception and Prediction (2022)**

Edited by **Kate Barasz** and **Tami Kim**

For complete overview about the section, refer [People-Watching: Interpersonal Perception and Prediction \(2022\)](#)

Available online 25 June 2021

<https://doi.org/10.1016/j.copsyc.2021.06.009>

2352-250X/© 2021 Elsevier Ltd. All rights reserved.

Keywords

Social perception, Social judgment, Consumption, Psychological tensions, Symbolic consumption, Social signaling, Self-signaling, Compensatory consumption, Social status, Consumption for others, System justification, Economic inequality, Brand activism, Corporate sociopolitical activism.

“La rue est la musée pour tout!” (“The street is a museum for all!”)

Hergé (Georges Remi)

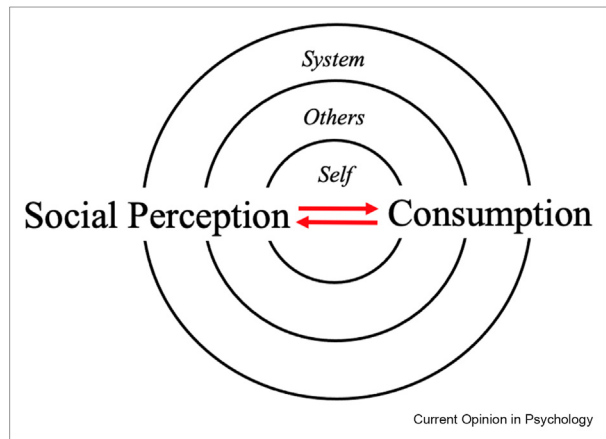
In his famous line, the prominent Belgian cartoonist and creator of Tintin captured just how ingrained ‘people watching’ is in everyday life. If the street is a museum to

watch others as the quote suggests, then the marketplace is a theater where many consequences of people watching play out. Indeed, our social perceptions of people around us shape our consumption behaviors in powerful ways. The present article draws on recent developments in the literature to propose an organizing framework for understanding how social perceptions influence consumption at three levels (see [Figure 1](#)): (a) consumption for self, (b) consumption for others, and (c) consumption within the broader system (i.e., society). The three levels distinguish among the different targets or beneficiaries (self, others, system) of individuals' consumption decisions (our unit of analysis) and among the distinct roles of social others in shaping these decisions.

More specifically, at the micro level of self, people consume to signal to others their actual and desired identities. At this level, others are often a passive audience for an individual's consumption behavior. At the next level, individuals make consumption decisions for others and predict others' consumption preferences and experiences. At this level, others are viewed as active agents with their own preferences, goals, and outcomes. At the macro, system level, people consume to preserve or change the existing social system. In this case, others are viewed as collective contributors to the broader system. Our framework thereby systematically differentiates among the distinct consumption goals and motives (from micro to macro) that watching others induces in individuals as well as the distinct roles (from passive observers to active agents) that social others play in individuals' consumption decisions and outcomes.

To draw out these distinctions, we build on recent findings that highlight pertinent misperceptions or tensions in individuals' consumption decisions and outcomes. For example, individuals may mispredict how their consumption behaviors will be perceived by others; they may misperceive the preferences of others when making consumption decisions for them, or they may hold diverging perceptions of the social system when making consumption decisions to support or oppose it. We discuss the tensions that may arise in individuals' consumption choices and outcomes at each level and explore how individuals may navigate these tensions. Afterward, we highlight how our framework generates fruitful avenues for future research.

Figure 1



Three levels of influence of social perception on consumption.

Level 1: consumption for self

At the micro level of self, individuals often make consumption decisions that seek to signal or communicate their own sense of self to social others and themselves [1]. Under such circumstances, social others are an audience, real or imagined, that observes individuals' consumption. Because consumption may carry distinct signals to social others and self, individuals may mispredict the benefits and perils of their consumption behavior.

For example, recent research has shown that consumption pursued for social signaling purposes may have ironic effects on people's postpurchase experience and sense of self. Goor et al. [2*] show that while people expect that luxury products can yield status-signaling benefits in the eyes of others, these products can actually make people feel inauthentic and prompt them to behave less confidently. Furthermore, studies show that while people expect that products which highlight one's competencies (e.g., a professional suit) may compensate for their insecurities by signaling success to others and self [3,4], consumption of such products may actually remind people of these insecurities, undermining self-repair. To illustrate, participants who received negative feedback on an intelligence test were more likely to purchase intelligence-signaling products [3], yet these products ironically reminded people of their insecurity [5*], leading to lower self-evaluations [6]. Perhaps intuiting such tensions, some individuals pre-emptively forgo self-enhancing consumption signals and instead choose less popular products that verify and communicate their actual self. For example, Stuppy et al. [7] find that, sometimes, individuals with low self-esteem may prefer inferior (vs. superior) products because these products more accurately represent individuals' actual self.

Although consumption of status- and identity-signaling products may sometimes undermine people's sense of

self, merely posting about such products on social media without actually purchasing them may sometimes vicariously enhance the self, lowering subsequent purchase and consumption of these products. For example, participants who imagined posting (vs. not) on social media about products that signaled their student identity were subsequently less likely to purchase other products related to this identity [8]. Similarly, people who publicly (vs. privately) displayed a token of support for a cause (e.g., such as wearing a ribbon) were subsequently less likely to donate to the cause [9].

Beyond the described tensions in intrapersonal outcomes, status- and identity-signaling consumption can also create mispredictions at the interpersonal level [10*-13]. Specifically, social others do not always interpret consumption behavior as consumers may desire. To illustrate, individuals often purchase luxury products to improve how others see them, but these products can lead others to conclude that the individual lacks warmth [10*]. In prosocial contexts, individuals may engage in prosocial consumption behavior with the hope that doing so will be well received. However, certain factors—such as whether the individual receives government assistance or is extraordinarily wealthy—may hurt the actual reception of such actions by the intended audience [11,12].

Level 2: consumption for others

At this level, individuals make consumption choices for others, influenced by social perceptions of other people's consumption preferences and experiences. Here, social others are active agents who have their own preferences and desires. Naturally, individuals' perceptions of others can lead to discrepancies between their consumption decisions for others versus for self [14–24]. Specifically, gaps in decision-making strategies, goals, and identities that individuals adopt and emphasize when consuming for others (vs. self) may lead consumers to mispredict others' consumption preferences and behaviors, at times undermining others' and own consumption outcomes and experiences.

First, individuals may adopt distinct decision-making strategies when consuming for others (vs. self). For instance, individuals seek more information when making consumption decisions for others than when making decisions for self. To illustrate, when choosing a restaurant for someone else, individuals may research more alternative options and a broader set of attributes than when choosing for self [16*]. Furthermore, the attributes that individuals prioritize when making consumption choices for others differ from those they prioritize when choosing for themselves [17]. For example, when choosing between a high-value ticket at a distant movie theater and a mid-value ticket at a close movie theater, individuals may prefer the former option for

others, but the latter option for themselves [18]. These diverging consumption preferences may be driven by individuals' (mis)perception that others place a greater weight on having the *best* product than they themselves do and by the perceived social cost of selecting an inferior product for someone else.

Second, individuals may misperceive or undervalue others' goals when making consumption decisions for them. For example, a consumer pursuing a health goal may ironically select less healthy products for others who are believed to have the same goal [19*]. By doing so, a consumer advances the perceived progress of their own goal to the detriment of the perceived wants of others. Similarly, a consumer may wish to see themselves as a unique person, which may motivate them to see others as simpler individuals and choose products for others that validate this belief [20]. For example, consumers may select a more basic product for others (e.g., a small bottle of water) than they would for themselves (e.g., a large bottle of water).

Finally, individuals may emphasize different identities when making consumption decisions for others (vs. self). For example, in the gift-giving context, individuals may misperceive and inflate the importance of matching the gift to recipients' identities [21,22]. This might result in suboptimal outcomes both for gift recipients and givers because gifts that match recipients' identities are liked and enjoyed less than some alternatives. Indeed, gift givers prefer to buy gifts that match recipients' specific identities over sentimental gifts that do not match recipients' identities, even though recipients like sentimental gifts more [21]. Similarly, recipients appreciate gifts that match givers' identity more than gifts that match their own identity [22]. Interestingly, gifts that match recipients' identity might also undermine givers' well-being, as they may create an identity threat for givers when the gift is misaligned with givers' own identity [23].

Level 3: consumption within the broader system

At the macro level of the social system, social perceptions influence how individuals consume to cope with, support, or change the system. Here, social others are collective contributors to the system. At this level, how individuals perceive the current versus the ideal system, as well as self and others in the system, may drive consumption choices that may not always achieve an optimal outcome or intended result.

First, individuals' perception of the system influences how they trade off between own versus others' relative social positions and interests when deciding which products to consume. To illustrate, a system with high (vs. low) perceived income inequality increases the salience of individuals' relative rank vis-à-vis others,

which, in turn, boosts consumption designed to signal individuals' social status. This often comes at the detriment of individuals' savings and long-term investments [24]. Indeed, geographic areas with high (vs. low) income inequality show greater interest in high-status goods [25]. However, this effect depends on where individuals are positioned within the system. Those who trail others (i.e., are at the bottom of the pyramid) may benefit more from status consumption when the income distribution is actually more (vs. less) equal because such individuals can leapfrog a larger percentage of peers who are within reach and thus attain greater status gains through consumption [26].

Second, the perceived structure of the system may create a mismatch between what individuals expect to signal through consumption versus how these consumption signals are actually received and interpreted by others. Indeed, conspicuous consumption of status symbols such as luxury brands is only accepted as a legitimate signal of status if the system is perceived as meritocratic and inequality as justified [27*,28]. However, such symbols are deemed immoral when the hierarchy and inequality are opposed and deemed unjustified [29].

Third, a tension between how individuals perceive the current social system and how they envision the ideal system motivates consumption that either supports or challenges the system. Specifically, individuals who endorse the hierarchical social system tend to endorse products by established companies and brands (e.g., Coca-Cola), and they quickly forgive such companies' wrongdoings (e.g., BP oil spill) because they believe that these companies preserve the existing system and offer certainty [30–34]. In contrast, individuals who oppose the hierarchical system endorse small and crowdsourced products and brands because they challenge the power imbalance in the system [35*,36]. However, small brands and vendors (e.g., individual vendors who sell services on sharing economy platforms such as Airbnb) can actually gain support from even hierarchy-endorsing consumer segments if they highlight their entrepreneurship and economic independence, which reflect meritocracy in the system [37].

Finally, individuals' misperceptions about the fairness of the system may inspire consumer activism when these misperceptions are exposed. To illustrate, consumers often underestimate the extent of pay gaps that exist among different social groups in the system. As a result, exposure to information about actual pay gaps (e.g., among men vs. women, workers vs. CEOs) perpetuated by companies leads consumers to punish companies by not consuming their products or initiating boycotts [38*,39]. Rising consumer expectations that companies should use their market power to right the system and restore system fairness and justice for different groups, in turn, spurs companies to act. Indeed, most consumers

(66%) expect brands to use their influence on sociopolitical issues which can improve the current system for others and for self [40]. However, corporate activism may produce conflicting outcomes: it may generate praise in some parts of the public and scorn in others, as well as typically a negative reaction from investors [41*]. Furthermore, the costs and benefits of addressing systemic issues through brand activism depend on company characteristics. Activism benefits small companies that can gain more customers than they can lose, but it hurts large companies that stand to lose many customers who disagree with the company position [42].

Directions for future research

Conceptualizing the three levels at which social perceptions influence consumption offers a generative framework for identifying fruitful directions for future research. First, future research can explore how different levels of analysis interact by examining how the role others play at one level may shape consumption at other levels. For instance, just like perceptions of others' agentic behaviors and preferences shape consumption for others, such perceptions may shape individuals' own identity-signaling consumption. Indeed, the appeal and consequences of identity-signaling consumption may be exacerbated or attenuated as a function of others' values and behaviors. To illustrate, individuals' interest in consuming self-enhancing products to compensate for their insecurities may depend on how judgmental or benevolent social others are perceived to be and on the feedback that individuals receive from others.

Second, the unprecedented nature of recent events including the COVID-19 pandemic and renewed fight for racial, gender, and economic justice has created a consumption landscape in which novel tensions and misperceptions may arise [43]. For example, in the context of the pandemic, individuals may increasingly mispredict how others will respond to health threats (compared to self), with novel implications for own consumption behavior. To illustrate, skepticism that others will take the COVID-19 health threat seriously and that they will be mindful of collective health outcomes might lead individuals to forgo opportunities to consume in public and to avoid certain (e.g., collective) consumption experiences altogether in favor of safer private and online consumption options. Such tensions may apply beyond the COVID-19 pandemic to consumption behaviors in response to other threats that may arise.

Finally, future work can go beyond the unidirectional link from social perception to consumption examined so far, to explore how consumption may change social perceptions. For instance, exposure to brands' sociopolitical activism intended to improve the system can influence not only individuals' consumption decisions but

also their subsequent perceptions of the system (e.g., fairness, defensibility), depending on the type of the activist brand (e.g., large company vs. small challenger), activism issue (e.g., cultural vs. economic), and campaign characteristics (e.g., lobbying, short-term advertising, long-term change in business practice).

Conclusion

The present overview reveals that social perceptions have pervasive effects on consumption decisions that individuals make for themselves, for others, and within the broader society. Furthermore, individuals' attempts to predict, shape, and reconcile social perceptions with their own expectations, experiences, and realities in the marketplace create psychological tensions which shape consumption outcomes and well-being in significant ways. We hope that this novel perspective on the role of social perceptions in consumption will offer new opportunities for future research.

Funding

This research did not receive a specific grant from funding organizations in the public, commercial, or non-profit domains. The first author gratefully acknowledges the support of Boston College's Hillenbrand Family Faculty Fellowship.

Conflict of interest statement

Nothing declared.

References

Papers of particular interest, published within the period of review, have been highlighted as:

* of special interest

1. Belk RW: **Possessions and the extended self.** *J Cons Res* 1988, **15**:139–168, <https://doi.org/10.1086/209154>.
2. Goor D, Ordabayeva N, Keinan A, Crener S: **The impostor syndrome from luxury consumption.** *J Cons Res* 2020, **46**: 1031–1051, <https://doi.org/10.1093/jcr/ucz044>.
This article provides evidence that while luxury consumption may signal status, it can also undermine feelings of self-authenticity.
3. Kim S, Gal D: **From compensatory consumption to adaptive consumption: the role of self-acceptance in resolving self-deficits.** *J Cons Res* 2014, **41**:526–542, <https://doi.org/10.1086/676681>.
4. Rucker DD, Galinsky AD: **Desire to acquire: powerlessness and compensatory consumption.** *J Cons Res* 2008, **35**: 257–267, <https://doi.org/10.1086/588569>.
5. Lisjak M, Bonezzi A, Kim S, Rucker DD: **Perils of compensatory consumption: within-domain compensation undermines subsequent self-regulation.** *J Cons Res* 2015, **41**:1186–1203, <https://doi.org/10.1086/678902>.
This article shows that while symbolic consumption within the domain of self-threat is appealing, it can undermine self-repair and self-regulation because it increases rumination about the threat.
6. Rustagi N, Shrum LJ: **Undermining the restorative potential of compensatory consumption: a product's explicit identity connection impedes self-repair.** *J Cons Res* 2019, **46**: 119–139, <https://doi.org/10.1093/jcr/ucy064>.
7. Stuppy A, Mead NL, Van Osselaer SMJ: **I am, therefore I buy: low self-esteem and the pursuit of self-verifying**

- consumption. *J Cons Res* 2020, **46**:956–973, <https://doi.org/10.1093/jcr/ucz2029>.
8. Grewal L, Stephen AT, Coleman NV: **When posting about products on social media backfires: the negative effects of consumer identity signaling on product interest.** *J Mark Res* 2019, **56**:197–210, <https://doi.org/10.1177/0022243718821960>.
 9. Kristofferson K, White K, Peloza J: **The nature of *slacktivism*: how the social observability of an initial act of token support affects subsequent prosocial action.** *J Cons Res* 2014, **40**: 1149–1166, <https://doi.org/10.1086/674137>.
 10. Cannon C, Rucker DD: **The dark side of luxury: social costs of luxury consumption.** *Personal Soc Psychol Bull* 2019, **45**: 767–779, <https://doi.org/10.1177/0146167218796790>.
This paper shows luxury consumption lowers observers' perceptions of consumers' warmth (and increases perceptions of consumers' competence) thereby creating potential social costs.
 11. Jones AC, Ordabayeva N: *How the wealth of an individual requesting donations to a third-party organization influences generosity.* Working Paper. 2020.
 12. Olson JG, McFerran B, Morales AC, Dahl DW: **How income shapes moral judgments of prosocial behavior.** *Int J Res Mark* 2021, **38**:120–135, <https://doi.org/10.1016/j.ijresmar.2020.07.001>.
 13. Luangrath AW, Peck, Gustafsson A: **Should I touch the customer? Rethinking interpersonal touch effects from the perspective of the touch initiator.** *J Cons Res* 2020, **47**: 588–607, <https://doi.org/10.1093/jcr/ucaa021>.
 14. Kurt D, Inman JJ: **Mispredicting others' valuations: self-other difference in the context of endowment.** *J Cons Res* 2013, **40**: 78–89, <https://doi.org/10.1086/668888>.
 15. Polman E, Effron DA, Thomas MR: **Other people's money: money's perceived purchasing power is smaller for others than for the self.** *J Cons Res* 2018, **45**:109–125, <https://doi.org/10.1093/jcr/ucx119>.
 16. Liu Y, Polman E, Liu Y, Jiao J: **Choosing for others and its relation to information search.** *Organ Behav Hum Decis Process* 2018, **147**:65–75, <https://doi.org/10.1016/j.obhdp.2018.05.005>.
This article shows that individuals search for more alternative options and examine more attributes when choosing for others than when choosing for self. When faced with a trade-off between alternatives and attributes, individuals favor alternatives (vs. attributes) if choosing for others (vs. self).
 17. Jung MH, Moon A, Nelson LD: **Overestimating the valuations and preferences of others.** *J Exp Psychol Gen* 2020, **149**: 1193–1214, <https://doi.org/10.1037/xge0000700>.
 18. Luan M, Li H: **Do maximizers maximize in private? The influence of public versus private context on maximizing.** *Pers Individ Dif* 2019, **121**:52–56, <https://doi.org/10.1016/j.paid.2019.06.024>.
 19. Bryksina O: **When and why choices for others diverge from consumers' own salient goals.** *J Con Psychol* 2020, **30**: 579–597, <https://doi.org/10.1002/jcpy.1175>.
This article shows that consumers are more likely to make goal-inconsistent choices for others than for themselves in order to boost their perception of own goal progress. This effect is more pronounced for individual- (vs. group-) level goals and in relationship- (vs. recipient-) focused situations.
 20. Givi J, Galak J: **Selfish prosocial behavior: gift-giving to feel unique.** *J Assoc Consum Res* 2020, **5**:34–43, <https://doi.org/10.1086/706507>.
 21. Givi J, Galak J: **Sentimental value and gift giving: givers' fears of getting it wrong prevents them from getting it right.** *J Consum Psychol* 2017, **27**:473–479, <https://doi.org/10.1016/j.jcps.2017.06.002>.
 22. Paolacci G, Straeter LM, De Hooge IE: **Give me your self: gifts are liked more when they match the giver's characteristics.** *J Consum Psychol* 2015, **25**:487–494, <https://doi.org/10.1016/j.jcps.2015.01.006>.
 23. Ward MK, Broniarczyk SM: **It's not me, it's you: how gift giving creates giver identity threat as a function of social closeness.** *J Cons Res* 2011, **38**:164–181, <https://doi.org/10.1086/658166>.
 24. Frank R: *Falling behind: how rising inequality harms the middle class.* University of California Press; 2007.
 25. Walasek L, Bhatia S, Brown GDA: **Positional goods and the social rank hypothesis: income inequality affects online chatter about high-and low-status brands on Twitter.** *J Con Psychol* 2018, **28**:138–148, <https://doi.org/10.1002/jcpy.1012>.
 26. Ordabayeva N, Chandon P: **Getting ahead of the Joneses: when equality increases conspicuous consumption among bottom-tier consumers.** *J Cons Res* 2011, **38**:27–41, <https://doi.org/10.1086/658165>.
 27. Desmichel P, Ordabayeva N, Kocher B: **What if diamonds did not last forever? Signaling status achievement through ephemeral versus iconic luxury goods.** *Organ Behav Hum Decis Process* 2020, **158**:49–65, <https://doi.org/10.1016/j.obhdp.2020.01.002>.
This article shows that observers attribute higher achieved/earned (vs. ascribed) status to consumers who consume ephemeral (vs. iconic) luxury products, but only when the system is meritocratic enabling status improvement.
 28. Ordabayeva N, Fernandes D: **Better or different? How political ideology shapes preferences for differentiation in the social hierarchy.** *J Cons Res* 2018, **45**:227–250, <https://doi.org/10.1093/jcr/ucy004>.
 29. Goenka S, Thomas M: **The malleable morality of conspicuous consumption.** *J Pers Soc Psychol* 2020, **118**:562–583, <https://doi.org/10.1037/pspp0000237>.
 30. Beck JT, Rahinel R, Bleier A: **Company worth keeping: personal control and preferences for brand leaders.** *J Cons Res* 2020, **46**:871–886, <https://doi.org/10.1093/jcr/ucz040>.
 31. Fernandes D: **Politics at the Mall: the moral foundations of boycotts.** *J Public Policy Mark* 2020, **39**:494–513, <https://doi.org/10.1177/0743915620943178>.
 32. Acar OA, Dahl DW, Fuchs C, Schreiber M: **The signal value of crowd-funded products.** *J Mark Res* 2021, <https://doi.org/10.1177/00222437211012451>.
 33. Shepherd S, Chartrand TL, Fitzsimons GJ: **When brands reflect our ideal world: the values and brand preferences of consumers who support versus reject society's dominant ideology.** *J Cons Res* 2015, **42**:76–92, <https://doi.org/10.1093/jcr/ucv005>.
 34. Xu HF, Bolton LE, Winterich KP: **How do consumers react to company moral transgressions? The role of power distance belief and empathy for victims.** *J Cons Res* 2021:1–25, <https://doi.org/10.1093/jcr/ucaa067>.
 35. Paharia N, Swaminathan V: **Who is wary of user design? The role of power-distance beliefs in preference for user-designed products.** *J Mark* 2019, **83**:91–107, <https://doi.org/10.1177/0022242919830412>.
This article shows that high-power-distance consumers who endorse the hierarchical system prefer products designed by established companies because such products offer quality reassurance, whereas low-power-distance consumers prefer products designed by regular users (peers) because such products boost feelings of empowerment.
 36. Song X, Jung J, Zhang Y: **Consumers' preference for user-designed versus designer-designed products: the moderating role of power distance belief.** *J Mark Res* 2021, **58**: 163–181, <https://doi.org/10.1177/0022243720972702>.
 37. Cakanlar A, Ordabayeva N: *How economic system justification shapes support for P2P providers in the sharing economy.* Working Paper. 2021.
 38. Schlager T, Mohan B, DeCelles K, Norton M: **Consumers—especially women—avoid buying from firms with higher gender pay gaps.** *J Con Psychol* 2021:1–14, <https://doi.org/10.1002/jcpy.1219>.

This article shows that informing consumers, especially women, about the magnitude of gender pay gaps at companies reduces consumers' purchases of company products.

39. Mohan B, Schlager T, Deshpandé R, Norton MI: **Consumers avoid buying from firms with higher CEO-to-worker pay ratios.** *J Con Psychol* 2018, **28**:344–352, <https://doi.org/10.1002/jcpy.1033>.
40. # BrandsGetReal: championing change in the age of social media. Sprout Soc; 2018. <https://sproutsocial.com/insights/data/championing-change-in-the-age-of-social-media/>.
41. Bhagwat Y, Warren NL, Beck JT, Watson GF: **Corporate sociopolitical activism and firm value.** *J Mark* 2020, **84**:1–21, <https://doi.org/10.1177/0022242920937000>.
42. Hydock C, Paharia N, Blair S: **Should your brand pick a side? How market share determines the impact of corporate political advocacy.** *J Mark Res* 2020, **57**:1135–1151, <https://doi.org/10.1177/0022243720947682>.
43. Lammers J, Crusius J, Gast A: **Correcting misperceptions of exponential coronavirus growth increases support for social distancing.** *Proc Natl Acad Sci* 2020, **117**:16264–16266, <https://doi.org/10.1073/pnas.2006048117>.

This article shows that although corporate sociopolitical activism is increasingly expected by consumers, it elicits an adverse reaction from investors, because it reallocates firm resources away from profit-oriented activities toward activities that involve a significant amount of risk and uncertain outcomes.