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DISCUSSION PAPER

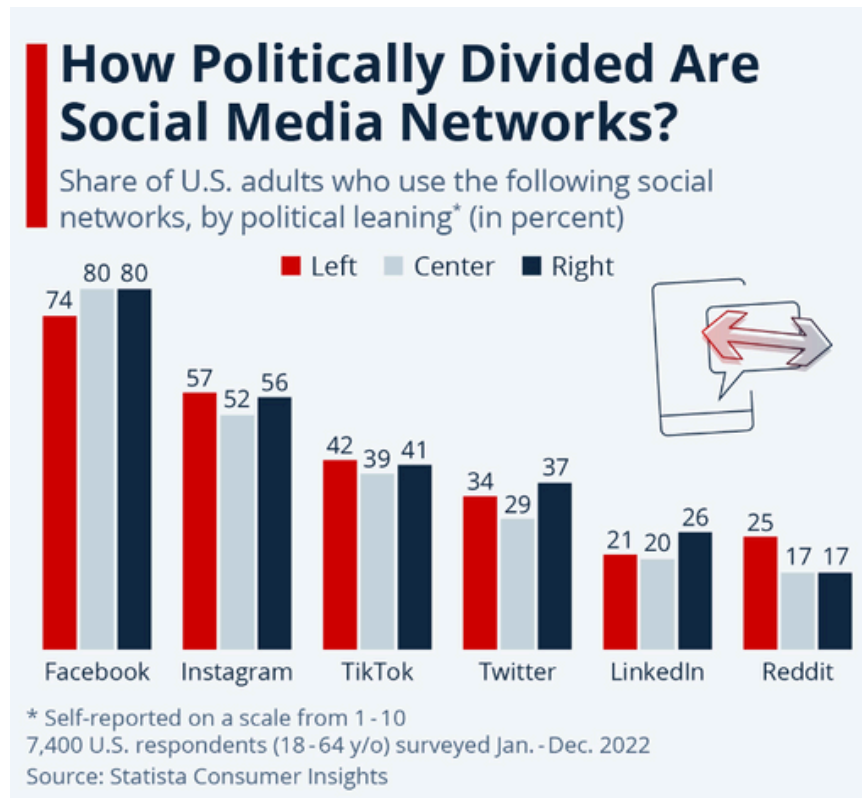
Advertising in an Increasingly Polarized World

Introduction

The advertising industry finds itself at a crossroads confronted by a rapidly evolving landscape where consumer behavior is increasingly intertwined with political ideology. Once a realm of product promotion and brand building, advertising now navigates a complex terrain where everyday actions can be imbued with political significance. With six in ten consumers actively using their purchasing power to express political views, the implications for brands are profound. The instinctual response might be to retreat from the fray, to weather the storm and hope for calmer waters. However, such a strategy is bound to fail. The question is not how to avoid politics but rather how to master its complexities and leverage them for competitive advantage.

The union of consumerism and politics has created a new reality where brands are under constant scrutiny. From the influencers with whom they partner to the social platforms they utilize, every decision made may carry political ramifications. Yet, despite the challenges, the opportunity for growth and differentiation lies in navigating this complex terrain with strategic acumen. This paper will explore the changing consumer behaviour, the challenges faced by marketers, and a strategic framework for thriving in a politicized marketplace.

The Politicized Consumer

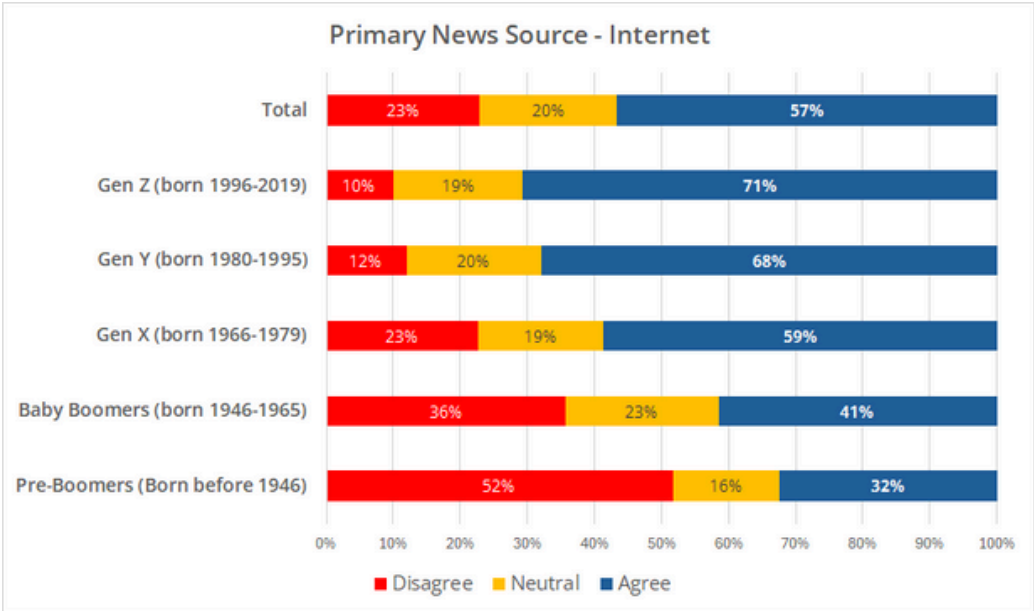


Source: [Chart: How Politically Divided are Social Media Networks?](#) | Statista

The contemporary consumer is no longer a passive recipient of marketing messages. Empowered by social media and driven by a heightened sense of civic engagement, consumers are actively shaping the marketplace through their purchasing decisions. Political beliefs have become a core component of consumer identity. This shift has transformed the advertising industry, necessitating a nuanced understanding of consumer motivations and a strategic approach to building brand resonance.

Yet, when reviewing the political leanings of social media platform users, audiences are roughly equal across the political spectrum.

With Canadians, a majority agree that the primary news source is the Internet (57.6%). This is particularly pronounced among Gen Z (70.6%) and Millennials (68%).



Source: Vividata, 2023

For most Canadians the use of social media largely centers on keeping connections with friends and family. Entertainment also ranks high in social media usage as well as keeping up to date with the news. News content on social media in particular ranks higher for older generations – Baby Boomers to Pre-Boomers.

All	Gen Z (born 1996-2019)	Gen Y (born 1980-1995)	Gen X (born 1966-1979)	Baby Boomers (born 1946-1965)	Pre-Boomers (born before 1946)
Keep in contact with friends	Keep in contact with friends	Keep in contact with friends	Keep in contact with friends	Keep in contact with friends	Keep in contact with family
Keep in contact with family	To watch entertaining or fun content	Keep in contact with family	Keep in contact with family	Keep in contact with family	Keep in contact with friends
To watch entertaining or fun content	Keep in contact with family	To watch entertaining or fun content	To watch entertaining or fun content	Keep up to date with the news	Keep up to date with the news
Keep up to date with the news	Keep up to date with the news	Keep up to date with the news	Keep up to date with the news	To watch entertaining or fun content	To watch entertaining or fun content
Share things I find interesting or entertaining (e.g. articles, videos, etc.)	Share things I find interesting or entertaining (e.g. articles, videos, etc.)	To search for inspiration and ideas	Share things I find interesting or entertaining (e.g. articles, videos, etc.)	Share things I find interesting or entertaining (e.g. articles, videos, etc.)	Share things I find interesting or entertaining (e.g. articles, videos, etc.)

Source: Vividata, 2023

From news to entertainment, Canadians rely on digital platforms to stay connected and informed. This shared digital space emphasizes the importance for brands to navigate this complex landscape thoughtfully, resonating with values while remaining inclusive. Ultimately, while politics may influence personal identities, the internet remains a common ground where all consumers—regardless of political stance—seek connection, information, and community.

The Marketer's Dilemma

The increasing politicization of consumer behavior has placed marketers in a precarious position. The temptation to retreat from the public eye, to adopt a low-profile strategy and ride out the storm, is understandable. Yet, such a passive approach carries significant risks. By avoiding mainstream political issues brands risk alienating customers, damaging their reputation, and missing out on opportunities to connect with consumers on a deeper level.

The challenge lies in navigating a landscape where neutrality is increasingly difficult to maintain. Everyday actions, from the selection of influencers to the choice of social platforms, can be interpreted through a political lens. This heightened sensitivity demands a sophisticated understanding of the political landscape and a proactive approach to managing potential crises.

Before a brand takes a stance on a political issue, the following questions should be answered:

- 1. Does the issue align with your corporate mission and values?**
- 2. Can you meaningfully influence the issue?**
- 3. Will your constituents (employees, customers, community) agree with speaking out?**

It is advisable to answer “yes” on all three before taking a definitive stance. Anything less and the brand should speak as a follower or monitor the issue. In addition, there is research to suggest that people overall, particularly younger demographics, believe that brands should be voicing some sort of concern for a social issue. According to the [2024 Edelman Trust Barometer - Brands and Politics](#), 71% of respondents say brands need to take a side on a political issue when faced with pressure, with only 12% saying political issues should be avoided. Furthermore, the study does point strongly to the notion that people are more influenced to patronize brands with whom they agree politically and who would defend their values if questioned rather than remaining neutral.

Despite this, there are studies that suggest the opposite. A [CNBC](#) study found that 58% of their respondents believe it is inappropriate for companies to take political stances. Furthermore, Marc Jungblut and Marius Johnen from the journal *Communication Research* found that although brands have increasingly taken to political communication and outreach, doing so has [become risky](#). Based on their own research, they found that the negative effects of disapproving customers can outweigh the positive effects of approving ones. Especially if your customer base is large and heterogeneous.

A Strategic Approach

The key to navigating the politicized landscape lies in a proactive, strategic approach that prioritizes understanding the consumer, building trust, and managing potential crises. If your customer base is for the most part homogeneous then by segmenting consumers based on political affiliations and consumption patterns, marketers can develop tailored messaging that resonates with each group without alienating others. If you have a large and heterogeneous base, it can also be beneficial to advertise in a way that encourages conversation without leaning one way or the other. This approach lets you connect with a broad audience by creating an environment of engagement and inclusivity rather than promoting a specific viewpoint.

Know your Consumers

As equally important as messaging is knowing where you are advertising. It can easily be inferred from the data that your ad placements should vary based on the location of your audience. Again, provided your consumer base is largely homogeneous in belief then taking a certain political stance that you know appeals to them will work regardless of where the ad is placed. However, if your base is heterogeneous and diverse, then the data would seem to suggest that neutrality in an ad campaign is best advised, especially internationally.

Building Trust

Building trust is paramount in an era where skepticism abounds. Transparency, authenticity, and a genuine commitment to core values are essential for fostering long-term relationships with consumers. Demonstrating a strong sense of corporate social responsibility can also help mitigate the risk of political backlash.

Inevitably, brands will face challenges in a politicized environment. A well-crafted crisis communication plan is essential for effectively addressing negative publicity and protecting brand reputation. Quick, decisive action, coupled with empathy and transparency, can help mitigate damage and restore consumer confidence.

Strategic partnerships can also be a valuable tool for navigating the political landscape. Collaborating with non-political organizations or influencers who align with brand values can help to position the brand as a force for positive change while mitigating political risk.

Maintaining Neutrality

While it may seem counterintuitive in a polarized world, maintaining a neutral stance can be a powerful strategy for long-term brand success. By avoiding overtly political messaging and focusing on your brand's core values companies can appeal to a broader audience and reduce the likelihood of alienating consumers. However, it is essential to recognize that true neutrality can be elusive in the political climates in which we find ourselves today. Even silence can be interpreted as a political statement.

Ultimately, the goal is to avoid becoming embroiled in partisan strife. By prioritizing product quality, customer service, and a strong corporate culture, brands can build resilience and weather the inevitable political storms.

Conclusion

The intersection of politics and consumer behavior has created a complex and challenging environment for advertisers. However, with a strategic approach that emphasizes understanding the consumer, building trust, and managing risk, brands can not only survive but thrive in this new reality.

The future of advertising lies in the ability to adapt to a rapidly changing environment. By embracing the challenges and opportunities presented by a politicized marketplace, brands can forge deeper connections with consumers and build lasting brand loyalty.

About IAB Canada

Established in 1997, The Interactive Advertising Bureau of Canada (IAB Canada) is the national voice and thought leader of the Canadian interactive marketing and advertising industry. We are the only trade association exclusively dedicated to the development and promotion of the digital marketing and advertising sector in Canada.

As a not-for-profit association, IAB Canada represents over 250 of Canada's most respected advertisers, ad agencies, media companies, service providers, educational institutions and government associations. Our members represent a diverse range of stakeholders in the rapidly growing Canadian digital marketing and advertising sector, and include numerous small and medium sized enterprises.

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