Exploring customer attitudes to diversity, equity and inclusion in entrepreneurial marketing for creative start-ups

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Introduction and background

The pandemic has seen customers scrutinising brands more thoroughly and purchase decisions being increasingly influenced by what brands stand for, favouring those that put people before profits (Edelman Trust, 2020). Almost two-thirds of UK customers expect brands to focus on values that address societal 'we' issues (Edelman Trust, 2021). It is particularly Generation Z which has developed a distinct hunger for social causes relating to diversity, equity and inclusion (DEI). No previous generation has 'championed diversity and inclusion quite like Gen Z' (Germano, 2020)—and this attitude has seemingly been accelerated by the pandemic.

Start-ups, even more so than established brands, heavily rely on customer expectation-driven business innovations for an edge over the competition. Knowing about one's customer attitudes and experiences is therefore crucial. For start-ups targeting Generation Z, embracing authentic models for DEI might provide a strategy to mitigate some of the challenges that have arisen during the pandemic, positively impacting brand love and brand communities (Coelho, Bairrada & Peres, 2019). This paper presents the first set of results from an

investigation into Generation Z's shifting attitude during the pandemic towards DEI as part of entrepreneurial marketing.

Research approach

N=21 in-depth interviews were conducted in autumn 2021 with young adults based in Greater London. Stimulus material derived from two creative London-based start-ups that have tailored their brand values and messages around aspects of DEI. Data collection concluded once theoretical saturation was reached. Participants were aged 18-25 years from diverse socio-demographic backgrounds. All interviews were transcribed and subsequently analysed using Thematic Analysis.

Discussion

The data analysis resulted in a total of four key themes for this first stage of our research:

Theme one: Only authentic DEI wanted

The importance of authenticity regarding DEI emphasised by participants is in line with what Mirzaei, Wilkie and Siuki (2022) found to be a crucial component for the success of emerging brands. Generation Z, more than any previous generation, requires authenticity and truthfulness from brands to be encouraged in their consumption, which contributes to the development of brand trust (Francis & Hoefel, 2018). Consequently, actions driven by tokenism can damage this trust, which appears to impact the perception of brands and customers' decision making.

Theme two: Expectation for brands to embrace plurality and intersection of DEI

As Generation Z have grown up digitally immersed, they have had opportunities to regularly engage with diverse people online, resulting in more than half of this generation believing that

it is natural to belong to various social groups or communities at any given point in time (Francis & Hoefel, 2018). The expectation of intersectionality as part of entrepreneurial marketing is seemingly a reflection of this generation's own lived experience and reality— even more so since the start of the pandemic.

Theme three: Lack of visibility and awareness of start-ups embracing DEI

Whilst participants' desire for brands embracing DEI seemingly increased throughout the pandemic, there is a lack of awareness of relevant start-ups. With an unprecedented number of new brands entering the market since 2020, this is unsurprising, as it is difficult for customers to keep track of all market players (Chen, 2021). A lack of transparent guidance regarding brands embracing DEI more holistically impedes easy navigation of the market and identifying start-ups that meet customers' desires.

Theme four: Limited danger of cancel culture

The low willingness of participants to publicly boycott brands that infringe on customer expectations regarding good DEI practice is in line with research by Forrester (2022), stating that 'cancel culture impacts personal brands more than company brands'. Whilst on the surface, this appears to be positive news for start-ups, further research is needed as to how this might affect businesses where the lines between personal brand and company brand are blurred; which is often the case in entrepreneurial marketing, crafting brands around origin and founder's stories. Although most participants would not cancel a brand for a lack of DEI, they indicate a decreased engagement with and attraction to these brands. This might result in a strategic disadvantage, as customers must 'feel' a brand and know what is happening with it to develop love for the brand and to become advocates or influencers for it (Coelho, Bairrada & Peres, 2019).

Conclusion/implications

Our preliminary results show that Generation Z has a distinct interest in start-ups that authentically embrace social causes relating to DEI. They want to see brands reflect their lived experience and reality to identify and connect with them. Start-ups that cater to Generation Z might therefore want to consider DEI as part of entrepreneurial marketing; treating it as a central part of customer experience rather than a tick box exercise. Based on our findings, three strategies for creative start-ups were derived that may contribute to a better brand value proposition for stakeholders, and thus might help successfully sustaining businesses in the future:

> i) Embrace diversity internally and externally;
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> ii) build and foster a community and co-create DEI;
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> iii) put DEI efforts front and centre of branded communications.

The project's next stage will test these strategies and further refine each.

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