



Diversity at the forefront: Front-line employee diversity effects on luxury fashion brand equity

Journal:	<i>European Journal of Marketing</i>
Manuscript ID	EJM-02-2023-0093.R3
Manuscript Type:	Original Article
Keywords:	Luxury, Diversity, Brand Equity, Front-line Employees, Fashion Ethics

SCHOLARONE™
Manuscripts

Abstract

Purpose: This study investigates how and when frontline employee (FLE) diversity influences brand equity in a luxury fashion brand setting.

Design/methodology/approach: Three experiments test our framework. The first experiment investigates the direct effect of FLE diversity on brand equity, the second explores the mediating mechanism (brand rebelliousness and brand coolness), and the third examines material values as the moderator of these effects.

Findings: Results show that FLE diversity increases luxury fashion brand equity. A serial mediation mechanism explains this effect: FLE diversity drives perceptions of brand rebelliousness, which in turn increases brand coolness and consequently brand equity. Lastly, results show that, for consumers high in material values, the effect of brand rebelliousness on brand coolness is weaker.

Originality: This study bridges the gap between management and marketing studies on diversity, uncovering a previously overlooked link between FLE diversity and brand equity. Furthermore, this work acknowledges the importance of intersectionality and concurrently tests multiple dimensions of diversity on brand equity.

Research limitations/implications: This paper identifies a blind spot in luxury management diversity practices: FLEs. Findings highlight an effective strategy for luxury brands to enhance their brand equity, and contribute to a deeper understanding of a dynamic consumer environment.

Practical implications: Findings suggest that luxury fashion brands must urgently improve their diversity efforts, as consumers value FLE diversity and evaluate such brands more favourably. Our findings are particularly relevant to brands aiming to target modern consumers, who place greater value on diversity and social responsibility.

Keywords:

Luxury, fashion ethics, diversity, frontline employees, brand equity.

Introduction

“I closely watched the older sales assistants, who felt obliged to keep an illusion of youth with makeup and flamboyant style but were ultimately betrayed by their bodies, [...]. It was hard for me to doll up every day”.

(Confessions of a Department Store Girl; Regaya, 2023)

“Looks are everything, and the pressure is real. The company regulates everything about our appearance, and I mean everything from the color on our lips and nails to how we do our eye makeup and even the piercings we are allowed to have. There was a lot of pressure to not gain weight too, as we would not be given new uniforms if the old ones didn't fit anymore”.

(Anonymous Confessions of a Luxury Sales Associate; Anonymous, 2021)

Recent social movements, such as Black Lives Matter or #MeToo, have intensified attention on diversity. As such, large corporations are making serious efforts to advance diversity (Kipnis *et al.*, 2021). For example, Procter&Gamble encourages diversity externally with adverts such as “The Talk”, tackling racial bias and discrimination in the U.S., or “#ShareTheLoad”, addressing gender inequalities in India. In addition, large corporations, such as Procter&Gamble or Walmart (P&G, 2024; Walmart, 2024), regularly collect diversity data internally and attempt to be transparent about the status of diversity inside the organisation, as well as their diversity policies and goals. Increasingly, smaller companies also lead by example with their products. For example, ThirdLove is a lingerie brand that offers products for all body sizes, as well as adaptive and post-surgery products, all at equal prices. Thus, we observe that companies across industries are making significant efforts to advance diversity.

In contrast, luxury fashion brands have long been criticised for their deficient approach to diversity, starting from the lack of size inclusivity and size misrepresentation of their products, their adverts and on the runway (Maguire *et al.*, 2023). Moreover, luxury fashion brands have faced repeated accusations of creating products with prejudiced undertones (e.g., Gucci's racist blackface “golliwog” sweater) and culturally insensitive ads (e.g., Dolce&Gabbana's “Eating with Chopsticks” commercials). Industry leaders claim that diversity is a priority for luxury brands (Baram, 2019). However, industry reports continue to highlight poor progress at the board level and a widespread lack of diversity data at the workforce level (MBS and BFC, 2022). A diverse workforce can be described as one that includes, recognises and accepts differences in people's identities (e.g., gender, ethnicity, social class; Hellerstedt *et al.*, 2022; Leslie, 2019). Efforts toward diversity should not be

1
2
3 limited to superficial and short-term approaches, neither internally—such as hiring a few
4 women to work in management positions—nor externally—like employing ethnic minority
5 runway models or featuring LGBT+ individuals in ads. Furthermore, diversity should be
6 embedded throughout all levels of the workforce and in all aspects of business operations.
7
8 However, many brands still approach diversity superficially (Burgess *et al.*, 2022). As per
9 this paper's two opening quotes, one particular area that remains a diversity blind spot for
10 luxury fashion brands is Front-Line Employees (FLEs). Luxury brands have long maintained
11 a very specific profile for their FLEs, with little room for diversity (Butler-Young, 2023).
12 This paper seeks to provide luxury good managers further reasons to assemble diverse teams
13 and ensure their visibility at the consumer level, namely, diverse FLEs.
14
15
16
17
18
19
20

21 Research in management tends to investigate diversity *internally* (i.e., diversity inside
22 the firm, not readily visible to external audiences), extensively documenting the positive
23 effects of top management team diversity on firm-level outcomes (e.g., Oh and Song, 2023;
24 Roberson, 2019). Only a few studies in this field have examined workforce diversity, also
25 uncovering its positive impact on firm-level outcomes (e.g., Hossain *et al.*, 2020; Wegge *et*
26 *al.*, 2008). FLEs, an *externally* facing sign of *internal* workforce diversity, remain largely
27 overlooked in management research. Yet, FLEs are essential for organisational effectiveness
28 (Singh, 2000). In marketing, studies generally investigate *externally* facing diversity (i.e.,
29 diversity that is readily visible to external publics). For example, an abundance of studies
30 have looked at the effects of diversity in advertisements (e.g., Åkestam *et al.*, 2017; Wilkie *et*
31 *al.*, 2023). A few studies have also explored FLE diversity, generally focusing on certain
32 aspects of diversity in isolation (e.g., gender, origin), uncovering both positive and negative
33 consumer responses to FLE diversity (e.g., Bourdin *et al.*, 2023; Leonard *et al.*, 2004; Russell
34 *et al.*, 2021). However, the importance of FLEs for high quality service delivery and
35 customer satisfaction is indisputable (Lee *et al.*, 2017; Yoo *et al.*, 2014). Thus, it is important
36 for both management and marketing to understand how FLE diversity affects organisational
37 and marketing outcomes and, in particular, brand equity. Brand equity (i.e., the incremental
38 value that the brand name provides the business, its products and services; Yoo *et al.*, 2000)
39 is a significant asset for firms, as it directly impacts brand and firm performance (Lai *et al.*,
40 2010; Wang and Sengupta, 2016; Yoo *et al.*, 2000). As such, brand equity can be viewed as a
41 signal of marketing success (Vredenburg *et al.*, 2020). In this study, we fill this gap in the
42 literature by taking a more comprehensive stance on diversity, acknowledging its
43 multidimensional and intersectional nature, and advance the knowledge in this field by
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 empirically investigating the relationship between FLE diversity and brand equity. Further,
4 we explore why and when FLE diversity positively affects brand equity, presenting a serial
5 underlying mechanism and a boundary condition of this effect (see Figure 1). Thus, our
6 findings advance diversity research in both marketing and management, and offer practical
7 implications for luxury brands and managers.
8
9

10
11
12 *Insert Figure 1 about here*
13

14
15 This study bridges the gap between diversity studies in management and marketing,
16 and contributes to the literature in three ways. First, we contribute to diversity literature in
17 management (e.g., Bear *et al.*, 2010; Hossain *et al.*, 2020) by investigating an overlooked
18 workforce segment, FLEs, and by exploring its effect on a managerially relevant consumer-
19 level outcome: brand equity. Prior work in this field (e.g., Oh and Song, 2023; Wegge *et al.*,
20 2008) has tended to focus on firm-level outcomes and has not explicitly considered FLEs.
21 Yet, FLEs are instrumental in shaping company-consumer relationships, which directly affect
22 firm performance (Jha *et al.*, 2017; Kalra *et al.*, 2021; Lee *et al.*, 2017). Thus, it is essential to
23 understand the impact of FLE diversity and how it affects the value of the brand.
24
25

26
27 Second, we contribute to diversity literature in management and in marketing (e.g.,
28 Leonard *et al.*, 2004; Sharma *et al.*, 2020) by investigating diversity in a more holistic
29 manner, and by examining its effect on brand equity. With limited exceptions (e.g., Khan and
30 Kalra, 2022), most empirical research on diversity has treated different types of diversity as
31 isolated factors in their models. Yet, understanding how single aspects of diversity are
32 perceived by consumers is not enough: diversity englobes numerous identity differences as
33 well as all possible combinations thereof. For this reason, we follow recent work emphasising
34 the need to acknowledge the multidimensional and intersectional nature of diversity (Burgess
35 *et al.*, 2022; Kipnis *et al.*, 2021), and, in doing so, we aim to better guide brands to genuinely
36 live up to consumers' diversity expectations.
37
38

39
40 Third, we bridge the gap between diversity and brand coolness research in marketing
41 (e.g., Warren and Campbell, 2014), demonstrating that brand rebelliousness and brand
42 coolness mediate the impact of FLE diversity on brand equity in a luxury fashion context.
43 Making brands cool can be a tedious process (Warren *et al.*, 2019). We identify a simple
44 tactic for luxury brands to increase their cool. Further, we show that, for consumers high in
45 material values, coolness perceptions are diminished. This is of particular importance,
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 because modern consumers are less materialistic and pay more attention to brands' values
4 and ethical stances (Amed *et al.*, 2019; Vredenburg *et al.*, 2020).
5
6

7 This paper begins with a brief synthesis of the diversity literature, which drives our
8 theoretical framework and hypotheses. Next, we present our empirical research design and
9 findings. Subsequently, we discuss theoretical and managerial implications, as well as
10 limitations of the study and future research suggestions.
11
12
13
14
15
16
17

18 **Theoretical background**

19 *Diversity*

20
21
22 Diversity refers to the presence, recognition and acceptance of differences in people's
23 identities (e.g., gender, religion), especially those who are disadvantaged (Hellerstedt *et al.*,
24 2022; Leslie, 2019). Prior research on diversity differentiates surface-level from deep-level
25 diversity (Harrison *et al.*, 1998). Surface-level diversity refers to differences in visible and
26 unchangeable characteristics, such as race or age. On the contrary, deep-level diversity
27 concerns differences that are not immediately evident and are generally not observable
28 without considerable interaction, such as attitudes, capabilities or personalities (Harrison *et*
29 *al.*, 1998). In this paper, we focus on surface-level diversity (from hereon, simply referred to
30 as "diversity"), as consumers can effortlessly observe surface-level differences of FLEs,
31 without the need for extensive interaction. Social cognitive theory (Bandura, 1986) explains
32 that people automatically use the visible characteristics of others to quickly process and cope
33 with large amounts of social information. This automatic processing allows prior knowledge
34 regarding said social characteristics to guide judgements and subsequent behaviour. Thus,
35 consumers may subconsciously make judgements about FLEs based on these surface-level
36 differences (Wittenbrink *et al.*, 1997).
37
38
39
40
41
42
43
44
45
46
47
48

49 It is important to note that these identity differences are not mutually exclusive and
50 thus may not be isolated from one another. Intersectionality refers to the combination of two
51 or more aspects of social categorisation (e.g., race, gender), which define overlapping and
52 interdependent systems of discrimination or disadvantage (Crenshaw, 1991). Simply put, this
53 means that the experiences, concerns and difficulties of an individual who belongs to two or
54 more such social categories cannot be explained by observing these categories separately.
55 Crenshaw (1991) further dissects intersectionality into structural, political and
56
57
58
59
60

1
2
3 representational intersectionality. Structural intersectionality concerns how the convergence
4 of such categorisations gives rise to differences in social, economic and political status, while
5 political intersectionality relates to how political groups tend to focus on the agenda of
6 isolated categories (Crenshaw, 1991). Representational intersectionality refers to how
7 intersectional groups are represented in cultural imagery, usually failing to appropriately
8 recognise and illustrate the unique experiences of such groups (Crenshaw, 1991). As such,
9 structural and representational intersectionality are particularly relevant for marketing, as
10 marketing imagery becomes part of popular culture, and thus influences historical narratives
11 and common belief systems.
12
13
14
15
16
17
18

19 ***Diversity in marketing***

20
21 Images are ubiquitous in marketing communications. There have been many instances where
22 marketing communications have depicted misrepresentations of identity (e.g., the
23 stereotypical “redface” Indians as symbols of professional sports teams; red-face.us, 2023).
24 These images are not only a vehicle for persuasion (i.e., to meet marketing objectives); they
25 constitute a key driver of representation because they influence culture and, consequently,
26 consumer perceptions and consumer interactions with (mis)represented groups (Middleton
27 and Turnbull, 2021; Schroeder and Borgerson, 2005). Thus, misrepresentations can
28 exacerbate structural intersectionality, as they may damage the reputation of (mis)represented
29 groups and thereby limit their opportunities in the future. As such, structural and
30 representational intersectionality stand out as obvious reasons among several that highlight
31 the critical importance of diversity in marketing practices.
32
33
34
35
36
37
38
39
40

41
42 Diversity in marketing refers to the employment of practices and actions that
43 represent and include different identities, and encourage the improvement of such practices
44 among all marketplace participants (Burgess *et al.*, 2022; Kipnis *et al.*, 2021). This means
45 appropriately representing diversity in marketing communications, and also considering
46 diversity when planning the marketing mix (i.e., product, price, place and promotion). Brands
47 have good reason to embrace diversity. Research shows that actively promoting a social
48 cause—such as fighting to reduce social inequalities through exhaustive diversity efforts—
49 positively influences brand evaluations and customer loyalty (Khan and Pond, 2020). In
50 addition, brands truly embracing diversity benefit from increased perceptions of authenticity
51 and a greater sense of connection with the brand and among its consumers (Åkestam *et al.*,
52 2017; Burgess *et al.*, 2022).
53
54
55
56
57
58
59
60

1
2
3 Consumers increasingly expect brands to support diversity, yet only a handful of
4 brands are truly committed to this. For instance, many treat diversity superficially, merely
5 applying it across selected aspects of their marketing mix (Burgess *et al.*, 2022). These
6 superficial approaches are likely to backfire, as consumers increasingly consider these brands
7 as engaging in “woke washing” (i.e., the adoption of ethical values and messages solely as a
8 reputational strategy, without truly committing to such values or applying them in practice;
9 Sobande, 2019; Vredenburg *et al.*, 2020). For example, commercially leveraging the Pride
10 movement in marketing communications but refusing to hire or promote LGBT+ employees
11 is a clearly superficial approach to diversity, which consumers would likely view as woke
12 washing. Consumers want brands to have transparent and comprehensive diversity policies,
13 and embrace diversity in their marketing mix (Sobande, 2019; Vredenburg *et al.*, 2020).
14 While many large corporations have started implementing diversity policies, industry reports
15 show that the luxury sector currently lags behind (Kipnis *et al.*, 2021; MBS and BFC, 2022).
16
17
18
19
20
21
22
23
24
25

26 ***Diversity in luxury marketing***

27
28 When it comes to luxury, we find that some brands are beginning to consider diversity in
29 their marketing communications (e.g., Chanel’s “Over the Moon” campaign features three
30 different races). Yet, these marketing communications still tend to utilise idealised—that is,
31 young, thin and stylised—models in an exoticised manner (i.e., portraying them as exotic or
32 different in a way that calls attention to their skin colour, culture, or another specific trait;
33 Schroeder and Borgerson, 2005). Thus, the question becomes whether diversity is simply
34 being advertised or if it is truly embedded in organisational practices.
35
36
37
38
39
40

41 Modern consumers tend to prioritise morality, and particularly in luxury consumption,
42 ethics are a common concern (Vanhamme *et al.*, 2021). These concerns are especially
43 prevalent among, but not restricted to, young consumers. For example, millennials and
44 Generation Z are both characterised by high levels of social responsibility awareness, and are
45 more interested in human rights than previous generations (Francis and Hoefel, 2018).
46 Collectively, these generations of consumers are less attracted to luxurious possessions and
47 more concerned about brands’ values, social responsibility and ethical stances (Vanhamme *et*
48 *al.*, 2021). However, general attitudes toward social responsibility and diversity are changing,
49 and the majority of consumers across all age groups now support diversity initiatives
50 (Åkestam *et al.*, 2017; Wilkie *et al.*, 2023). Thus, luxury brands need to make a serious effort
51
52
53
54
55
56
57
58
59
60

1
2
3 to meet modern consumers' diversity expectations, and truly embed diversity in their
4 marketing mix and across the workplace.
5
6

7 *Diversity in the workplace*

8
9 In our examination of the workplace diversity literature (see Table I), we discover that a
10 significant proportion of empirical research in management explores the effects of diversity
11 within boards and top management teams on organisational level outcomes (Roberson, 2019).
12 The general finding is that board diversity has a positive effect on firm performance
13 outcomes, such as firm (financial) performance and corporate reputation (e.g., Bear *et al.*,
14 2010; Oh and Song, 2023). Using a slightly broader perspective and extending the diversity
15 focus outside the boardroom, fewer studies investigate organisational or workforce diversity;
16 however, those that do demonstrate that diversity similarly enhances firm performance
17 outcomes (e.g., Hossain *et al.*, 2020; Sharma *et al.*, 2020). Only a limited number of studies
18 investigate the effects of diversity on other publics or other types of outcomes (e.g., job
19 seekers and attractiveness of the organisation; Perkins *et al.*, 2000). It is noteworthy that these
20 studies explore different types of diversity (e.g., racial, gender) but treat them as isolated
21 variables in their empirical analyses, without considering intersectionality. Moreover, we also
22 note a lack of research in management focusing on FLEs.
23
24
25
26
27
28
29
30
31
32
33

34 *Insert Table I about here*

35
36
37 Conversely, in marketing, a few studies investigate the impact of FLE diversity on
38 consumers (see Table I), although their findings are scattered. For example, Leonard *et al.*
39 (2004) find that FLE age diversity decreases retailer sales, while FLE gender and racial
40 diversity have no influence on sales. Another two studies (Bourdin *et al.*, 2023; Tombs and
41 Hill, 2014) examine the impact of FLE foreign accents in service contexts, finding that
42 foreign accents can lead to negative consumer responses and deteriorate their experience. In
43 addition, Russell *et al.* (2021) focus on gay male (vs. heterosexual female) sales associates
44 and show that female consumers tend to trust more the recommendations of gay male FLEs
45 in a retail context. Thus, prior findings regarding the impact of FLE diversity on consumer
46 responses do not seem to tell a conclusive story. In addition, like in management, these
47 studies tend to focus on one aspect of diversity, or treat different types of diversity as isolated
48 factors in their empirical models. One exception is Khan and Kalra (2022), who examine
49 consumer perceptions of diversity in corporate teams and include different combinations of
50 race, age and gender in their operationalisation of diversity. Their findings show that
51
52
53
54
55
56
57
58
59
60

1
2
3 corporate team diversity leads to more favourable consumer responses and enhanced moral
4 consumer behaviour (Khan and Kalra, 2022). Besides these efforts, we find a lack of
5 empirical evidence regarding how intersectional diversity among FLEs can impact consumer
6 evaluations of the brand and thus increase brand equity. For this reason, we build on this
7 stream of research by exploring the effects of FLE diversity on brand equity and investigating
8 the mechanism explaining these effects.
9
10
11
12
13
14
15
16

17 **Hypotheses development**

18 *FLE diversity and brand equity*

19
20
21 Employees, especially FLEs, are widely documented as core elements of a brand, or “brand
22 ambassadors” who communicate what a brand stands for (Edinger-Schons *et al.*, 2019).
23 Numerous studies show that FLEs can shape the quality of relationships between customers
24 and the company, as FLEs are key determinants of service delivery and customer experience
25 and, consequently, customer satisfaction and firm success (Braxton and Lau-Gesk, 2020; Jha
26 *et al.*, 2017; Lee *et al.*, 2017). As such, employees who directly interact with consumers
27 affect brand equity, because they represent the brand and act as a bridge between the
28 company and its consumers (Gelb and Rangarajan, 2014). Prior research shows that altruistic
29 and ethical policies, such as diversity policies as part of a company’s corporate sustainability
30 strategy, increase brand equity (Lai *et al.*, 2010; Torres *et al.*, 2012; Vredenburg *et al.*, 2020).
31 In addition, diversity has a positive effect on moral judgement, as diversity signals the greater
32 good (Khan and Kalra, 2022). As FLEs act as policy communicators (Hoeffler and Keller,
33 2002), we expect that FLE diversity, an observable cue of the ethical policies of a brand,
34 enhances brand equity. Formally:
35
36
37
38
39
40
41
42
43
44
45

46 H1: FLE diversity positively impacts brand equity.

47 *Mechanism of FLE diversity on brand equity: brand rebelliousness and brand coolness*

48
49
50
51 Historically, luxury has been associated with social hierarchy, power, pecuniary strength and
52 high social status (Han *et al.*, 2010; Veblen, 1899). These associations can be explained
53 through the historical context of sumptuary laws, which regulated the luxury goods market
54 and dictated what each social class should wear—preserving luxury items for the high social
55 classes and intensifying class differentiation (Berry, 1994). This prominent class
56 differentiation, together with centuries of patriarchy and racial oppression, nurtured the
57
58
59
60

1
2
3 foundations of structural intersectionality, which Crenshaw (1991) describes as the
4 convergence of systems of race, gender and class domination—typically benefitting wealthier
5 individuals, males, and those of white ethnicity. Over the years, this historical narrative and
6 structural intersectionality have strengthened the knowledge stereotype that minorities and
7 certain ethnic groups have a lower social standing than those with white ethnicity (Liu, 2019;
8 Wittenbrink *et al.*, 1997). Knowledge stereotypes provide meaning, structure perceptions, and
9 are known to influence judgements, even outside one's awareness or when they are known to
10 be wrong (Hamilton and Troler, 1986). Following social cognitive theory (Bandura, 1986),
11 the automatic processing of social information based on the visible characteristics of others
12 allows knowledge stereotypes to be activated. Therefore, knowledge stereotypes and
13 structural intersectionality reinforce the traditional imagery that associates high social status
14 with white ethnicity, while other ethnic and minority groups have historically been deemed
15 inferior (Hamilton and Troler, 1986; Liu, 2019).

16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Research shows that higher social classes are more inclined to maintain class differentiation, so as to delineate their separation from those of a lower status (Amaral and Loken, 2016). In fact, numerous long-established luxury brands have built their empires on promoting aspirational lifestyles and hunching on (a desire for) high social status, encouraging social class differentiation and social hierarchies (Englis and Solomon, 1995). Thus, representational intersectionality explains how luxury brands have deepened these knowledge stereotypes with their brand imagery. Perhaps for this reason, luxury brands continue to employ less diverse FLEs (Butler-Young, 2023), as an attempt to conform to the knowledge stereotypes and class differentiation desires of their consumers. Consequently, employing a group of diverse FLEs could be considered an act of rebellion toward the luxury industry's state of affairs. Rebelliousness is the tendency to oppose social conventions, to go against mainstream expectations and to challenge the status quo (Warren *et al.*, 2019). If the luxury brand convention were to employ less diverse FLEs, then employing a diverse frontline team would be seen as challenging this status quo and thus be considered a rebellious act on behalf of the brand. Thus, we propose:

H2: FLE diversity positively impacts brand rebelliousness.

Previous research finds a positive link between rebelliousness and coolness (Biraglia and Brakus, 2015; Nancarrow *et al.*, 2001; Pountain and Robins, 2000). Coolness is “a subjective and dynamic, socially constructed positive trait attributed to cultural objects

1
2
3 inferred to be appropriately autonomous” (Warren and Campbell, 2014, p. 544). Over the
4 years, many brands have earned their cool status by breaking the rules, by being radical,
5 irreverent and revolutionary (Warren *et al.*, 2019). For example, Patagonia earned its cool
6 status the moment it acted against all advertising and marketing rules by telling consumers
7 “Don’t buy this jacket”. In this sense, brands can become cool by stating their individuality
8 and asserting their nonconformist position in the industry (Belk *et al.*, 2010). Thus, when
9 brands break the rules and act against industry conventions, consumers will perceive them to
10 be cooler because breaking the rules will represent a rebellious act on behalf of the brand.
11 Consequently, a luxury brand employing diverse FLEs will be considered cooler because
12 commissioning diverse FLEs will be deemed rebellious. Therefore:

20
21 H3: Through its impact on brand rebelliousness, FLE diversity will be positively related to
22 brand coolness.
23

24
25 Cool brands are more desired, admired, and are associated with numerous positive
26 traits (Warren *et al.*, 2019). Some traits that accompany the notion of “cool” include
27 attractive, popular, trendy, original and authentic (Dar-Nimrod *et al.*, 2012; Warren *et al.*,
28 2019). These positive traits are key associations intertwined with coolness. Brand
29 associations (i.e., any attributes, benefits or imagery a consumer envisages when thinking
30 about a brand) are fundamental for brand knowledge and are key drivers of brand equity
31 (Keller, 2003). Brand equity requires positive associations; more, stronger, and more positive
32 associations lead to higher brand equity (Kamakura and Russell, 1993). Thus, due to all the
33 positive traits accompanying the notion of coolness, we propose that brand coolness will
34 positively impact brand equity. This happens because brand equity arises not only because
35 the name itself—a string of letters or symbols—is valuable, but because of the knowledge
36 and rich collection of associations that consumers have in relation to that brand name.
37 Consumers are drawn toward cool brands, as the positive associations intertwined with
38 coolness makes these brands more appealing. Hence, being considered “cool” gives brands an
39 incremental value and therefore increases brand equity. In summary, we propose that using
40 diverse FLEs will enhance perceptions of brand rebelliousness, which will in turn increase
41 perceptions of brand coolness and consequently boost brand equity. In summary:

42
43 H4: The impact of diversity on equity will be serially mediated by brand rebelliousness and
44 coolness.
45

46 *The moderating role of material values*

47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Material values are those that grant importance to the ownership and acquisition of material goods (Richins and Dawson, 1992). People high in material values believe that happiness depends on material goods, and they judge themselves and others according to the amount and value of the material goods they possess. Thus, people high in material values aspire to and enjoy having luxurious and expensive possessions, which they further utilise to denote their high social status (Richins, 2004). Expensive possessions and high social status are associated with social hierarchy. As such, the origins of social hierarchy, materialism and luxury are common (Han *et al.*, 2010; Veblen, 1899).

Research shows that people high (vs. low) in material values evaluate more negatively and are less willing to interact with others from lower social classes (Vázquez and Lois, 2020). This happens because they seek and enjoy social differentiation. Thus, it seems plausible that people high in material values will not see rebellious acts in a positive light and thus will not consider them cool. Previous work on coolness as a personal trait demonstrates there are two conceptions of coolness: cachet coolness and contrarian coolness (Dar-Nimrod *et al.*, 2012). Cachet coolness is characterised by high status, popularity and socially desirable attributes, while contrarian coolness is related to ruggedness and rebellion (Dar-Nimrod *et al.*, 2012). Material values appear to be more related to cachet coolness, as cachet coolness is associated with high status and popularity, and is less concerned with rebelliousness. While Dar-Nimrod *et al.* (2012)'s dual conceptualisation refers to people, rather than brands, research shows that people can relate to brands as if they were human—sometimes having very close and specific relationships (e.g., committed partnerships, secret affairs, etc.; Fournier, 1998). For this reason, it is likely that people who have a stronger individual orientation toward and preference for the cachet conception of coolness will also prefer brands that convey and embody similar qualities and associations. After all, similarity can play a key role in attraction (Byrne, 1971). Consequently, it seems plausible that consumers high in material values will more likely endorse the cachet conception of coolness, because of its relevance to high status. In turn, for these consumers, it seems likely that the associations between high status and coolness are stronger than the association between rebelliousness and coolness. Thus, we propose that for consumers high in material values, the impact of rebelliousness on coolness will be attenuated. As such:

H5: Material values weaken the impact of brand rebelliousness on brand coolness.

Overview of the studies

We test our predictions and conceptual framework using three experimental studies¹. We employed experiments following prior consumer research in the field (e.g., Bourdin *et al.*, 2023; Khan and Kalra, 2022) to causally link FLE diversity with brand equity, and examine the underlying mechanism and boundary condition of this effect. In particular, we adapt the method of Khan and Kalra (2022) due to their focus on multiple aspects of diversity. Therefore, for our experimental manipulation, we selected aspects of diversity that would be easily observable in the headshots of FLE team members. Thus, we focused on gender, age, race and, although possibly less evident, LGBT+ membership. In addition, we strived to find headshots that included different combinations of these aspects of diversity, considering intersectionality for our experimental manipulations.

For our research, we used targeted sampling on Prolific and Amazon Mechanical Turk (MTurk) to recruit participants with experience in luxury fashion, defined by ownership of at least two luxury items. This ensured that participants could realistically engage with luxury brand scenarios. In addition, our pre-screening process included questions about their luxury shopping frequency, favourite brands, and familiarity with the luxury market, further confirming their engagement by having them list the luxury brands they visit frequently.

Data analysis was conducted using SPSS and MPlus software, employing a range of statistical techniques for robust results. We performed univariate analyses of variance to test direct effects, and used the PROCESS macro by Hayes (2013) in SPSS for mediation and moderation analyses. Additionally, structural equation modelling (SEM) was applied to test the full model.

Our three experiments build our model in a stepwise fashion, similar to prior research in the field (Bourdin *et al.*, 2023). The first experiment investigates the direct effect of diversity on brand equity (H1). The second study explores the mechanism behind this effect (H2, H3 and H4) and thus introduces the mediators: brand rebelliousness and brand coolness. The third experiment builds on the previous by investigating the boundary conditions of the mechanism and thus the role of material values as a moderator of the effect of brand rebelliousness on brand coolness (H5). We present a summary of our study designs and results in Appendix B.

¹ This project was granted ethical approval by the Research Ethics board of the University of Leeds.

Experiment 1

To examine the impact of diversity on brand equity, we ran a between-subjects experiment that manipulated FLE diversity. To do so, we pretested several photographs using the procedure of Khan and Kalra (2022). Following this method, we asked respondents in the pre-test ($N = 50$) to rate each individual photograph in terms of perceived morality, attractiveness, friendliness and likability. Then, we paired diverse and non-diverse FLE photographs, such that there were no significant differences in any of these measures. In addition, we computed an overall composite for each FLE team and ensured that teams were equal in terms of this composite. As a result, we created two teams: one diverse team, including three women and one gender-fluid individual, varying in age and ethnicity, and one non-diverse team, including four young white women.

Participants

We recruited 500 participants in Prolific for a study investigating consumer experiences in luxury retail stores. We kept the description of the study vague, omitting details about the experimental conditions to prevent biased responses. Our study focused on luxury fashion consumers, asking them to engage with a hypothetical scenario in their favourite luxury brand store. Therefore, we targeted participants who owned at least two luxury items and paid them \$0.75 each. Initially, participants were asked about their favourite luxury fashion brand, and which luxury brand stores they frequently visited. After screening these responses, we removed three responses from participants who disliked or never shopped at luxury brands. Screening the remaining survey data, we deleted an additional 12 responses for failing an attention check, resulting in a final sample of 485 participants (53% female, $M_{\text{age}} = 37.93$, $SD_{\text{age}} = 13.36$).

Materials, Design and Procedure

We first asked participants about their luxury shopping habits. Next, they were asked to imagine that, looking to buy themselves a treat, they entered their favourite luxury fashion brand store and were greeted by the sales assistant team, who was pictured below. At this point, participants were randomly allocated to one of two conditions: diverse or non-diverse FLE team. We display both photographs in Figure A1, Appendix A. Immediately after, we measured brand equity.

Measures

We measured brand equity following Yoo *et al.* (2000) (e.g., “Even if another brand has the same features as this brand, I would prefer to buy this brand”, 1 = “Strongly disagree”, 7 = “Strongly agree”). In addition, the questionnaire included a manipulation check for diversity (“Thinking about the sales assistant team you saw in the picture, how diverse did you think the team was?”, 1 = “Not diverse at all”, 7 = “Very diverse”), as well as demographic measures, namely age, gender, household income and ethnicity.

Results

We first assessed the success of our manipulation. An independent samples t-test confirmed that there was a significant difference in how participants viewed each team ($t(483) = -41.45, p < .001$), with participants in the diverse condition rating the team as much more diverse ($M_{\text{diverse}} = 5.89$) than participants in the non-diverse condition ($M_{\text{non-diverse}} = 1.61$). Thus, the diversity manipulation was successful.

Next, we assessed the reliability of brand equity with good results ($\alpha = .87$). To test H1, we performed a univariate analysis of variance (ANOVA). Results show there was a significant difference in brand equity ($F(1, 483) = 6.02, p = .015$); participants in the diverse condition rated the brand to have higher brand equity ($M_{\text{diverse}} = 4.85$) than participants in the non-diverse condition ($M_{\text{non-diverse}} = 4.56$). Controlling for age, gender, household income and ethnicity did not change these results ($F(1, 479) = 6.12, p = .014$). Thus, results support H1.

Discussion

Experiment 1 provides initial evidence of the positive impact of FLE diversity on brand equity (H1). Including three types of diversity (age, ethnicity and LGBT+ membership) in the team increased brand equity, as participants who viewed the diverse (vs. non-diverse) FLE team assessed the brand to have higher brand equity.

Experiment 2

The second experiment investigated how diversity affects brand equity through a serial mediation model, hypothesising that diverse teams enhance perceptions of rebelliousness (H2), coolness (H3), and subsequently, brand equity (H4). This study expanded diversity to include gender and involved three teams: a non-diverse team of four white men, a diverse team of men from different ethnic backgrounds, and a very diverse team comprising a white male, an Indian male, a gender-fluid African American, and an Asian woman.

Participants

We recruited 520 participants via MTurk, offering \$1 each for participating in a study aimed at understanding consumer experiences in luxury retail stores. We used the same screening questions as in Experiment 1 to confirm luxury fashion consumption. After removing eight responses from participants uninterested in luxury brands and 19 who failed the attention check, our final sample included 493 participants (44% female, $M_{\text{age}} = 38.23$, $SD_{\text{age}} = 11.31$).

Materials, Design and Procedure

As in Experiment 1, we first asked participants about their luxury fashion shopping habits. We further asked them to name their favourite luxury fashion brand and to complete the rest of the questionnaire with that brand in mind. We used a similar procedure to Experiment 1, but asked participants to imagine that they were looking for a luxury watch. At this point, participants were randomly allocated to one of three teams: the non-diverse team, the diverse team, or the very diverse team. The first two team (i.e., non-diverse and diverse) photos were taken from Khan and Kalra (2022). The third team photo used two photos from Experiment 1, which were pilot tested following the same procedure. We present all team photos in Figure A2, Appendix A. Immediately after the manipulation, we measured brand equity, brand rebelliousness and brand coolness.

Measures

We assessed brand equity using the same scale as in Experiment 1 (Yoo *et al.*, 2000). To capture brand rebelliousness and brand coolness, we adapted the scales from Warren *et al.* (2019). We used four items to measure rebelliousness (e.g., “This brand is not afraid to break rules”) and five items for brand coolness (e.g., “This brand is trendy”). We measured all constructs using seven point scales. Finally, the questionnaire included the same manipulation check for diversity as Experiment 1, together with demographic measures (i.e., age, gender, household income and ethnicity).

Results

Results of a one-way ANOVA show that the manipulation resulted in significant differences in how diverse participants perceived each team to be ($F(1, 490) = 609.84, p < .001$). As such, participants in the non-diverse condition viewed the FLE team as not diverse ($M_{\text{non-diverse}} = 1.59$), but participants in the diverse and very diverse conditions thought the team was

1
2
3 quite diverse and very diverse, respectively ($M_{\text{diverse}} = 5.70$, $M_{\text{very_diverse}} = 6.18$).
4
5 Consequently, the manipulation worked as expected.
6

7 We assessed the reliability of our measures. All scales showed good results (brand
8 equity $\alpha = .91$; brand rebelliousness $\alpha = .92$; brand coolness $\alpha = .81$). As for discriminant
9 validity, the correlation matrix did not display any overly strong correlations. Correlations
10 and descriptive statistics are presented in Table II.
11
12
13

14
15 *Insert Table II about here*
16

17 Next, we tested our hypotheses. First, we found that diversity has a positive effect on
18 brand equity ($b = .16$, $p < .001$). Thus, this analysis also supports H1. Second, results showed
19 that diversity has a positive impact on rebelliousness ($b = .11$, $p = .019$), confirming H2. To
20 better understand these effects, we display the descriptive statistics of brand rebelliousness,
21 brand coolness and brand equity for each FLE team in Table III. These descriptive statistics
22 show that brand rebelliousness, brand coolness and brand equity ratings increase together
23 with diversity. Lastly, to assess H3 and H4, we used Hayes (2013) PROCESS macro (model
24 4 and model 6) using bootstrapping with 5000 samples. Results revealed a positive indirect
25 relationship between diversity and brand coolness via brand rebelliousness ($b = .04$, 95% CI
26 [.01, .07]), in support of H3. In addition, we find that the positive effect of diversity on brand
27 equity is serially mediated by brand rebelliousness and brand coolness ($b = .03$, 95% CI [.01,
28 .06]). Spelling out these effects, we found that diversity has a positive effect on brand
29 rebelliousness ($b = .18$, $p = .018$), which in turn affects brand coolness ($b = .22$, $p < .001$).
30 Subsequently, brand coolness has a positive effect on brand equity ($b = .75$, $p < .001$). Thus,
31 results support H4.
32
33
34
35
36
37
38
39
40
41
42

43
44 *Insert Table III about here*
45

46 *Discussion*

47 This study confirms the positive effect of diversity on brand equity (H1). It further
48 demonstrates that diversity enhances perceptions of brand rebelliousness (H2), and that brand
49 rebelliousness and brand coolness mediate the impact of FLE diversity on brand equity (H3
50 and H4). Using three different FLE teams of increasing diversity, we show that ratings of
51 brand equity increased with diversity. The next study uses a more robust analysis to
52 substantiate these results and explores the boundary conditions of these effects.
53
54
55
56
57
58

59 *Experiment 3*

1
2
3 The final study examines the complete conceptual framework and builds on the previous
4 studies in three ways. First, we include material values as the moderator. Second, we build on
5 Experiments 1 and 2 by using a more robust analysis: SEM. SEM offers more accurate tests
6 of construct reliability, convergent and discriminant validity and measures error at the item
7 (rather than construct) level (Jarvis *et al.*, 2003). It also allows us to take a confirmatory,
8 instead of exploratory, approach to the data (Byrne, 2012). Third, Experiment 3 includes two
9 additional control measures: social desirability and category involvement. We included social
10 desirability to control for response bias, as research participants may answer questions
11 according to what they believe is socially correct (Paulhus, 1991). Category involvement was
12 included because it may influence brand loyalty and consumers' overall attitude toward
13 brands in a given category (Olsen, 2007).
14
15
16
17
18
19
20
21

22 *Participants*

23
24
25 Using Prolific, we recruited 350 participants and paid them \$1.25 in return for taking part.
26 We employed pre-screening questions similar to Experiment 1, and removed three responses
27 from participants uninterested in luxury shopping. In addition, we added another filter
28 question to exclude participants who took part in Experiment 1. Accordingly, another four
29 participants' responses were deleted. Lastly, we removed another 12 responses because these
30 participants did not pass the attention checks. The final sample consisted of 331 participants
31 (53% female, $M_{\text{age}} = 37.93$, $SD_{\text{age}} = 13.36$).
32
33
34
35
36
37

38 *Materials, Design and Procedure*

39
40 Experiment 3 used the same design and manipulation as Experiment 1. We asked participants
41 to imagine they entered their favourite luxury fashion brand store and were greeted by the
42 sales assistant team. As in the previous studies, participants were randomly allocated to one
43 of two (i.e., diverse or non-diverse) FLE conditions in a between-subjects design.
44 Immediately after, we measured our key constructs as well as the moderator.
45
46
47
48
49

50 *Measures*

51
52 We measured luxury category involvement using three items (e.g., "Luxury fashion brands
53 and products are important to me") adapted from Zaichkowsky (1985). Immediately after the
54 team diversity manipulation, we asked participants to rate the brand's equity, rebelliousness
55 and coolness, using the same measures as in Experiment 2. We further assessed our
56 moderator, material values, using three items (e.g., "I admire people who own expensive
57
58
59
60

1
2
3 homes, cars, and clothes”; Richins, 2004). All scales are presented in Appendix C. We also
4 added a manipulation check for diversity, and further asked participants to describe, in a few
5 words, their perception of the sales assistant team in the photo. Lastly, we measured the
6 remaining control measures: social desirability (e.g., “I sometimes tell lies if I have to”;
7 Paulhus, 1991), age, gender, household income and ethnicity.
8
9

10 11 12 *Results*

13
14 To thoroughly assess our measures, we first conducted a confirmatory factor analysis (CFA)
15 in MPlus 8. The CFA included all our latent constructs: brand equity, brand rebelliousness,
16 brand coolness, material values, social desirability and category involvement. We deleted
17 items with poor loading ($< .5$) one by one, re-examining the loading matrix after every
18 change (Byrne, 2012). As such, we deleted one item from brand coolness (C_4) and two
19 items from social desirability (SD_1 and SD_2). The final CFA model showed good fit to the
20 data ($\chi^2 = 296.35$ (172), $p < .001$; root mean square error of approximation [RMSEA] = .05;
21 comparative fit index [CFI] = .98). Appendix C displays the final loading matrix.
22
23
24
25
26
27
28

29 Using the CFA final items, we examined the reliability of our scales by calculating
30 the Cronbach’s Alpha (α) of each of our scales, as well as the composite reliability (CR) of
31 each construct, with satisfactory results (see Table IV). To assess discriminant validity, we
32 followed the procedure of Fornell and Larcker (1981). Consequently, we ensured that the
33 average variance extracted (AVE) of each construct was higher than the shared variance of
34 that construct with any other construct. Results of this test (see Table IV) were adequate,
35 raising no discriminant validity concerns.
36
37
38
39
40
41

42 *Insert Table IV about here*

43
44 To further ensure the quality of the data and avoid common method bias (CMB), we
45 designed the questionnaire in a way that avoided double-barrelled questions and refrained
46 from using overly complex terms, and we measured and controlled for social desirability in
47 our analysis (Podsakoff *et al.*, 2012). As post-hoc measures, we first undertook Harman’s
48 single-factor method (Podsakoff and Organ, 1986). In this test, we included our four main
49 constructs: brand rebelliousness, brand coolness, brand equity and material values. From the
50 unrotated matrix, four factors emerged, with the first explaining 40% of the variance in the
51 data. As a second test to detect CMB, we undertook the single unmeasured factor method
52 (Hulland *et al.*, 2018), which involves adding a latent factor to the structural model and
53 loading all observed measures (items) onto it, as well as loading onto their own theoretical
54
55
56
57
58
59
60

1
2
3 factor. The results of this method indicated that CMB is not a concern in the data, as the
4 model fit was worse when it included the new latent factor ($\Delta\chi^2 = 3402.78$, $\Delta df = 21$, $p <$
5 $.001$).
6
7

8
9 As a final step before testing our hypotheses, we reviewed the responses to our
10 manipulation check. Results of an independent samples t-test showed that participants
11 perceived the teams to be significantly different in terms of diversity ($t(424) = -24.24$, $p <$
12 $.001$). Thus, participants in the diverse condition evaluated the team as much more diverse
13 ($M_{\text{diverse}} = 5.91$) than participants in the non-diverse condition ($M_{\text{non-diverse}} = 2.32$). Thus, the
14 manipulation was successful.
15
16
17
18

19
20 To test our hypotheses and conceptual model, we used SEM in MPlus 8. As standard
21 model fit indices are not available for latent variable interaction models, we follow recent
22 work (Clark, 2020; Park and Chang, 2022) and evaluate model fit based on Akaike
23 Information Criterion (AIC), Bayesian Information Criterion (BIC) and Sample-Size
24 Adjusted BIC (SSABIC). Our hypothesised structural model offered lower values of model
25 fit (AIC = 14509.41; BIC = 14729.93; SSABIC = 14545.96) than the baseline model (AIC =
26 23583.15; BIC = 23834.09; SSABIC = 23624.74) and the model without interaction (AIC =
27 14521.17; BIC = 14737.89; SSABIC = 14557.08). Thus, our hypothesised structural model
28 shows better fit to the data.
29
30
31
32
33
34
35

36 Results of the structural model (see Table V) showed that FLE diversity positively
37 impacts brand equity ($b = .37$, $p = .004$), in support of H1. At the same time, diversity
38 positively affects brand rebelliousness ($b = .33$, $p = .020$), upholding H2. The analysis further
39 indicated that FLE diversity positively affects brand coolness via brand rebelliousness
40 (indirect effect: $b = .05$, $p = .073$), in support of H3. In addition, results showed that the
41 positive effect of diversity on brand equity is serially mediated by brand rebelliousness and
42 brand coolness (indirect effect: $b = .03$, $p = .085$). Decomposing this indirect effect, we found
43 that diversity positively affects brand rebelliousness ($b = .33$, $p = .020$), which in turn impacts
44 brand coolness ($b = .15$, $p = .004$). Consequently, brand coolness has a positive effect on
45 brand equity ($b = .52$, $p < .001$). Therefore, results offer support for H4. Lastly, we find that
46 material values negatively moderate the impact of brand rebelliousness on brand coolness (b
47 $= -.12$, $p = .009$). These results align with our expectations and thus confirm H5.
48
49
50
51
52
53
54
55
56
57

58 *Insert Table V about here*

59 *Discussion*
60

1
2
3 The final study tests our complete conceptual framework using SEM, the results of which
4 support our theorising. As such, this study endorses the positive effect of FLE diversity on
5 both brand equity (H1) and rebelliousness (H2). It further supports the results in relation to
6 the explanatory mechanism of this effect, indicating that brand rebelliousness and brand
7 coolness mediate the positive impact of diversity on brand equity (H3 and H4). Lastly, we
8 find that, for consumers high in material values, the impact of brand rebelliousness on brand
9 coolness is weaker (H5).
10
11
12
13
14
15
16
17

18 **General discussion**

19
20
21 This research adds to the ongoing discourse regarding the critical importance of diversity. In
22 doing so, we take a more holistic approach to diversity, aiming to advance its theoretical
23 understanding by resembling its true real-world complexity. In the next two subsections, we
24 explain how our findings contribute to a deeper understanding of a dynamic consumer
25 environment, offering valuable insights for both researchers and practitioners in the field.
26
27
28
29

30 ***Theoretical implications***

31
32 This study bridges the gap between management and marketing studies on diversity, and
33 extends prior diversity literature in three ways. First, this study contributes to workplace
34 diversity research in management (e.g., Oh and Song, 2023) by exploring visible diversity
35 practices—that is, diversity among FLEs—and showing that FLE diversity increases brand
36 equity. Prior studies in this field tend to overlook FLEs despite their importance as a
37 workforce segment, as they act as policy communicators and have a critical influence on
38 customer relationships and firm performance (Hoeffler and Keller, 2002; Kalra *et al.*, 2021).
39 In addition, our study further extends this stream of research by investigating a managerially-
40 relevant consumer-level outcome: brand equity. Consumer-level outcomes tend to be
41 disregarded in management literature, possibly being deemed to pertain only to marketing.
42 Nevertheless, studies show that brand equity boosts firm performance (Wang and Sengupta,
43 2016). Thus, research in management should take into account brand equity. In this way, we
44 simultaneously contribute to diversity research in management and in marketing, showing
45 that FLE diversity improves brand equity in a luxury context.
46
47
48
49
50
51
52
53
54
55
56

57
58 Second, we contribute to diversity literature both in management and in marketing
59 (e.g., Beji *et al.*, 2021; Tombs and Hill, 2014) by considering the multidimensional and
60

1
2
3 intersectional nature of diversity. Most diversity research in these fields has operationalised
4 diversity as distinct factors in their empirical models (e.g., gender, Fernando *et al.*, 2020;
5 nationality, Bourdin *et al.*, 2023). Instead, we follow recent work acknowledging the
6 multidimensional nature of diversity and highlighting the importance of intersectionality
7 (e.g., Burgess *et al.*, 2022; Khan and Kalra, 2022). Our operationalisation includes several
8 aspects of surface-level diversity in an intersectional manner. In this way, we shed further
9 light on prior findings in marketing that had revealed both positive and negative consumer
10 reactions to FLE diversity (Bourdin *et al.*, 2023; Russell *et al.* 2021). We find that FLE
11 diversity is positively received by luxury fashion consumers, as it enhances brand equity.
12
13
14
15
16
17
18

19
20 Moreover, we extend diversity literature in marketing (e.g., Leonard *et al.*, 2004) by
21 uncovering the mechanism that explains the positive effect of FLE diversity on brand equity.
22 In doing so, we connect diversity with brand coolness research in marketing (e.g., Warren *et*
23 *al.*, 2019), showing that consumers perceive luxury fashion brands employing diverse FLEs
24 as more rebellious, which consequently makes them cooler, subsequently increasing brand
25 equity. Lastly, our study also shows that this serial process may not ensue for all consumers.
26 For consumers high in material values, coolness perceptions are diminished. This is an
27 important insight for both coolness and luxury research. As coolness is socially constructed
28 (Warren and Campbell, 2014), the notion of coolness may change for future generations of
29 consumers, influenced by their social and ethical concerns. Considering our findings, luxury
30 brands may need to adapt and fully embrace diversity if they are to stay in tune with modern
31 consumers.
32
33
34
35
36
37
38
39

40 ***Managerial implications***

41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
Luxury fashion managers maintain that diversity remains a high priority in their
agendas yet, paradoxically, recent reports on workplace diversity show that luxury brands
have made little progress in this regard (BFC and MBS, 2022). We hope that this research
offers additional reasons for managers to accelerate and strengthen their diversity efforts. Our
study identifies a blind spot in luxury management diversity practices. We discovered that
luxury fashion consumers tend to have a more positive perception of brands that showcase
diverse FLE teams. This aligns with prior research, including Yoo and Arnold (2019), which
demonstrates that authentic representations of FLE identities in consumer interactions
significantly enhance customer value and brand equity. We argue that increasing diversity

1
2
3 among FLEs and empowering them to express their own identities can significantly improve
4 brand equity, while also enhancing perceptions of the brand as rebellious and cool.
5
6

7 Effective diversity strategies should come from upper management levels and flow
8 throughout the company. We urge luxury businesses to adopt comprehensive diversity
9 practices encompassing recruitment, career development, and operational practices.
10 Moreover, brands should embed diversity across the marketing mix (Burgess et al., 2022). In
11 the meantime, establishing social impact initiatives, such as Tiffany&Co (2024) Tiffany
12 Atrium and Marks&Spencer's (2024) Marks&Start programme, can represent creditable
13 beginnings to demonstrate the brand's commitment to diversity. These examples suggest that
14 diversity training and inclusive employment programmes enhance both business performance
15 and customer satisfaction. Illustrative of successful cross-industry diversity initiatives are
16 JPMorgan Chase (2024) "Advancing Black Pathways" and Starbucks' (2024) goals to
17 enhance Black, Indigenous, and People of Colour representation, which underscore the
18 positive outcomes of robust diversity policies.
19
20
21
22
23
24
25
26
27

28 Besides the ease of tackling some marketing mix elements (e.g., advertising), it is
29 important to remind brand managers that they must at all costs avoid diversity washing (i.e.,
30 woke washing in terms of diversity). Modern consumers scrutinise brands in their approaches
31 to activism and diversity, and superficial approaches will almost certainly backfire
32 (Vredenburg *et al.*, 2020). Our findings are particularly relevant to brands aiming to target
33 modern consumers, who place much greater value on social responsibility and ethical
34 practices (Amed *et al.*, 2019; Wilkie *et al.*, 2023). Modern consumers will be much more
35 perceptive and supportive of FLE diversity and diversity practices, and brands aiming to
36 target them should focus on diversity to unlock the brand equity chain.
37
38
39
40
41
42
43
44

45 To enhance FLEs diversity at the national level, policymakers and luxury fashion
46 brands could partner with business and fashion schools to offer targeted training and
47 scholarships for underrepresented groups. Luxury brands could also partner with
48 policymakers to implement platforms or initiatives that facilitate staff mobility across
49 business units and international markets. This dual strategy ensures that brands and
50 policymakers make joint efforts towards a culturally diverse fashion and luxury landscape.
51
52
53
54
55

56 Lastly, our findings underscore the importance of robust data collection on employee
57 diversity, which remains a significant challenge. By leading by example in diversity,
58
59
60

1
2
3 companies can encourage more comprehensive data collection, enabling policymakers and
4 businesses to better understand and address diversity issues effectively.
5
6

7 ***Limitations and future research***

8

9
10 Our study has some limitations that provide fruitful opportunities for future research. Our
11 empirical analyses focus on U.S. consumers, a key demographic in global luxury fashion
12 consumption (Statista, 2022). Future research could investigate how our findings apply in
13 non-Western cultures, and whether in-group views across different cultures affect consumer
14 responses to diversity (Chen *et al.*, 1998). Additionally, investigating how cultural
15 stereotypes are related to surface-level diversity traits (Wittenbrink *et al.*, 1997) across
16 different regions or cultural groups could enhance the understanding of consumer satisfaction
17 towards FLE diversity cross-culturally.
18
19
20
21
22
23

24 Although our research considers various dimensions of diversity, we recognise an
25 opportunity to further explore how surface-level diversity dimensions intersect and
26 collectively influence behavioural outcomes (Burgess *et al.*, 2022). Future research could
27 advance the theoretical framework by more thoroughly operationalising the concept of
28 intersectionality (Crenshaw, 1991). In addition, our study concentrates on surface-level
29 diversity, due to the need for easily observable differences in our manipulations of diversity
30 (Khan and Kalra, 2022). However, we acknowledge the multifaceted nature of diversity and
31 particularly recognise the significance of deep-level diversity (Harrison *et al.*, 1998). Future
32 research should explore deep-level diversity to advance knowledge in this field. Lastly, we
33 focused on the context of luxury fashion. We encourage researchers to replicate our model
34 across other luxury fields and service settings to assess the broader applicability of our
35 results.
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

References

- Åkestam, N., Rosengren, S., and Dahlen, M. (2017), "Think about it—can portrayals of homosexuality in advertising prime consumer-perceived social connectedness and empathy?", *European Journal of Marketing*, Vol.51 No.1, pp.82–98.
- Ali, M., Ng, Y.L., and Kulik, C.T. (2014), "Board age and gender diversity: A test of competing linear and curvilinear predictions", *Journal of Business Ethics*, Vol.125 No.3, pp.497–512.
- Amaral, N.B., and Loken, B. (2016), "Viewing usage of counterfeit luxury goods: Social identity and social hierarchy effects on dilution and enhancement of genuine luxury brands", *Journal of Consumer Psychology*, Vol.26 No.4, pp.483–495.
- Amed, I., Balchandani, A., Beltrami, M., Berg, A., Hedrich, S., and Rölkens, F. (2019), "The influence of 'woke' consumers on fashion", available at: <https://www.mckinsey.com/industries/retail/our-insights/the-influence-of-woke-consumers-on-fashion> (accessed 01 May 2024).
- Anonymous (2021), "Anonymous confessions of a luxury sales associate", available at: <https://www.purseblog.com/report/anonymous-confessions-of-a-luxury-sales-associate/> (accessed 08 December 2023).
- Bandura, A. (1986), *Social foundations of thought and action: a social cognitive theory*, Englewood Cliffs, N.J.: Prentice-Hall.
- Baram, C. (2019), "Why more luxury brands are focusing on diversity", available at: <https://www.mintel.com/retail-market-news/why-more-luxury-brands-are-focusing-on-diversity/> (accessed 09 December 2023).
- Bear, S., Rahman, N., and Post, C. (2010), "The impact of board diversity and gender composition on corporate social responsibility and firm reputation", *Journal of Business Ethics*, Vol.97 No.2, pp.207–221.
- Beji, R., Yousfi, O., Loukil, N., and Omri, A. (2021), "Board diversity and corporate social responsibility: Empirical evidence from France", *Journal of Business Ethics*, Vol.173 No.1, pp.133–155.
- Belk, R.W., Tian, K., and Paavola, H. (2010), "Consuming cool: Behind the unemotional mask", *Research in Consumer Behavior*, Vol.12, pp.183–208.

- 1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
- Berry, C.J. (1994), *The idea of luxury: A conceptual and historical investigation*. Cambridge, UK: Cambridge University Press.
- Biraglia, A., and Brakus, J.J. (2015), “Rebel with a (profit) cause: how rebellious brand positioning leads to the perceived coolness”, in K. Diehl and C. Yoon (Ed.), *Advances in Consumer Research*, Vol.43, Association for Consumer Research, Duluth: MN, pp.465–466.
- Bourdin, D., Sichtmann, C., and Davvetas, V. (2023), “The influence of employee accent on customer participation in services”, *Journal of Service Research*, Vol.27 No.2, pp.194–212.
- Boukattaya, S., Ftiti, Z., Jeriji, M., & Louhichi, W. (2024), “Does committees' gender diversity affect firms' environmental and social performance?”, *Business Strategy and the Environment*, Vol.33, pp.3550–3568.
- Braxton, D., and Lau-Gesk, L. (2020), “The impact of collective brand personification on happiness and brand loyalty”, *European Journal of Marketing*, Vol.54 No.10, pp.2365–2386.
- Burgess, A., Wilkie, D.C.H., and Dolan, R. (2022), “Brand approaches to diversity: a typology and research agenda”, *European Journal of Marketing*, Vol.57 No.1, pp.60–88.
- Buse, K., Bernstein, R.S., and Bilimoria, D. (2016), “The influence of board diversity, board diversity policies and practices, and board inclusion behaviors on nonprofit governance practices”, *Journal of Business Ethics*, Vol.133 No.1, pp.179–191.
- Butler-Young, S. (2023), “Why luxury brands are poaching store employees from mass retail”, available at: <https://www.businessoffashion.com/articles/workplace-talent/why-luxury-brands-are-poaching-store-employees-from-mass-retail/> (accessed 08 December 2023).
- Byrne, B.M. (2012), *Structural equation modeling with Mplus: basic concepts, applications, and programming*, Multivariate applications series, 6th ed., Routledge Academic, London.
- Byrne, D. (1971), *The attraction paradigm*, Academic Press, New York.
- Campbell, K., and Mínguez-Vera, A. (2008), “Gender diversity in the boardroom and firm financial performance”, *Journal of Business Ethics*, Vol.83 No.3, pp.435–451.

- 1
2
3 Chapple, L., and Humphrey, J.E. (2014), “Does board gender diversity have a financial
4 impact? Evidence using stock portfolio performance”, *Journal of Business*
5 *Ethics*, Vol.122 No.4, pp.709–723.
6
7
8
9 Chen, Y.R., Brockner, J., and Katz, T. (1998), “Toward an explanation of cultural differences
10 in in-group favoritism: The role of individual versus collective primacy”, *Journal of*
11 *Personality and Social Psychology*, Vol.75 No.6, pp.1490–1502.
12
13
14 Clark, B. (2020), “Marketing dashboards, resource allocation and performance”, *European*
15 *Journal of Marketing*, Vol.55 No.1, pp.247–270.
16
17
18 Coffey, B.S., and Wang, J. (1998), “Board diversity and managerial control as predictors of
19 corporate social performance”, *Journal of Business Ethics*, Vol.17 No.14, pp.1595–
20 1603.
21
22
23
24 Crenshaw, K. (1991), “Mapping the margins: intersectionality, identity politics, and violence
25 against women of color”, *Stanford Law Review*, Vol.43 No.6, pp.1241–1299.
26
27
28 Dar-Nimrod, I., Hansen, I.G., Proulx, T., Lehman, D.R., Chapman, B.P., and Duberstein, P.
29 R. (2012), “Coolness: An empirical investigation”, *Journal of Individual Differences*,
30 Vol.33 No.3, pp.175–185.
31
32
33
34 Deloitte (2021), “Authentically inclusive marketing”, available at:
35 [https://www2.deloitte.com/uk/en/insights/topics/marketing-and-sales-](https://www2.deloitte.com/uk/en/insights/topics/marketing-and-sales-operations/global-marketing-trends/2022/diversity-and-inclusion-in-marketing.html)
36 [operations/global-marketing-trends/2022/diversity-and-inclusion-in-marketing.html](https://www2.deloitte.com/uk/en/insights/topics/marketing-and-sales-operations/global-marketing-trends/2022/diversity-and-inclusion-in-marketing.html)
37
38 (accessed 08 December 2023).
39
40
41 Deloitte (2019). “Global powers of luxury goods: Bridging the gap between the old and the
42 new”, available at:
43 [https://www2.deloitte.com/content/dam/Deloitte/pt/Documents/consumer-](https://www2.deloitte.com/content/dam/Deloitte/pt/Documents/consumer-business/Global-Powers-of-Retailing/GPR2019/Report_GPLG2019.pdf)
44 [business/Global-Powers-of-Retailing/GPR2019/Report_GPLG2019.pdf](https://www2.deloitte.com/content/dam/Deloitte/pt/Documents/consumer-business/Global-Powers-of-Retailing/GPR2019/Report_GPLG2019.pdf) (accessed 01
45
46
47 February 2023).
48
49
50 Edinger-Schons, L.M., Lengler-Graiff, L., Scheidler, S., and Wieseke, J. (2019), “Frontline
51 employees as corporate social responsibility (CSR) ambassadors: A quasi-field
52 experiment”, *Journal of Business Ethics*, Vol.157 No.2, pp.359–373.
53
54
55
56 Englis, B.G., and Solomon, M.R. (1995), “To be and not to be: Lifestyle imagery, reference
57 groups, and the clustering of America”, *Journal of Advertising*, Vol.24 No.1, pp.13–
58
59 28.
60

- 1
2
3 Fernando, G.D., Jain, S.S., and Tripathy, A. (2020), “This cloud has a silver lining: Gender
4 diversity, managerial ability, and firm performance”, *Journal of Business*
5 *Research*, Vol.117, pp.484–496.
6
7
8
9 Fornell, C. and Larcker, D.F. (1981), “Evaluating structural equation models with
10 unobservable variables and measurement error”, *Journal of Marketing Research*,
11 Vol.18 No.1, pp.39–50.
12
13
14 Fournier, S. (1998), “Consumers and their brands: Developing relationship theory in
15 consumer research”, *Journal of Consumer Research*, Vol.24 No.4, pp.343–373.
16
17
18 Francis, T., and Hoefel, F. (2018), “True Gen’: Generation Z and its implications for
19 companies”, McKinsey&Company, available at:
20 <http://www.drthomaswu.com/uicmpaccsmac/Gen%20Z.pdf> (accessed 01 February
21 2023).
22
23
24
25
26 García-Sánchez, I.M., Aibar-Guzmán, C., Núñez-Torrado, M., and Aibar-Guzmán, B. (2023),
27 “Women leaders and female same-sex groups: The same 2030 Agenda objectives
28 along different roads”, *Journal of Business Research*, Vol.157, 113582, pp.1–12.
29
30
31 Gelb, B.D., and Rangarajan, D. (2014), “Employee contributions to brand equity”, *California*
32 *Management Review*, Vol.56 No.2, pp.95–112.
33
34
35
36 Hamilton, D.L., and Trolier, T.K. (1986), “Stereotypes and stereotyping: An overview of the
37 cognitive approach”, Dovidio, J.F. and Gaertner S.L. (Eds.), *Prejudice,*
38 *discrimination, and racism*, Academic Press, San Diego, CA, pp.127–163.
39
40
41 Han, Y.J., Nunes, J.C., and Drèze, X. (2010), “Signaling status with luxury goods: The role
42 of brand prominence”, *Journal of Marketing*, Vol.74 No.4, pp.15–30.
43
44
45 Harjoto, M., Laksmana, I., and Lee, R. (2015), “Board diversity and corporate social
46 responsibility”, *Journal of Business Ethics*, Vol.132 No.4, pp.641–660.
47
48
49 Harrison, D.A., Price, K.H., and Bell, M.P. (1998), “Beyond relational demography: Time
50 and the effects of surface-and deep-level diversity on work group cohesion”, *Academy*
51 *of Management Journal*, Vol.41 No.1, pp.96–107.
52
53
54
55 Hayes, A.F. (2013), *Introduction to mediation, moderation, and conditional process analysis:*
56 *A regression-based approach*, Guilford Press, New York: NY.
57
58
59
60

- 1
2
3 Hellerstedt, K., Uman, T., and Wennberg, K. (2022), “Fooled by diversity? When diversity
4 initiatives exacerbate rather than mitigate inequality”, *Academy of Management*
5 *Perspectives*, Vol.38 No.1, pp.23–42
6
7
8
9 Hoeffler, S., and Keller, K.L. (2002), “Building brand equity through corporate societal
10 marketing”, *Journal of Public Policy & Marketing*, Vol.21 No.1, pp.78–89.
11
12
13 Hossain, M., Atif, M., Ahmed, A., and Mia, L. (2020), “Do LGBT workplace diversity
14 policies create value for firms?”, *Journal of Business Ethics*, Vol.167 No.4, pp.775–
15 791.
16
17
18
19 Hullah, J., Baumgartner, H., and Smith, K.M. (2018), “Marketing survey research best
20 practices: Evidence and recommendations from a review of JAMS Articles”, *Journal*
21 *of the Academy of Marketing Science*, Vol.46 No.1, pp.92–108.
22
23
24
25 Jarvis, C.B., MacKenzie, S.B., and Podsakoff, P.M. (2003), “A critical review of construct
26 indicators and measurement model misspecification in marketing and consumer
27 research”, *Journal of Consumer Research*, Vol.30 No.2, pp.199–218.
28
29
30
31 Jha, S., Balaji, M.S., Yavas, U., and Babakus, E. (2017), “Effects of frontline employee role
32 overload on customer responses and sales performance: Moderator and mediators”,
33 *European Journal of Marketing*, Vol.51 No.2, pp.282–303.
34
35
36
37 JPMorgan Chase & Co. (2024), “Advancing Black Pathways”, available at:
38 <https://www.jpmorganchase.com/impact/people/advancing-black-pathways> (accessed
39 10 June 2024).
40
41
42
43 Kalra, A., Agnihotri, R., and Briggs, E. (2021), “The role of frontline employees’ competitive
44 intelligence and intraorganizational social capital in driving customer outcomes”,
45 *Journal of Service Research*, Vol.24 No.2, pp.269–283.
46
47
48
49 Kamakura, W.A., and Russell, G.J. (1993), “Measuring brand value with scanner data”,
50 *International Journal of Research in Marketing*, Vol.10 No.1, pp.9–22.
51
52
53
54 Keller, K.L. (2003), “Brand synthesis: The multidimensionality of brand knowledge”,
55 *Journal of Consumer Research*, Vol.29, pp.595–600.
56
57
58
59
60 Khan, U., and Kalra, A. (2022), “It’s good to be different: How diversity impacts judgments
of moral behavior”, *Journal of Consumer Research*, Vol.49 No.2, pp.177–201.

- 1
2
3 Khan, U., and Pond, C. (2020), “A tale of two evaluations: The dynamic effects of cause-
4 related marketing”, *Journal of the Association for Consumer Research*, Vol.5 No.3,
5 pp.282–290.
6
7
8
9 Kipnis, E., Demangeot, C., Pullig, C., Cross, S.N., Cui, C.C., Galalae, C., ... and Williams,
10 J.D. (2021), “Institutionalizing diversity-and-inclusion-engaged marketing for
11 multicultural marketplace well-being”, *Journal of Public Policy & Marketing*, Vol.40
12 No.2, pp.143–164.
13
14
15
16 Lai, C.S., Chiu, C.J., Yang, C.F., and Pai, D.C. (2010), “The effects of corporate social
17 responsibility on brand performance: The mediating effect of industrial brand equity
18 and corporate reputation”, *Journal of Business Ethics*, Vol.95 No.3, pp.457–469.
19
20
21
22 Lee, J.J., Patterson, P.G., and Ngo, L.V. (2017), “In pursuit of service productivity and
23 customer satisfaction: the role of resources”, *European Journal of Marketing*, Vol.51
24 No.11/12, pp.1836–1855.
25
26
27
28 Lei, G., Wang, W., Yu, J., and Chan, K.C. (2022), “Cultural diversity and corporate tax
29 avoidance: Evidence from Chinese private enterprises”, *Journal of Business*
30 *Ethics*, Vol.176 No.2, pp.357–379.
31
32
33
34 Leonard, J.S., Levine, D.I., and Joshi, A. (2004), “Do birds of a feather shop together? The
35 effects on performance of employees' similarity with one another and with
36 customers”, *Journal of Organizational Behavior*, Vol.25 No.6, pp.731–754.
37
38
39
40 Leslie, L.M. (2019), “Diversity initiative effectiveness: A typological theory of unintended
41 consequences”, *Academy of Management Review*, Vol.44 No.3, pp.538–563.
42
43
44
45 Liu, H. (2019), “Just the servant: An intersectional critique of servant leadership”, *Journal of*
46 *Business Ethics*, Vol.156 No.4, pp.1099–1112.
47
48
49
50
51 M&S (2024), “10 years of Marks & Start”, available at:
52 <https://corporate.marksandspencer.com/10-years-marks-start> (accessed 10 June 2024).
53
54
55
56
57
58
59
60 Maguire, L., Shoab, M., and Benissan, E. (2023), “The Vogue Business Autumn/Winter
2023 size inclusivity report”, available at:
[https://www.voguebusiness.com/fashion/the-vogue-business-autumnwinter-2023-
size-inclusivity-report](https://www.voguebusiness.com/fashion/the-vogue-business-autumnwinter-2023-size-inclusivity-report) (accessed 08 December 2023).
MBS and BFC (2022), “Diversity and Inclusion in the Fashion Industry: In depth research
and analysis from the MBS Group and the British Fashion Council”, available at:

1
2
3 [https://www.thembsgroup.co.uk/wp-content/uploads/2022/07/Diversity-and-](https://www.thembsgroup.co.uk/wp-content/uploads/2022/07/Diversity-and-Inclusion-in-the-Fashion-Industry-FINAL.pdf)
4 [Inclusion-in-the-Fashion-Industry-FINAL.pdf](https://www.thembsgroup.co.uk/wp-content/uploads/2022/07/Diversity-and-Inclusion-in-the-Fashion-Industry-FINAL.pdf) (accessed 01 February 2023).
5
6

- 7 Middleton, K., and Turnbull, S. (2021), “How advertising got ‘woke’: The institutional role
8 of advertising in the emergence of gender progressive market logics and practices”,
9 *Marketing Theory*, Vol.21 No.4, pp.561–578.
10
11
12 Nadeem, M. (2022), “Board gender diversity and managerial obfuscation: Evidence from the
13 readability of narrative disclosure in 10-K reports”, *Journal of Business*
14 *Ethics*, Vol.179 No.1, pp.153–177.
15
16
17 Nancarrow, C. Nancarrow P., and Page, J. (2001), “An analysis of the concept of cool and its
18 marketing implications”, *Journal of Consumer Behaviour*, Vol.1 No.4, pp.311–322.
19
20
21 Nazliben, K.K., Renneboog, L., and Uduwalage, E. (2024), “Social diversity on corporate
22 boards in a country torn by civil war”, *Journal of Business Ethics*,
23 <https://doi.org/10.1007/s10551-024-05624-z>.
24
25
26
27 Oh, K., and Song, S. (2023). “Do female CMOs enhance firm performance? Power matters”,
28 *Journal of Business Research*, Vol.158, 113706, pp.1–9.
29
30
31 Olsen, S. O. (2007), “Repurchase loyalty: The role of involvement and satisfaction”,
32 *Psychology & Marketing*, Vol.24 No.4, pp.315–341.
33
34
35 P&G (2024), “Representation in our workforce”, available at:
36 <https://us.pg.com/diversity/#gender/> (accessed 23 April 2024).
37
38
39
40 Park, H., and Chang, S. (2022), “When and how brands affect importance of product
41 attributes in consumer decision process”, *European Journal of Marketing*, Vol.56
42 No.13, pp.1–25.
43
44
45 Paulhus, D.L. (1991), “Measurement and control of response bias”, J. P. Robinson, P. Shaver,
46 and L. S. Wrightsman (Eds.), *Measures of personality and social psychological*
47 *attitudes*, Academic Press, San Diego, CA, pp.17–59.
48
49
50
51 Perkins, L.A., Thomas, K.M., and Taylor, G. A. (2000), “Advertising and recruitment:
52 Marketing to minorities”, *Psychology & Marketing*, Vol.17 No.3, pp.235–255.
53
54
55
56 Podsakoff, P.M., MacKenzie, S.B., and Podsakoff, N.B. (2012), “Sources of method bias in
57 social science research and recommendations on how to control it”, *Annual Review of*
58 *Psychology*, Vol.63, pp.539–569.
59
60

- 1
2
3 Podsakoff, P.M., and Organ, D.W. (1986), “Self-reports in organizational research: Problems
4 and prospects”, *Journal of Management*, Vol.12 No.4, pp.531–544.
5
6
7 Pountain, D., and Robins, D. (2000), *Cool rules: Anatomy of an attitude*, Reaktion, London.
8
9
10 Rabl, T., and Triana, M.D.C. (2014), “Organizational value for age diversity and potential
11 applicants’ organizational attraction: Individual attitudes matter”, *Journal of Business*
12 *Ethics*, Vol.121 No.3, pp.403–417.
13
14
15 Radu, C., and Smaili, N. (2022), “Board gender diversity and corporate response to cyber
16 risk: evidence from cybersecurity related disclosure”, *Journal of Business*
17 *Ethics*, Vol.177 No.2, pp.351–374.
18
19
20
21 red-face.us (2023), “Indian Stereotypes in Sports”, available at: [https://red-face.us/indian-](https://red-face.us/indian-stereotypes-sports.htm)
22 [stereotypes-sports.htm](https://red-face.us/indian-stereotypes-sports.htm) (accessed 04 December 2023).
23
24
25 Regaya, N. (2023), “Confessions of a Department Store Girl”, available at:
26 <https://www.sleek-mag.com/article/confessions-of-a-department-store-girl/> (accessed
27 08 December 2023).
28
29
30 Richins, M.L. (2004), “The Material Values Scale: Measurement properties and development
31 of a short form”, *Journal of Consumer Research*, Vol.31 No.1, pp.209–219.
32
33
34 Richins, M.L., and Dawson, S. (1992), “A consumer values orientation for materialism and
35 its measurement: Scale development and validation”, *Journal of Consumer Research*,
36 Vol.19, pp.303–316.
37
38
39
40 Roberson, Q.M. (2019), “Diversity in the workplace: A review, synthesis, and future research
41 agenda”, *Annual Review of Organizational Psychology and Organizational*
42 *Behavior*, Vol.6, pp.69–88.
43
44
45 Ruiz-Jiménez, J.M., Fuentes-Fuentes, M.D.M., and Ruiz-Arroyo, M. (2016), “Knowledge
46 combination capability and innovation: The effects of gender diversity on top
47 management teams in technology-based firms”, *Journal of Business Ethics*, Vol.135
48 No.3, pp.503–515.
49
50
51
52
53 Russell, E.M., Bradshaw, H.K., Rosenbaum, M.S., Hill, S.E., and Russell-Bennett, R. (2021),
54 “Intrasexual female competition and female trust in gay male sales associates’
55 recommendations”, *Psychology & Marketing*, Vol.38 No.2, pp.249–265.
56
57
58
59
60

- 1
2
3 Schroeder, J.E., and Borgerson, J.L. (2005), “An ethics of representation for international
4 marketing communication”, *International Marketing Review*, Vol.22 No.5, pp.578–
5 600.
6
7
8
9 Seebeck, A., and Vetter, J. (2022), “Not just a gender numbers game: How board gender
10 diversity affects corporate risk disclosure”, *Journal of Business Ethics*, Vol.177 No.2,
11 pp.395–420.
12
13
14 Shams, S., Minnick, K., Khedmati, M., and Gunasekarage, A. (2024), “Gender diversity and
15 acquisitions: How female directors add value in acquisition decisions”, *Journal of*
16 *Business Finance & Accounting*, Vol.51 No.1-2, pp.113–147.
17
18
19
20 Sharma, A., Moses, A.C., Borah, S.B., and Adhikary, A. (2020), “Investigating the impact of
21 workforce racial diversity on the organizational corporate social responsibility
22 performance: An institutional logics perspective”, *Journal of Business*
23 *Research*, Vol.107, pp.138–152.
24
25
26
27
28 Singh, J. (2000), “Performance productivity and quality of frontline employees in service
29 organizations”, *Journal of Marketing*, Vol.64 No.2, pp.15–34.
30
31
32 Sobande, F. (2019), “Woke-washing: “intersectional” femvertising and branding “woke”
33 bravery”, *European Journal of Marketing*, Vol.54 No.11, pp.2723–2745.
34
35
36 Starbucks (2024), “Starbucks Broadens Efforts to Advance Racial and Social Equity on
37 behalf of Partners and Communities”, available
38 at: [https://stories.starbucks.com/press/2022/starbucks-broadens-efforts-to-advance-
39 racial-and-social-equity-on-behalf-of-partners-and-communities/](https://stories.starbucks.com/press/2022/starbucks-broadens-efforts-to-advance-racial-and-social-equity-on-behalf-of-partners-and-communities/) (accessed 10 June
40 2024).
41
42
43
44 Statista (2022), “Global personal luxury goods industry - statistics and facts”, available
45 at: [https://www.statista.com/topics/1110/global-luxury-goods-
46 industry/#dossierKeyfigures](https://www.statista.com/topics/1110/global-luxury-goods-industry/#dossierKeyfigures) (accessed 01 February 2023).
47
48
49
50 Tiffany&Co (2014), “Tiffany Atrium”, available
51 at: <https://www.tiffany.com/sustainability/community/atrium/> (accessed 10 June
52 2024).
53
54
55
56 Tombs, A., and Hill, S.R. (2014), “The effect of service employees’ accent on customer
57 reactions”, *European Journal of Marketing*, Vol.48, pp.2051–2070.
58
59
60

- 1
2
3 Torres, A., Bijmolt, T.H., Tribó, J.A., and Verhoef, P. (2012), “Generating global brand
4 equity through corporate social responsibility to key stakeholders”, *International*
5 *Journal of Research in Marketing*, Vol.29 No.1, pp.13–24.
6
7
8
9 Vanhamme, J., Lindgreen, A., and Sarial-Abi, G. (2021), “Luxury ethical consumers: Who
10 are they?”, *Journal of Business Ethics*, Vol.1 No.34, pp.1–34.
11
12
13 Vázquez, A. and Lois, D. (2020), “Prejudice against members of a ridiculed working-class
14 group”, *British Journal of Social Psychology*, Vol.59 No.4, pp.992–1017.
15
16
17 Veblen, T. (1899), *The theory of the leisure class*, Modern Library, New York.
18
19 Vredenburg, J., Kapitan, S., Spry, A., and Kemper, J.A. (2020), “Brands taking a stand:
20 Authentic brand activism or woke washing?”, *Journal of Public Policy & Marketing*,
21 Vol.39 No.4, pp.444–460.
22
23
24 Wahid, A.S. (2019), “The effects and the mechanisms of board gender diversity: Evidence
25 from financial manipulation”, *Journal of Business Ethics*, Vol.159 No.3, pp.705–725.
26
27
28 Walmart (2024), “Belonging, Diversity, Equity and Inclusion Report”, available at:
29 [https://corporate.walmart.com/purpose/belonging-diversity-equity-](https://corporate.walmart.com/purpose/belonging-diversity-equity-inclusion/belonging-diversity-equity-and-inclusion-report)
30 [inclusion/belonging-diversity-equity-and-inclusion-report](https://corporate.walmart.com/purpose/belonging-diversity-equity-inclusion/belonging-diversity-equity-and-inclusion-report) (accessed 23 April 2024).
31
32
33
34 Wang, H.M.D., and Sengupta, S. (2016), “Stakeholder relationships, brand equity, firm
35 performance: A resource-based perspective”, *Journal of Business Research*, Vol.69
36 No.12, pp.5561–5568.
37
38
39 Warren, C., Batra, R., Loureiro, S.M.C., and Bagozzi, R.P. (2019), “Brand coolness”, *Journal*
40 *of Marketing*, Vol.83 No.5, pp.36–56.
41
42
43
44 Warren, C., and Campbell, M.C. (2014), “What makes things cool? How autonomy
45 influences perceived coolness”, *Journal of Consumer Research*, Vol.41 No.2, pp.543–
46 563.
47
48
49 Wegge, J., Roth, C., Neubach, B., Schmidt, K.H., and Kanfer, R. (2008), “Age and gender
50 diversity as determinants of performance and health in a public organization: the role
51 of task complexity and group size”, *Journal of Applied Psychology*, Vol.93 No.6,
52 pp.1301–1313.
53
54
55
56
57
58
59
60

- 1
2
3 Wilkie, D.C.H., Burgess, A.J., Mirzaei, A., and Dolan, R.M. (2023). “Inclusivity in
4 Advertising: A Typology Framework for Understanding Consumer Reactions”,
5 *Journal of Advertising*, Vol.52 No.5, pp.721–738.
6
7
8
9 Wittenbrink, B., Gist, P.L. and Hilton, J.L. (1997), “Structural properties of stereotypic
10 knowledge and their influences on the construal of social situations”, *Journal of*
11 *Personality and Social Psychology*, Vol.72 No.3, pp.526–543.
12
13
14 Yoo, J., and Arnold, T. (2019), “Frontline employee authenticity and its influence upon
15 adaptive selling outcomes: Perspectives from customers”, *European Journal of*
16 *Marketing*, Vol.53 No.11, pp.2397–2418.
17
18
19
20 Yoo, J.J., Arnold, T.J., and Frankwick, G.L. (2014), “Promoting boundary-spanning behavior
21 among service personnel”, *European Journal of Marketing*, Vol.48 No.9/10,
22 pp.1626–1647.
23
24
25
26 Yoo, B., Donthu, N., and Lee, S. (2000), “An examination of selected marketing mix
27 elements and brand equity”, *Journal of the Academy of Marketing Science*, Vol.28
28 No.2, pp.195–211.
29
30
31 Zaichkowsky, J.L. (1985), “Measuring the involvement construct”, *Journal of Consumer*
32 *Research*, Vol.12 No.3, pp.341–352.
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

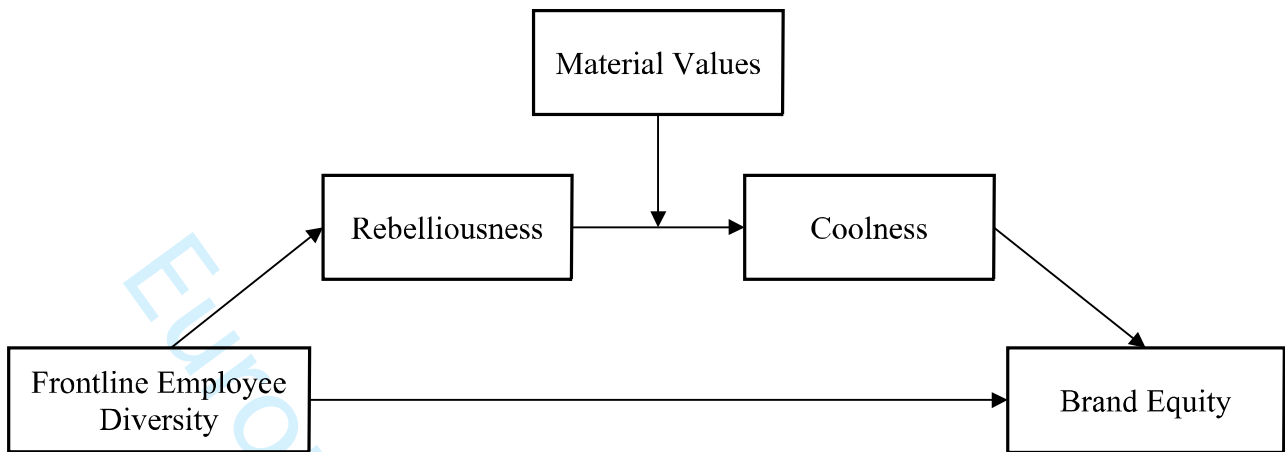


Figure 1. Conceptual Framework

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35
- 36
- 37
- 38
- 39
- 40
- 41
- 42
- 43
- 44
- 45
- 46
- 47
- 48
- 49
- 50
- 51
- 52
- 53
- 54
- 55
- 56
- 57
- 58
- 59
- 60

European Journal of Marketing

Table I. Illustrative review of empirical research on workplace diversity in marketing and management.

Study	Study design	Type of diversity	Diversity source	Explanatory mechanism(s)		Outcome variable(s)
				Moderator(s)	Mediator(s)	
Campbell and Mínguez-Vera (2008); Chapple and Humphrey (2014); Fernando <i>et al.</i> (2020); Oh and Song (2023); Shams <i>et al.</i> (2024)	Cross-sectional	Gender	Board; top management; chief marketing officer	Industry type; periods of crisis	Managerial ability	Firm financial performance; firm performance; shareholder value
Nazliben <i>et al.</i> (2024)	Cross-sectional	Gender; ethnicity; nationality	Board	Ownership concentration	N/A	Corporate performance; corporate financial stability
Beji <i>et al.</i> (2021); Boukattaya <i>et al.</i> (2024); Buse <i>et al.</i> (2016); Coffey and Wang (1998); Harjoto <i>et al.</i> (2015); García-Sánchez <i>et al.</i> (2023)	Cross-sectional; longitudinal	Gender; origin; age; education	Board; top management	Size of corporate board; market competitiveness; proportion of females in team	Board diversity policies / practices; board inclusion behaviors	Corporate social responsibility / performance; governance practices; corporate philanthropy
Seebeck and Vetter (2022); Radu and Smaili (2022); Nadeem (2022)	Cross-sectional; longitudinal	Gender	Board	Proportion of female directors; independent director	Discussion and decision making; board activity; committee membership	Corporate risk disclosure; cybersecurity disclosure; readability of narrative disclosure
Lei <i>et al.</i> (2022); Wahid (2019)	Cross-sectional; longitudinal	Cultural (city); gender	Board; firm location	Managerial incentives; migration	Financial expertise	Firm tax avoidance; financial misconduct; governance effort
Bear <i>et al.</i> (2010)	Cross-sectional	Gender	Board	N/A	Corporate social responsibility ratings	Corporate reputation
Ruiz-Jiménez <i>et al.</i> (2016)	Cross-sectional	Gender	Top management team	Knowledge combination capability	N/A	Organization innovation performance
Ali <i>et al.</i> (2014)	Longitudinal	Gender; age	Board	N/A	N/A	Employee productivity; return on assets
Hossain <i>et al.</i> (2020); Weggc <i>et al.</i> (2008)	Longitudinal	LGBT; gender; age	Workforce	N/A	N/A	Firm innovation; work unit performance
Sharma <i>et al.</i> (2020)	Longitudinal	Racial	Workforce	Absorptive capacity; slack resources	N/A	Corporate social responsibility performance
Perkins <i>et al.</i> (2000); Rabl and Triana (2014)	Experimental	Age; racial	Organization	Age diversity practices; attitudes toward age diversity; respondents' race and ethnicity	N/A	Organization attractiveness; expected discrimination; organizational image and compatibility evaluations
Khan and Kalra (2022)	Experimental	Gender; racial; nationality	Corporate teams	N/A	Perceived perspective taking; perceived morality	Favorable consumer response; moral consumer behavior
Leonard <i>et al.</i> (2004)	Field study	Age; gender; racial	Sales associates	Demographic match with community	N/A	Sales
Russell <i>et al.</i> (2021)	Qualitative, quantitative and experimental	LGBT (vs. female heterosexual)	Sales associates	Buyer objective type; perceived attractiveness	Perceived intent of sales associate	Trust in sales associate recommendations
Bourdin <i>et al.</i> (2023); Tombs and Hill (2014)	Experimental	Nationality (foreign accents)	Service employee	Expected control; need for interaction; competency; affective state	Accent stereotypes	Voluntary customer participation; service employee credibility; consumer emotions
Our study	Experimental	Combinations of gender; age; racial; LGBT+	Frontline employees	Material values	Brand rebelliousness; brand coolness	Brand equity

Note: This illustrative review refers to surface-level diversity empirical studies only.

Table II. Descriptive statistics and correlations for Experiment 2.

	Mean	SD	α	Correlations	
				1	2
Brand equity (1)	4.91	1.20	.91		
Brand rebelliousness (2)	3.31	1.41	.92	.178*	
Brand coolness (3)	5.41	0.93	.81	.591*	.337*

* $p < .05$; ** $p < .01$.

Table III. Descriptive statistics by diversity for Experiment 2.

	Brand equity		Brand rebelliousness		Brand coolness	
	Mean	SD	Mean	SD	Mean	SD
Non-diverse team	4.64	1.33	3.14	1.36	5.25	1.06
Diverse team	5.02	1.10	3.34	1.45	5.39	.88
Very diverse team	5.10	1.10	3.47	1.41	5.61	.79
Total	4.91	1.20	3.31	1.41	5.41	.93

Table IV. Descriptive statistics and correlation matrix for Experiment 3.

	Mean	SD	α	CR	AVE	Correlations		
						1	2	3
Brand equity (1)	4.58	1.41	.93	.95	.85			
Brand rebelliousness (2)	3.32	1.51	.93	.95	.84	.195**		
Brand coolness (3)	5.63	1.11	.90	.95	.83	.479**	.239**	
Material values (4)	4.26	1.43	.79	.94	.84	.450**	.240**	.420**

* $p < .05$; ** $p < .01$.

European Journal of Marketing

Table V. Hypothesis testing results.

Hypothesized Links	Estimate (SE)
FLE diversity → brand equity (H1)	.37** (.13)
FLE diversity → brand rebelliousness (H2)	.33* (.14)
FLE diversity → brand rebelliousness → brand coolness (H3)	.05 ⁺ (.03)
FLE diversity → brand rebelliousness → brand coolness → brand equity (H4)	.03 ⁺ (.01)
Brand rebelliousness * material values → brand coolness (H5)	-.12*** (.05)
Control Variables	
Age	.01 ⁺ (.01)
Gender	-.15 (.11)
Household income	.02 (.02)
Ethnicity	.05 (.04)
Social desirability	.06 (.05)
Category involvement	.25*** (.05)

⁺ $p < .1$; * $p < .05$; ** $p < .01$; *** $p < .001$.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Appendices

European Journal of Marketing

Appendix A. Experimental Stimuli

Diverse team



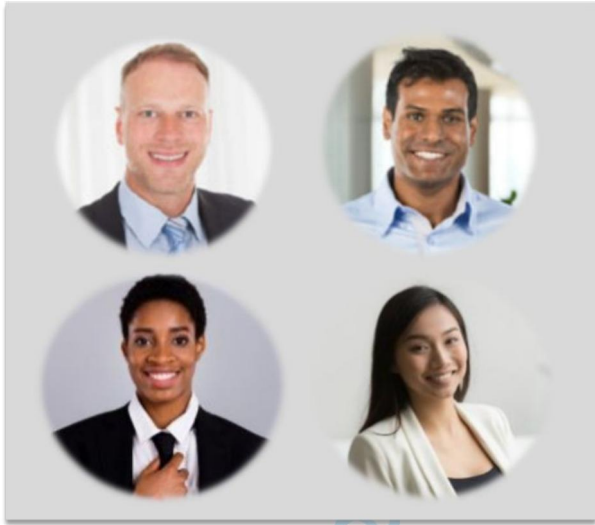
Non-diverse team



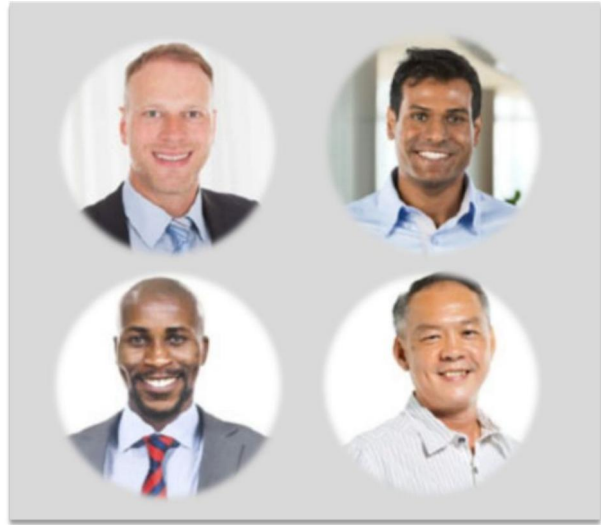
Figure A1. Photos for Experiment 1.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Very diverse team



Diverse team



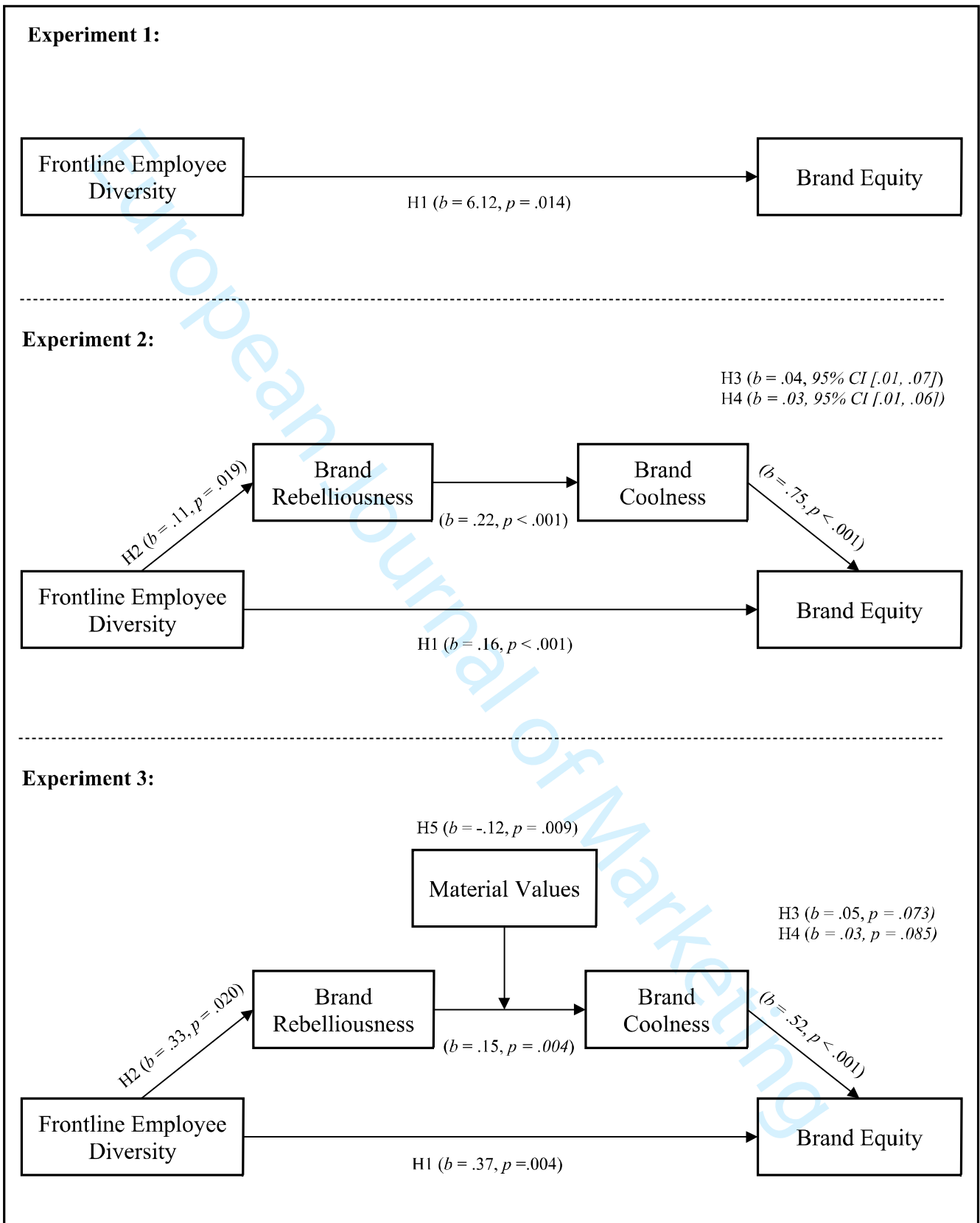
Non-diverse team



Figure A2. Photos for Experiment 2.

Marketing

Appendix B. Experimental design and results summary



Appendix C. Experiment 3 Additional Analyses

Table C1. CFA loading matrix and scale reliability.

Construct	Item code	Loading		Reliability	
		All	Final items	α	CR
Brand equity	EQ_1	0.82	0.85	0.93	0.95
	EQ_2	0.92	0.92		
	EQ_3	0.89	0.89		
	EQ_4	0.81	0.83		
Brand rebelliousness	RBL_1	0.95	0.88	0.93	0.95
	RBL_2	0.96	0.90		
	RBL_3	0.75	0.78		
	RBL_4	0.79	0.81		
Brand coolness	C_1	0.72	0.72	0.90	0.95
	C_2	0.93	0.92		
	C_3	0.91	0.89		
	C_4	0.32			
	C_5	0.81	0.79		
Material values	MVS_1	0.77	0.80	0.79	0.94
	MVS_2	0.89	0.90		
	MVS_3	0.53	0.54		
Social desirability	SD_1	0.26		0.76	0.93
	SD_2	0.40			
	SD_3	0.76	0.63		
	SD_4	0.72	0.80		
	SD_5	0.68	0.72		
Category involvement	INV_1	0.82	0.83	0.93	0.96
	INV_2	0.91	0.90		
	INV_3	0.96	0.97		