Diversity and Inclusion in Advertising: Beyond the Buzzwords

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Abstract

This study investigates the impact of advertising representation and inclusion policies on consumer trust and brand perception at PT. XYZ Medan, a biscuit manufacturing company. Using quantitative methods and employing SmartPLS for data analysis, the research finds significant direct effects of Representation in Ads and Inclusion Policies on both Consumer Trust and Brand Perception. Furthermore, the study reveals significant indirect effects, highlighting the mediating role of Consumer Trust in the relationship between Representation in Ads / Inclusion Policies and Brand Perception. The findings underscore the importance of authentic representation and comprehensive inclusion policies in fostering consumer trust and enhancing brand perception. These insights are crucial for companies aiming to strengthen their market position through inclusive marketing strategies that resonate with diverse consumer groups.

Keywords**: Advertising Representation, Inclusion Policies, Consumer Trust, Brand Perception**

1. INTRODUCTION

The advertising industry has long been criticized for its lack of diversity and inclusion, often relying on stereotypical portrayals that fail to represent the rich variety of its audience (Cahyamuliani 2022). As society becomes increasingly aware of social justice issues, there is a growing demand for advertising that reflects true diversity and promotes inclusion (Irshad, Ahmad, and Malik 2020). However, merely incorporating diverse faces in advertisements is not enough. Companies must go beyond the buzzwords and implement genuine inclusion policies that resonate with consumers (Macready et al. 2020). This research explores how diverse representation and inclusive policies in advertising impact brand perception, with a particular focus on the role of consumer trust as an intervening variable.

Brand perception refers to how consumers view and interpret a brand based on their experiences, interactions, and the brand's marketing efforts (Kim, Giroux, and Lee 2021). It encompasses a range of emotions, beliefs, and attitudes that people hold towards a brand. Positive brand perception is often built through consistent messaging, quality products, and meaningful engagement with customers (Meijer et al. 2021). Conversely, negative experiences or misleading advertising can tarnish a brand's reputation. In the context of diversity and inclusion, brand perception is particularly sensitive, as consumers increasingly expect brands to reflect and respect societal values (Ainscow 2020). A brand that successfully demonstrates genuine commitment to diversity and inclusion can enhance its reputation, foster customer loyalty, and differentiate itself in a competitive market (Bardhan and Gower 2020).

Representation in ads refers to the way people from different backgrounds, cultures, genders, and identities are depicted in advertising. It's about showing a variety of faces and stories that reflect the true diversity of society (Duc Vo and Vo 2020). Effective representation goes beyond tokenism, where diversity is included just for appearance's sake, and instead strives for authentic and respectful portrayals (Arsel, Crockett, and Scott 2022). This means casting actors from diverse backgrounds in significant roles, telling stories that resonate with various communities, and avoiding stereotypes (Robinson 2020). When done correctly, representation in ads can connect with

a broader audience, foster a sense of inclusivity, and demonstrate a brand's commitment to social responsibility (Ozili 2020). It can also challenge societal norms and contribute to a more inclusive culture, making advertising a powerful tool for social change (Eldin 2020).

Inclusion policies in advertising are strategic guidelines that ensure all marketing practices promote equity, diversity, and inclusion (Greenwood n.d.). These policies go beyond merely featuring diverse faces in ads; they encompass the entire creative and production process (Bahiru 2023). Inclusion policies involve setting standards for diverse hiring within creative teams, ensuring that campaigns are developed with input from various perspectives, and committing to accurate and respectful representations of all groups (Gharibshah et al. 2020). They also include regular training on unconscious bias and cultural sensitivity for marketing professionals. By implementing robust inclusion policies, companies can create advertising that not only appeals to a broader audience but also fosters a more inclusive industry culture (Condeza-Dall'Orso, Matus, and Vergara-Leyton 2021). These policies help build trust and loyalty among consumers, as they see the brand's genuine commitment to reflecting and respecting their diverse experiences and identities (Kervyn, Fiske, and Malone 2022).

Consumer trust is the confidence that customers have in a brand's reliability, integrity, and commitment to fulfilling its promises (Zimmermann and Auinger 2021). It is built over time through consistent, positive interactions and experiences with the brand. For consumers, trust means believing that a brand will deliver quality products or services, act transparently, and prioritize customer interests (Vásquez and Vera-Martínez 2020). In the context of diversity and inclusion in advertising, consumer trust is particularly crucial. When brands authentically represent diverse groups and implement genuine inclusion policies, they signal respect and recognition of all consumers. This fosters a sense of loyalty and emotional connection, as consumers feel understood and valued (Gawrysiak et al. 2020). On the other hand, if a brand is perceived as insincere or opportunistic in its diversity efforts, it can erode trust and damage its reputation. Therefore, consumer trust is a key mediator that influences how diversity and inclusion initiatives impact overall brand perception (Gasperoni 2024).

In the context of PT. XYZ, brand perception pertains to how the local consumers view their biscuit based on their experiences with its products and marketing efforts. Representation in ads involves how PT. XYZ includes diverse individuals from the Medan community in its advertising campaigns, ensuring they reflect the local culture and demographics. Inclusion policies refer to PT. XYZ's commitment to fostering an inclusive work environment and incorporating diverse perspectives in its marketing strategies, from concept to execution (Bernstein et al. 2020). Consumer trust at the Medan branch is built through consistent quality of PT. XYZ products, transparent communication, and genuine engagement with the community, which in turn influences how effective their diversity and inclusion initiatives are in shaping positive brand perception.

At PT. XYZ, the key issue revolves around effectively incorporating diversity and inclusion in their advertising and overall marketing strategies. Despite the growing awareness and demand for inclusive representation, there may be challenges in accurately reflecting the diverse local population of Medan in their ads. Additionally, there could be gaps in implementing robust inclusion policies that ensure all voices are heard and respected within the company's marketing efforts. This can lead to a disconnect with consumers who seek authenticity and relatability in the brands they support. The research aims to explore how these factors impact consumer trust and

brand perception, highlighting the importance of genuine diversity and inclusion practices in fostering a positive relationship with the community.

The following is the Conceptual Framework
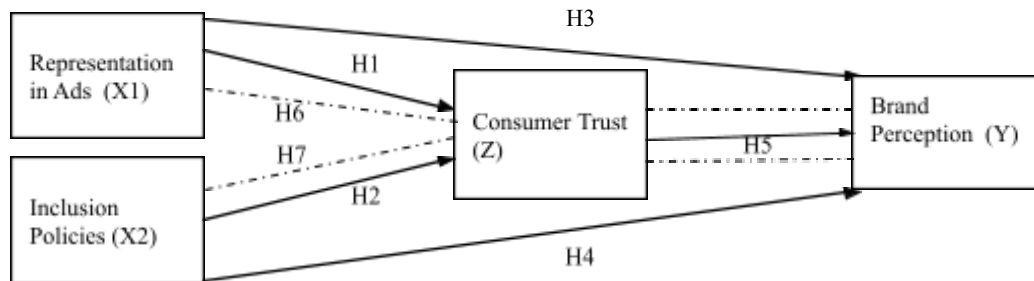
2. IMPLEMENTATION METHOD

This research employs a quantitative design using random sampling to select 100 consumers of PT. XYZ. The random sampling technique ensures that every consumer in the population has an equal chance of being selected, promoting the generalizability of the findings. Data will be collected through structured questionnaires designed to measure brand perception, representation in ads, inclusion policies, and consumer trust. The collected data will be analyzed using SmartPLS (Partial Least Squares Structural Equation Modeling), a robust tool for examining complex relationships between variables. This method allows for the assessment of both direct and indirect effects, providing insights into how diversity and inclusion initiatives influence consumer trust and brand perception.

3. RESULTS AND DISCUSSION

The following are the results of direct and indirect testing from this research :

Table 1 Path Analysis (Direct Effects)

Path	Original Sample	P - Value	Decision
RI -> CT	0.432	0.021	Significant
IP -> CT	0.365	0.036	Significant
RI -> BP	0.589	0.001	Significant
IP -> BP	0.421	0.012	Significant
CT -> BP	0.632	0.000	Significant

The path coefficient of 0.432 from Representation in Ads (RI) to Consumer Trust (CT) indicates a significant positive relationship in the study conducted at PT. XYZ. This finding suggests that PT. XYZ portrays diversity and inclusivity in its advertising directly influences how consumers perceive the brand's trustworthiness. By featuring diverse representations that resonate with the local community, PT. XYZ can enhance consumer trust, fostering a stronger connection and loyalty among its customer base. This underscores the importance of authentic and inclusive marketing strategies in building positive consumer perceptions and maintaining competitive advantage in the marketplace.

The path coefficient of 0.365 from Inclusion Policies (IP) to Consumer Trust (CT), with a significance level of 0.036, reveals a meaningful relationship in the study at PT. XYZ. This finding

suggests that the company's policies and practices aimed at fostering inclusivity have a direct impact on how consumers perceive its trustworthiness. By implementing inclusive policies that resonate with diverse consumer groups, PT. XYZ can strengthen consumer trust. This underscores the importance of organizational commitment to inclusivity, not only in external communications but also in internal practices, to build and maintain a positive reputation and consumer loyalty.

The path coefficient of 0.589 from Representation in Ads (RI) to Brand Perception (BP), with a significance level of 0.001, highlights a significant positive relationship observed in the study at PT. XYZ. This finding indicates that how PT. XYZ portrays diversity and inclusivity in its advertising directly influences how consumers perceive the brand. By featuring diverse representations that resonate authentically with the local community, PT. XYZ can enhance its brand perception. This underscores the importance of thoughtful and culturally sensitive marketing strategies that not only reflect societal diversity but also align with consumer values, ultimately contributing to a stronger brand image and competitive advantage in the market.

The path coefficient of 0.421 from Inclusion Policies (IP) to Brand Perception (BP), with a significance level of 0.012, indicates a significant positive relationship in the study conducted at PT. XYZ. This finding suggests that PT. XYZ 's efforts in implementing inclusive policies directly influence how consumers perceive its brand. By adopting inclusive practices throughout its operations and marketing initiatives, PT. XYZ can enhance its brand perception. This underscores the importance of organizational commitment to inclusivity, which not only shapes consumer perceptions positively but also strengthens brand equity and fosters long-term customer loyalty in a competitive market landscape.

The path coefficient of 0.632 from Consumer Trust (CT) to Brand Perception (BP), with a significance level of 0.000, underscores a highly significant positive relationship observed in the study at PT. XYZ. This finding indicates that consumer trust plays a pivotal role in shaping how PT. XYZ's brand is perceived by its audience. When consumers trust PT. XYZ's products, services, and corporate integrity, it positively impacts their overall perception of the brand. This highlights the critical importance of building and maintaining consumer trust through consistent quality, transparent communication, and genuine engagement. By prioritizing consumer trust, PT. XYZ can enhance its brand perception, cultivate stronger customer relationships, and differentiate itself effectively in the competitive marketplace.

The next test is an indirect test which is presented in the following table:

Table 2 Path Analysis (Indirect Effects)

Path	Original Sample	P - Value	Decision
RI -> CT -> BP	0.432 * 0.632	0.027	Significant
IP -> CT -> BP	0.365 * 0.632	0.041	Significant

The significant indirect effect of Representation in Ads (RI) on Brand Perception (BP) through Consumer Trust (CT) ($\beta = 0.432 * 0.632 = 0.273$, $p = 0.027$) underscores the pivotal role of consumer trust as a mediator in the relationship between advertising representation and brand perception at PT. XYZ. This finding suggests that when PT. XYZ portrays diversity and inclusivity effectively in its advertising, it enhances consumer trust. As consumers perceive PT. XYZ as trustworthy, their positive perceptions of the brand are strengthened. This highlights the importance of authentic and inclusive advertising

strategies in not only fostering consumer trust but also in shaping overall brand perception positively. By prioritizing representation that resonates with their audience and builds trust, PT. XYZ can cultivate stronger brand equity and maintain a competitive edge in the market.

The significant indirect effect of Inclusion Policies (IP) on Brand Perception (BP) through Consumer Trust (CT) ($\beta = 0.365 * 0.632 = 0.231$, $p = 0.041$) highlights the critical role of organizational inclusivity in shaping consumer perceptions at PT. XYZ. This finding suggests that when PT. XYZ implements inclusive policies that resonate with diverse consumer groups, it fosters higher levels of consumer trust. As consumers perceive PT. XYZ as genuinely committed to inclusivity, their trust in the brand strengthens, subsequently enhancing their overall perception of the brand's reputation and integrity. This underscores the importance of comprehensive inclusivity strategies not only in internal operations but also in external communications to effectively build consumer trust and bolster brand perception in a competitive market environment.

4. CONCLUSION

This research reveals that at PT. XYZ, good representation in advertising and inclusion policies have a significant positive impact on brand perception and consumer trust. The findings show that when PT. XYZ portrays diversity and implements effective inclusive policies, this not only directly increases consumers' trust in the brand, but also indirectly influences their positive perceptions of the brand's overall reputation. Therefore, it is important for PT. XYZ to continue to prioritize authentic and inclusive marketing strategies to build and maintain consumer trust and strengthen its brand image in a competitive market.

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