

Risky Business: Does Corporate Political Giving Affect Consumer Behavior?

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Abstract: To what extent do consumers' preferences change when they learn about firms' partisan allegiances? We address this question by conducting a series of experiments in which American respondents were presented with factual information about corporate political donations. In Studies 1 and 2, this information was conveyed subtly via a trivia quiz in which just one question was randomly varied to convey political or non-political information. Respondents were told the correct answer to each question. Outcomes were measured through future shopping intentions as well as a revealed consumer preference: respondents were invited to participate in a raffle for a \$10 gift card and asked which store's gift card they would like to receive if they were to win the raffle. Respondents who identify with a political party were significantly more likely to select gift cards for chains whose PACs support their party and less likely to select gift cards for chains whose PACs support the opposing party. In Study 3, a field experiment randomly assigned mailings disclosing the partisan campaign contributions by two large chains. When recipients responded to a seemingly unrelated survey several days later, their future shopping intentions were significantly affected by whether the experimental information indicated that the chain's political donations aided or opposed the respondent's preferred party. The results show that party attachments express themselves in consumer choice when information enables voters to identify retailers' partisan inclinations. We consider the policy implications of this finding in light of recent campaign finance rulings.

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Citizens in public opinion studies routinely decry the influence of special, and especially corporate, interests in politics (Shaw and Ragland 2000; Panagopoulos and Weinschenk 2016). Reformers worry that corporate political spending exerts a corrosive effect on the political process and undermines public trust (Klumpp et al. 2015; State of the Union 2010). These concerns have only intensified in the aftermath of the U.S. Supreme Court's landmark *Citizens United v. Federal Election Commission* ruling, which opened the door to unlimited corporate spending in elections, provided that it is independent and uncoordinated with campaigns.

Corporate spending has featured prominently in elections for decades, ever since the newly formed Federal Election Commission (FEC) issued an advisory opinion to the Sun Oil Company in 1975 that approved the formation of its corporate PAC and allowed corporate treasuries to fund overhead and indirect costs (Rozell and Wilcox 1999). Once the FEC gave the business community the green light, the number of corporate PACs grew rapidly. By 1984, the total number of PACs topped 4,000 (Rozell and Wilcox 1999: 77); as of July 2015, a total of 5,891 federal PACs were registered, 1,677 of which were corporate PACs. Between 1990 and 2014, political action committees (PACs) contributed more than \$4 billion to candidates running for office in the United States, according to the Center for Responsive Politics 2015). Corporate PAC spending typically accounts for about 40 percent of total PAC spending during an election cycle. Scholars estimate that about one-third of all U. S. House candidates' campaign receipts and one-fifth of all U.S. Senate candidates' funds come from PACs (Ainsworth 2002). Federal campaign finance laws limit how much corporate PACs can raise from individuals and direct to specific candidates' campaigns, but *Citizens* permits unlimited independent spending by corporations.

Scholars have argued that corporate campaign contributions help to secure favorable election outcomes or access to the winning candidates' offices (Snyder 1993). In addition to lobbying efforts, campaign contributions can help corporations to extract special favors from lawmakers, including government contracts, regulatory waivers, and government subsidies (Godwin and Seldon 2002). Empirical evidence linking contributions to legislators' roll call votes is mixed (Wawro 2001; Stratmann 1998, 1991; Wright 1990, 1985), but there is reason to believe that contributions facilitate access to elected officials (Kalla and Broockman 2015; Austen-Smith 1995; Langbein 1986).

While scholars have long studied corporate contributions to candidates and their effects on legislative behavior, the influence of corporate involvement in elections on voters and consumers has largely escaped scholarly attention. Many models of corporate giving in elections characterize their political behavior as highly strategic but overlook the prospect of public or consumer backlash (e.g., Masters and Keim 1985). For example, it is often noted that corporations generally support incumbents more often than challengers in congressional elections (Brunell 2005; Milyo et al. 2000) and give disproportionately to committee chairs and candidates of the political party in power in Congress (Rudolph 1999; Romer and Snyder 1994; Grier and Munger 1986). In addition, some corporations regularly favor one party's candidates for reasons that may reflect the ideological preferences of corporate leaders or the regulatory environment in which the corporation operates. Gimpel, Lee, and Parrott (2014, p.1037) report that 36% of industry sectors donate disproportionately to Republicans, 2% to Democrats, and the rest donate with "no discernible partisan preference." Whether or not corporate partisan support has the potential to affect consumer behavior remains an open question.

We address this question through a pair of survey experiments and a field experiment in which randomly assigned groups of respondents are exposed to factual information about which large national chains donated money to major-party candidates through their PACs. In Studies 1 and 2, this information was conveyed subtly via a trivia quiz in which just one question was randomly varied to convey information about political contributions. Respondents, whose party attachments were measured by a survey conducted a week earlier, were told the correct answer to each question. Respondents proved quite knowledgeable about most chain store trivia but tended to know little about these chains' campaign contributions. Outcomes were measured through a revealed consumer preference: in addition to describing their future shopping plans, respondents were invited to participate in a raffle for a \$10 gift card and asked which chain store's gift card they would like to receive if they were to win the raffle. We find strong statistical evidence that respondents who identify with a party are more likely to select gift cards for chains whose PACs support their party's candidates and less likely to select gift cards for chains whose PACs support the opposing party's candidates. This pattern is affirmed by a field experiment in which a new pool of subjects drawn from a national panel survey was sent one of two randomly assigned mailings that provided similar information about firms' contributions. Interviews conducted a week later suggest that respondents rewarded chains for their politically like-minded contributions and punished chains that supported the opposing party. Evidently, party attachments express themselves in consumer choice when voters are informed about a retailer's partisan sympathies. This is a form of political expression that is muted by the public's lack of awareness of corporate political contributions. We conclude by considering the implications of these findings for theories

of expressive partisanship and for policies concerning the disclosure of campaign contributions.

Political Consumerism

Over time, the study of political participation has gradually broadened from the study of voting to include a wide array of other ways in which citizens may convey their political views, such as participation in local affairs (Nie and Verba 1972), volunteer work (Verba, Schlozman, and Brady 1995), and protest activities (Barnes and Kaase 1979). The intellectual trend has increasingly called attention to the marketplace as a locus of political expression. The political consumerism hypothesis (Stolle, Hooghe, and Micheletti 2005; Anderson and Cunningham 1972; Keum et al 2004) contends that individuals select among products and producers based on social, political and ethical considerations, such as “fair trade” practices (Hainmueller, Hiscox, and Sequeira 2015), ethical labor standards (Hainmueller and Hiscox 2015), and corporate political activity (Shah et al. 2007: 219). Political expression via consumer choice has a long tradition in the United States dating to the colonial era, when boycotts were the centerpiece of American resistance toward British rule (Breen 2004).

Many scholars contend that political preferences shape consumer decisions to a political and economically important extent. Shah et al (2007: 232) argue that, “Consumer-citizens, who exercise their political values and concerns through their consumption patterns, view the economic realm as a meaningful sphere in which to advance their moral and social concerns.” Responses to corporate activity may take the form of boycotts (punishing business for unfavorable behavior by withholding demand) or buycotts

(rewarding business for favorable behavior by increasing demand). For many, political consumerism provides an alternative mode to engage with public issues outside of conventional political channels (Nielsen 2010; Shah et al. 2007; Bennett and Entman 2001). Large segments of the American public report that they engage in boycotts and buycotts (Panagopoulos and Endres 2016; Newman and Bartels 2011), and this phenomenon is common in Western Europe (Ferrer-Fons and Fraile. 2014), the Middle East (Benstead and Reif 2015; Farah and Newman 2010), and in Latin America (Echegaray 2015). By using the market to express political and moral concerns, political consumerism is a manifestation of what Bennett (1998) terms “lifestyle politics” and reflects the broader tendency to find political meaning in recreational experiences, entertainment choices, fashion decisions and other personal choices (Shah et al. 2007: 219).¹

Is political consumerism a force that corporations must heed? Consumer demand increases when products are advertised with reference to widely-shared values such as support for human rights (Hainmueller et al. 2015; Hainmueller and Hiscox 2015a) or environmental protection (Hainmueller and Hiscox 2015b), and these values very often appear in the “mission statements” that corporations feature on their websites.

¹ Political consumerism has been observed in many countries and contexts (Stolle, Hooghe and Micheletti 2005; Stolle and Micheletti 2015). Individuals concerned about the environment, for example, are more likely to seek and purchase environmentally friendly products (Minton and Rose 1997). Research has found that women, young people and more educated individuals are particularly likely to make consumption decisions based on political considerations. Media use, and especially news consumption, seems to predict politically motivated consumption, presumably because it provides signals to consumers about politically-relevant corporate activity (Holt 2000; Keum et al. 2004). Although we restrict our attention here to political partisanship, our empirical strategy readily extends to these other political domains.

As we move from consensus values to more contentious issues, overt support becomes rarer. Anecdotal evidence suggests that corporations are wise to avoid entangling themselves in divisive political issues. A telling case in point arose in June of 2012, when the American fast-food chain Chick-fil-A became the center of controversy. Dan T. Cathy, the company's chief operating officer made comments opposing same-sex marriage, and reports surfaced that the company's charitable arm, the WinShape Foundation, had donated millions to organizations hostile to same-sex marriage rights. Opponents called for protests and boycotts nationwide, while supporters rallied to eat at the restaurants (Severson 2012). A few weeks later, the chain issued a statement stating that, "[g]oing forward, our intent is to leave the policy debate over same-sex marriage to the government and political arena."

One implication of the Chick-fil-A example is that corporations wade into *partisan* politics at their peril. Party affiliation has long been recognized as an especially important political orientation (Campbell et al. 1960), and recent work has underscored the range of ways in which partisan attachments express themselves. Building on social identity theory (Tajfel & Turner 1979), experiments by Huddy et al. (2015) show that partisans' political actions, such as campaign involvement, express a deep-seated group identity, which in turn leads partisans to rise to the defense of the party in-group. Although Huddy et al. (2015) did not analyze consumer behavior, their hypothesis about the expression of partisan social identity predicts that consumers will react to information about corporate campaign activity in ways that reflect their partisan predispositions. Corporations that support the opposing party will be perceived as a threat to the partisan in-group, while those that support one's own party will be seen as meriting in-group loyalty. In the next section, we

devise a test of this hypothesis by assessing the extent to which partisans change their consumer behavior based on information about which political parties corporations support through their PACs.

Experimental Design: Studies 1 and 2

During the summer of 2015, we conducted two survey experiments, both using the same basic experimental design but with different subjects. In the first study, we randomly assigned information about two types of franchises, hamburger restaurants and large retail chains. In the second study, we expanded the list of categories from two to four by including pizza restaurants and drug stores.

In order to ensure that our experimental intervention was relevant to the participants, each survey experiment was conducted over two waves of interviews. In the first wave, Amazon Mechanical Turk workers were paid a small fee of \$1 to complete a brief five minute survey that assessed (1) the frequency with which they patronized each of the stores that would later appear in our quiz, (2) their ratings of these stores, (3) their party identification, and (4) demographic characteristics. Respondents were also asked whether they would be willing to participate in a follow-up survey. A total of 3,809 respondents completed the baseline survey in Study 1; another 3,739 completed the baseline survey in Study 2. Approximately a week later, we invited a subset of the baseline respondents to complete a follow-up survey. Invitations were extended to those who indicated a willingness to complete a follow-up survey, maintained an active Mechanical Turk account, provided an answer to the baseline survey's party identification question, and did not indicate that they "never" patronize any of the stores in one or more of our

store categories. Invitations were extended to 3,457 participants in Study 1 and 3,413 in Study 2.

In order to motivate subjects to attend closely to the content of the quiz, the second wave survey was prefaced with the following instructions: “We will be asking you factual questions about some of the places where you may eat and shop. At the end of each section, you will be given the opportunity to enter a random drawing to win one of one hundred \$10 gift cards. For each question you answer correctly, we will add an additional entry for you in order to increase your chances of winning.” The overwhelming majority of respondents (96%) indicated their willingness to participate in each lottery, which is not surprising given that the prize was large in relation to the flat wage paid to those who participated in the survey.

In each study, we randomly assigned subjects to one of five experimental groups.² The first quiz focused on three hamburger chains (Burger King, McDonald’s, and Wendy’s). The first three questions of the quiz focused on non-political content (e.g., Which of the three chains was the first to introduce a “dollar menu?”). All respondents saw the same three initial questions and answers. The fourth question was manipulated randomly. In the *Republican Percentage* condition, subjects were asked “Which of these companies gave the largest percentage of their political contributions to Republican candidates in 2014?” and, after answering, told that the correct answer is Wendy’s: “Through their political action committee, Wendy’s gave 93% of their total political contributions to Republican candidates in 2014.” In the *Democratic Percentage* condition, subjects were asked “Which

² In Study 1, we included a sixth condition that asked subjects about which chain contributed the most to both parties. We excluded this condition from Study 2 because we had no clear theoretical prediction about how subjects would respond to this information, and, indeed, it produced no apparent treatment effect.

of these companies gave the largest percentage of their political contributions to Democratic candidates in 2014?” and, after answering, told that the correct answer is Burger King. In the *Republican Amount* condition, subjects were asked “Which of these companies gave the most dollars to Republican candidates in 2014?” and, after answering, told that the correct answer is McDonald’s. The *Democratic Amount* question was worded similarly, and again the answer is McDonald’s. Finally, a control condition asked subjects a non-political question: “In 2010, which restaurant added sea salt to their fries?” It should be noted that all of the information provided to respondents was factually accurate; by framing the questions in different ways, we were able to call attention to the partisan coloration of a particular chain. None of the other questions in the second wave survey asked about politics until after outcome measures were gathered.³

After each quiz, subjects were asked whether they would like to participate in a lottery for one of the one hundred \$10 gift card prizes. There were no apparent effects of the treatment on willingness to participate in the lottery for any of the quizzes in either Study 1 or Study 2.⁴ Those who agreed were then asked, “Which of the following companies would you like to receive a gift card to if you win the raffle?” and presented with the list of stores that appeared in the quiz. After selecting a gift card, respondents were asked their future shopping intentions. This sequence of randomly assigned quiz content, gift card preference, and anticipated patronage of each store was repeated for retail stores,

³ At the very end of the survey, after all relevant consumer outcomes had been measured, we asked about which party’s candidate the respondent intended to vote for in the 2016 congressional elections.

⁴ In Study 1, 96.2% of respondents assigned to a treatment and 96.0% of respondents assigned to the control agreed to participate in the lottery. In Study 2, 96.0% of respondents assigned to a treatment and 95.1% of respondents assigned to the control agreed to participate.

pizza restaurants, and drug stores.⁵ Table 1 summarizes the number of respondents assigned to each experimental condition and indicates the correct answer to each experimentally manipulated question. As expected, random assignment to treatment condition is statistically unrelated to respondents' background covariates as measured in the baseline survey wave: age, gender, approval of Obama, and the frequency with which they patronize the largest chain store in each of the store categories. Multinomial regression of the assigned experimental condition on these covariates produces insignificant likelihood ratio statistics. The *p*-values for the eight random assignments range from 0.11 to 0.63.

The distribution of quiz answers strongly suggests that the political information was novel to respondents. Table 2 summarizes answers to each of the quiz questions. Whereas, for example, a large proportion of subjects knew that bacon is not a standard ingredient in Burger King's "whopper" hamburger, answers to the factual questions about political donations were scarcely more accurate than would be expected by random guessing. The fact that the political information is new to respondents has important implications for the interpretation of our results because it suggests that a large majority of each treatment group had an opportunity to update their evaluations of the chain stores based on the information provided.

How subjects respond to information about political contributions presumably depends on their own party attachments. Republicans should evaluate Wendy's more favorably upon learning that Wendy's is the hamburger chain that gives the largest

⁵ The sequence in which the chain stores were presented was randomly assigned, and a fresh random assignment of experimental condition was performed for each store category.

proportion of its donations to Republicans; the same news should produce a less favorable assessment among Democrats. For this reason, we assess treatment effects separately according to whether subjects identified as Republicans or Democrats in the baseline survey of each study. This classification used the initial question to the traditional party identification measure used by the American National Election Studies since the 1950s: “Generally speaking, do you usually think of yourself as a Republican, a Democrat, an Independent, or something else?”⁶ Although the distribution of partisans in our two studies is more Democratic than would be typical of a representative national survey, we nevertheless have ample numbers of Democrats and Republicans for purposes of assessing treatment effects for each partisan group. In the first study, we obtained responses from 972 Democrats and 363 Republicans; in the second study, 1,029 Democrats and 466 Republicans.⁷ Taken together, we have a total of 48 experimental comparisons: six sets of experimental tests (hamburger chains and retail stores in Study 1; hamburger, retail, pizza, and drug stores in Study 2), each featuring four treatment group comparisons to a control condition, which are in turn considered separately for self-described Democrats and Republicans. This wealth of comparisons provides a precise assessment of whether and to what extent political information affects subjects’ gift card preferences.

⁶ Similar results are obtained when one expands the definition of each partisan group to include “leaning independents” based on the standard American National Election Study follow-up question that asks independents whether they feel closer to one party or the other.

⁷ When conducting Study 2, we inadvertently allowed 835 subjects who participated in the first study to participate in the second study. For all calculations, we exclude repeat subjects from Study 2 on the grounds that participation in the first study may have affected these subjects’ behavior in the second study (whether through learning or perceiving a desired response from the researchers). As it turns out, we obtain similar results with and without these repeat subjects.

Results. Table 3 presents detailed results for each study, treatment condition, and partisan group. Our statistical analysis summarizes the relationship between political information and gift card preference. For each of the 48 comparisons of a treatment group with a control group, we assess whether the apparent treatment effect is in the predicted direction. For Democratic respondents, the prediction is that demand for gift cards from firm j diminishes (increases) when that firm is shown to support Republicans (Democrats). For Republicans, these predictions are reversed. We find that 36 of the 48 comparisons point in the predicted direction. Randomization inference shows that a set of predictions this lopsided would occur by chance with $p = 0.0004$.⁸

Next, we calculate the average effect of negative and positive political information on gift card demand. Across all 48 comparisons, gift card demand changed by an average of 3.89 percentage points in the predicted direction. In order to calculate the confidence interval surrounding this estimate, we use randomization inference and assume that the effect of treatment in the predicted direction is the same for every subject (Gerber and Green 2012, pp. 67-71). We obtain a 95 percent confidence interval ranging from 2.0 to 5.1 percentage points in the predicted direction. Overall, we find a robust change in gift card demand when a firm is revealed to support or oppose respondents' preferred party.

The average shift in preference across all of the assigned information conditions arguably understates the true magnitude of the information effect. In some instances, the information revealed to respondents conveys at most a weak signal of party support. (See

⁸ The reference distribution was generated by simulation, permuting the assignment of treatment conditions 10,000 times and assessing the resulting distribution of comparisons that came out in the predicted direction. This method accounts for dependencies that arise due to the fact that multiple treatment arms are compared to the same control group.

Table A1 for a summary of chain stores' contributions.) Among pizza chains, for example, the largest percentage donor to Democrats is Domino's, but that firm gives Democrats a meager 22%. It should not be surprising to find in Table 3 that this information fails to make Domino's appreciably more attractive in the eyes of Democrats or less attractive in the eyes of Republicans. Because we provided only truthful information to respondents (and therefore did not randomly vary the reported donations made by each corporate chain), our experiment does not allow for a direct test of the hypothesis that party support matters most when corporations display substantial support, but the data certainly hint that this is the case.

One interesting feature of our experimental design is that it enables us to assess whether estimated treatment effects among Democrats are equal in magnitude but opposite in sign to the corresponding effects among Republicans when both groups receive the same information. Figure 1 demonstrates that this in fact the case. The horizontal axis gauges effect size among Democrats, and the vertical axis gauges effect size among Republicans. The hypothesis of equal and opposite effects implies a downward sloping regression line passing through the origin at a 45-degree angle, and the observed effects on average follow this predicted pattern. Apparently, the same news that raises a firm's stature in the eyes of one party lowers it correspondingly in the eyes of the opposing party.

Robustness Checks and Placebo Tests. This section reports the results of a series of further tests to establish that the effect on consumer preferences shows up where we expect it and does not show up where we do not expect it. First, we test whether the effect is apparent when consumer preference is measured by an outcome other than choice of gift

card. Respondents were asked directly about their future shopping and dining intentions. For example, respondents were asked, “Thinking ahead, and using the following scale, how often do you plan to eat at the following hamburger restaurants?” An ordered series of five response options ranged from “several times a week” to “never.” In order to compare treatment and control response distributions, we used ordered logit to regress frequency of anticipated dining or shopping on a dummy variable for treatment. Consistent with the findings regarding the gift card, we found 39 of 48 estimated treatment effects to be in the predicted direction ($p < 0.0001$). See the Appendix for full results with and without controls for pre-treatment covariates.

Second, we note that Republicans and Democrats do not respond strongly or systematically to information that carries no partisan valence. When learning that a restaurant or chain store is the largest *overall* campaign donor, partisans neither reward nor punish the firm with enhanced or diminished demand for gift cards or expected future purchases.⁹ By the same token, the partisan information described above seems to have no systematic effect on self-described independents. It appears that two conditions must hold before consumers reward or punish firms for their political contributions: the consumers themselves must harbor a party attachment, and the information they receive about contributions must specify which party the firm supports.

Experimental Design: Study 3

Studies 1 and 2 demonstrate that partisans respond to information about restaurant

⁹ In the first round of data collection, “total contributions” was one of the randomly assigned quiz questions. Both Democrats and Republicans showed small but insignificant increases in gift card demand for both the biggest donors (McDonald’s and Walmart).

and retail chains' record of partisan support. The results are robust across parties and outcome measures, yet two questions remain about the generalizability of the results. The first is whether the effect can be induced in some way other than via a quiz that incentivizes respondents to pay close attention. The second is whether the treatment effect persists over time – Studies 1 and 2 asked respondents about their preferences and intended behavior shortly after they encountered the experimental information. In order to address these questions, Study 3 tests the effect of a postcard mailed to the home address of panel survey respondents, who answered an end-line survey a week later.

We partnered with YouGov/Polimetrix, which recruited a sample of respondents from its nationwide online panel. Subjects were restricted to self-identified Democrats or Republicans based on the stem question of the conventional American National Election Study party identification measure.¹⁰ In keeping with Studies 1 and 2, respondents completed a preliminary survey that probed them about basic political attitudes and consumer preferences and behaviors (see Appendix for survey instrument). These responses furnish pre-treatment, baseline measures of social, political, and consumer attitudes and behaviors. A total of 1,658 respondents completed the initial wave of our survey, fielded June 15-24, 2016.

Our experimental treatment consisted of a postcard mailing designed to provide information about the political contributions of firms in the 2014 federal elections. To maximize attention to the treatments, a professional graphics designer produced color postcards that were visually engaging. The content of the postcards was designed to parallel as closely as possible the key treatment elements in Studies 1 and 2. (See Appendix

¹⁰ Thus, independents and leaning partisans are excluded.

for reproductions of the postcards.) To enhance power, we focused on just two chain stores with sharply contrasting patterns of party support. One postcard highlighted PAC contributions by Bed Bath & Beyond, a chain that contributed 71% of its PAC contributions to Democratic candidates in the 2014 cycle; the other provided parallel information about Wendy's, a chain that directed 93% of its contributions to GOP candidates in 2014.¹¹ The postcards also noted that these percentages were higher than two competing firms in each commercial category (McDonalds and Burger King for hamburger chains; Target and Walmart for big-box chains).

YouGov/Polimetrix randomly divided the subject pool in half and designated half of the respondents to receive the Bed Bath & Beyond postcard and the other half to receive the Wendy's postcard. Postcards were mailed using first-class postage on June 30, 2016 and were expected to arrive between July 5th and 6th.

Approximately one week following expected delivery of the postcards, during the period July 13-20, YouGov/Polimetrix fielded a follow-up online survey among subjects who had completed the baseline survey and were mailed a postcard. The second wave of the survey featured question items about respondents' social and political views, and, crucially, about future consumer intentions. A total of 1,446 subjects completed the follow-up wave of the survey, for a reinterview rate of 87%. Reinterview rates differed insignificantly across experimental conditions: 86.6% among those receiving the Wendy's

¹¹ The postcards informed respondents that the percentages reported were based on numbers compiled by opensecrets.org. The text of the postcards characterize the contributions as PAC contributions, but the opensecrets.org statistics we cited combine PAC contributions with contributions from corporate executives. Statistics reported in the two MTurk studies were characterized in a similar way, due to our misreading of the opensecrets.org report. We do not expect that our mistaken characterization affected the way in which subject perceived the information.

postcard and 87.9% among those receiving the Bed Bath & Beyond postcard. Those who completed the end-line survey were 72% white, 58% female, and 58% self-identified Democrats. Fully 67% reported that they eat at Wendy's at least "a few times a year" in the baseline survey; 58% reported that they shop at Bed Bath & Beyond at least "a few times a year."

Our outcome measure is drawn from a series of survey items probing subjects about their consumer intentions. Using the wording and format as in Studies 1 and 2, one set of questions asked respondents about their consumer intentions with respect to three, fast-food hamburger chains (in random order: Wendy's, McDonalds and Burger King), while another set inquired about big-box shopping intentions at Target, Walmart, and Bed Bath & Beyond, randomly ordered. For each firm, subjects indicated whether they expected to eat or shop at each firm respectively either "several times a week," "about once a week," "once or twice a month," "a few times a year," or "never." Because this outcome measure is a series of ordered categories, we use ordered logistic regression to estimate the latent treatment effect.

As a manipulation check, the second wave survey concluded with two knowledge questions that tested participants' ability to recall the content of the postcards. One question asked "Which of the following hamburger restaurants gave the highest percentage of its political contributions to Republicans in 2014?" The other asked "Which of the following big box stores gave the highest percentage of its political contributions to Democrats in 2014?" The results leave no doubt that the mailing made the treatment group significantly more knowledgeable. Just 5.7% of the control group correctly answered the first question, as compared to 23.6% of the treatment group. The second

question was correctly answered by 3.3% of the control group and 12.7% of the treatment group. The p -values of these contrasts are well below 0.0001 in both cases.

Results. Table 4 estimates the average treatment effect for each of four experimental contrasts. Among Democrats, news that Wendy's contributes overwhelmingly to Republicans should diminish their willingness to dine there in the future; for Republicans, this information should increase their willingness to do so. The Bed Bath & Beyond postcard should increase shopping intentions among Democrats but decrease them among Republicans. Results from the raw comparison between treatment and control groups are ambiguous, but controlling for dining and shopping patterns measured in the baseline survey sharpens the results considerably. After controlling for baseline consumption, all four estimates are in the predicted direction. In columns 2 and 5 of Table 4, the four estimated t -ratios for the treatment effects are -1.73, 1.02, 0.63, and -1.29. To calculate the one-sided joint significance of these estimates, we code them all in the positive direction to obtain an average t -ratio; the p -value of obtaining an average statistic at least this large in four tests is less than 0.01. Adding further covariates for baseline consumption at competing chain stores (columns 3 and 6) produces similar results, again with $p < 0.01$.

How large is the effect in substantive terms? Using meta-analysis to pool the four ordered logistic regression coefficients from the full set of covariates indicates that the postcards on average changed latent demand by 0.215 logits. This movement on the logistic scale is equivalent to shifting the proportion saying that they plan to "never" patronize a chain store from 26.9% (in the control condition) up to 31.3% (in the negative information condition) or down to 22.9% (in the positive information condition). This shift

in demand is similar in magnitude to what we found in Studies 1 and 2 and similar also to the results of other field experiments that test the effects of information about fair trade (Hainmueller et al. 2015), sweatshop labor (Hainmueller and Hiscox 2015a), or environmental pollution (Hainmueller and Hiscox 2015b). Whereas previous experiments have demonstrated the effect of information on demand for specific products, ours show that information also affects demand for one chain store over another.

Discussion

Although the literature on party identification is vast, political scientists seldom study the effects of partisanship on consumer behavior (for an exception, see Gerber and Huber 2009), presumably because behaviors such as shopping and dining are considered outside the scope of politics. Our experiments suggest that consumer preferences can be shaped by party attachments. Consumers who identify with a major party respond to information about the partisan coloration of firms such as Wendy's or Walmart. It appears that few people have much background knowledge about the political sympathies of leading national chains, but when told which corporations are the largest or most lopsided contributors to a political party, respondents express their partisanship through their consumption choices. Democrats and Republicans reward firms that provide financial backing to their party and punish firms that contribute money to the opposing party. This effect was demonstrated decisively in Studies 1 and 2, which were carried out in the context of an on-line survey experiment. Study 3 was less far-reaching in terms of chain stores and less powerful than the two studies that preceded it, but its design assesses the narrow but important question of whether this effect can be produced outside the survey

context and sustained over several days. The overall pattern of results confirmed that partisans reward or punish firms upon learning that their campaign contributions lopsidedly favor one party.

The magnitude of this effect is large enough to be economically meaningful. In Studies 1 and 2, informing respondents about which firm is the most ardent contributor to their party increases their average probability of selecting that firm's gift card by 3.89 percentage points. Since the average firm in our study commands approximately 31.5% of the gift card market in its restaurant or retail category, this effect implies a sizeable shift in the share of gift cards that a single firm commands. Study 3 produces effects that are similar in magnitude on an underlying logistic scale.

Although this manifestation of partisan attachments is important to those who study political expression, the market implications of this phenomenon are ambiguous. If equivalent numbers of Democrats and Republicans move in opposite directions in response to this information, the net effect on consumer preferences is zero. However, in regions where the partisan balance strongly favors one party (e.g., New York City), this type of information could change a firm's market share. Interestingly, a partisan reputation might be risky even in areas where the firm's preferred party predominates. If people shop or dine in politically heterogeneous groups, putting off one member of such a group may redirect its business elsewhere.

From a policy standpoint, one potentially disturbing ramification of these findings is the possibility that they might persuade some corporations to disband or deemphasize their PACs in favor of more opaque categories of political financing. These opaque methods of funding – known colloquially as “dark money” – include giving to organizations like the

Chamber of Commerce or Crossroads GPS, which have refused to disclose their donors on the grounds that their activities are not electioneering. Ironically, Justice Kennedy, writing for the majority in *Citizens United*, repeatedly asserts that disclaimer and disclosure requirements are constitutional and pose no chilling effect on speakers without seeming to notice that the Court's decision in *Citizens United* and earlier cases create loopholes that allow donors to avoid disclosure.

We think of our findings as demonstrating the potential importance of disclosure. The fact that a sizable subset of respondents rewarded or punished companies for their political giving by choosing, at least in the short run, to take their patronage elsewhere confirms business and politics might not always mix. That, in turn, provides real impetus behind information products such as the "Buy Partisan" app, which makes a corporation's political giving easier for shoppers to see. Although our results focus solely on party-related information, future research may demonstrate comparable effects when firms are associated with political causes, such as environmental conservation, gender equality, or support for human rights.

Finally, our findings give credence to legislative proposals designed to enhance disclosure so that the public is informed about the financial backers whenever communications mention candidates. Given the uncertain prospects of such legislation in the current political environment, the fact that many major donors of dark money are publicly traded corporations creates other options to shine light on their activities such as shareholder suits or SEC-required disclosure. Our study suggests that, if successful, these disclosure channels would provide information that consumers find relevant.

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