How political polarization is rewriting the marketing plan

As national-populism surges, a brand’s perceived country of origin has become a key factor in shaping marketing strategies.



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Much has been written on how marketing can influence elections, but less on how elections

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shape marketing. When national-populists win elections, public policies — on everything from culture to trade and immigration — shift toward domestic priorities. Beyond these macro effects, populist election victories can also influence consumer behavior, making foreign brands seem less aligned with national interests.

In consumer societies, political preferences show up in everyday choices. After elections fueled by nationalist sentiment, products associated with the homeland often gain favor over foreign brands. For instance, were you to open a fridge in some homes in England post-Brexit, you would likely be confronted with an array of products — sausages, milk, eggs, bacon — all proudly touting their credentials as locally produced.

This raises a key challenge for foreign brands that rely on national associations for prestige, like German cars or French wines. What happens when a country-of-origin label shifts from being a badge of quality, expertise and heritage to becoming a potential sales liability?

Nationalism at the wheel

The automobile industry is closely tied to national identity in the United States (as it is in many other countries), making it an excellent petri dish for studying nationalism and consumer behavior. Although car production is highly globalized, country-of-origin perceptions still shape whether consumers view a brand as “foreign” or “domestic.”

To study the impact of national-populist election victories on advertising and price promotion effectiveness for foreign and domestic brands, with coauthor Daniel Brannon (University of Northern Colorado), we used data on all new vehicle registrations in Texas from September 12, 2016, to January 8, 2017, covering the eight weeks before and after the 2016 U.S. presidential election — the first time that Donald Trump was elected. We also conducted complementary experiments in France, including the 2024 EU parliamentary elections, which saw Marine Le Pen’s far-right National Rally party make historic gains.

Our findings show that following a national-populist election victory:

- **Advertising** became more effective for domestic brands, resulting in a 0.047% increase in market share, while advertising effectiveness declined for foreign brands, which lost 0.155% of market share.
- **Price promotions** generated much larger gains for domestic brands, increasing market share by 0.297% compared with only a 0.074% increase for foreign brands.

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Overall, following a national-populist election victory, foreign brands faced greater difficulty using two of the main marketing tools to attract customers — advertising and price promotions — while domestic brands gained a clear competitive advantage.

Tips for managing domestic vs. foreign perceptions

The combined GDP of countries where national-populist parties have recently found success (namely, Argentina, France, Germany, Hungary, Netherlands, Poland and the United States) exceeds $40 trillion, representing roughly 35% of the world's economy. Considering the scale of economic activity, understanding the shifts in marketing tool effectiveness as a result of these election outcomes is critical for both marketing professionals and policymakers.

We recognize that marketers for both foreign and domestic brands may be tempted to obscure their country of origin to reduce volatility in advertising and price promotion effectiveness. However, think it through carefully: Minimizing politically sensitive signals in your marketing may help stabilize sales, but if consumers sense either a lack of transparency or an attempt to hide something, your marketing plan could backfire.

Instead, emphasize tangible local contributions. For foreign brands operating domestically, highlighting local manufacturing, local job creation and local supply-chain investments can help mitigate the negative effects of pro-domestic sentiment. For example, Toyota's U.S. manufacturing presence in Texas helped counteract the decline in advertising and price promotion effectiveness near its facilities.

Relatedly, marketing professionals should also take care when they consider playing up domestic contributions. Put simply, marketing basics still hold: Adapt your strategy according to your market (and in some cases region). In areas with strong national-populist support, some brands may benefit from patriotic messaging (see Budweiser's 2026 Super Bowl ad "American Icons"), while in other markets (or regions) with lower support for nationalist parties, a more traditional advertising focus may work better.

Remember, it's important to strike a balance and strategically decide on whether your brand will benefit from a foreign, domestic or neutral attribution. Some foreign brands carry high risk, while others have strong identities tied to positive attributes like quality and reliability,

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making them valuable even in politically charged environments. Domestic brands carry similar risk/benefit offsets that managers also need to consider. Pick your brand strategy with a long-term focus and the knowledge that its foreign vs. domestic attributions carry some risk.

Help from policymakers

There are also actions that policymakers can take to address some of these marketing concerns. For example, more transparent country-of-origin labeling would help consumers make informed decisions and reward companies for actual, rather than perceived, local economic contributions.

These policies are needed because globalized supply chains mean that a “foreign” car built in Kentucky supports U.S. jobs, while a “domestic” car built in Mexico does not. For instance, Toyota, often seen as “foreign,” manufactures 61% of its U.S. vehicles domestically, whereas for Chrysler, a traditionally “American” brand, it’s just 33%.

In other words, the consumer shift toward domestic brands is often driven more by perception and emotion than by actual real-world impact. The biggest winners are often the companies themselves and their shareholders, who benefit from brand loyalty, regardless of where their products are made.

Policymakers should, therefore, focus on education efforts regarding the reality of global supply chains. Informing the public about where products are made and how foreign brands contribute to local economies can reduce misperceptions and help align consumer behavior with desired policy goals.

MORE INFO: “When politics changes the game: The impact of national-populist election victories on advertising and price promotion effectiveness for foreign and domestic brands,” by Chadwick Miller, Albert Valenti, Daniel Brannon and Inigo Gallo, is published in the *Journal of the Academy of Marketing Science* (2026).

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