Consumers’ Reactions to Multiple Instances of Negative Publicity: The Role of Publicity Domain Similarity

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CONSUMERS’ REACTIONS TO MULTIPLE INSTANCES OF NEGATIVE PUBLICITY:
THE ROLE OF PUBLICITY DOMAIN SIMILARITY

by

BERNA BASAR

A dissertation submitted to the Graduate Faculty in Business in partial fulfillment of the requirements for the degree of Doctor of Philosophy. The City University of New York.

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by

Berna Basar

This manuscript has been read and accepted for the Graduate Faculty in Business in satisfaction of the dissertation requirement for the degree of Doctor of Philosophy.

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THE CITY UNIVERSITY OF NEW YORK
ABSTRACT

Consumers’ Reactions to Multiple Instances of Negative Publicity: The Role of Publicity Domain Similarity

by

Berna Basar

Advisor: Sankar Sen, PhD

Although it is very typical for consumers to be exposed to multiple instances of negative publicity about a brand, existing research has focused on consumers’ reactions to one-time negative publicity instances. Given the important role of self-brand connection in consumers’ reactions to negative brand-related information, the current study investigates how consumers with different self-brand connection levels react to multiple instances of negative publicity in a single domain versus across different domains. Specifically, I suggest that consumers with high self-brand connection might be defense motivated, which in return, might result in justification of one-time instances unless consistency in behavior is signaled. Therefore, consumers with high self-brand connection might have lower brand evaluations after being exposed to multiple instances of negative publicity in the same domain versus across different domains. On the other hand, consumers with low self-brand connection might be accuracy motivated and perceive negative brand-related information very diagnostic. Thus, these consumers might readily attribute responsibility to the brand after a one-time negative publicity instance, and repeated publicity instances in the same domain might have less informational value. Since each different publicity instance would have an incremental effect in their brand evaluations, consumers with low self-brand connection might have lower brand evaluations after exposure to multiple instances of negative publicity across different domains versus in the same domain.
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Instances of negative publicity are widely prevalent in the marketplace given reports of unethical brand behaviors have become a regular feature on TV programs, newspapers, radio stations, and websites. In many cases, consumers are exposed to multiple instances of negative publicity about a brand. Moreover, these instances might be in the same domain, which refers to the areas of a firm’s policies and actions (Peloza and Shang 2011), or across different domains. For instance, in 2017, Nestle experienced multiple negative publicity instances in diverse domains and was accused of breaking child labor laws (Bloomberg 2017a), destructing rainforests for palm oil (Bloomberg 2017b), and making billions from bottled water without paying anything (The Guardian 2017). However, in other cases, brands experience multiple negative publicity instances in a single domain, such as the anti-union labor practice accusations Walmart repeatedly encountered (Huffington Post 2013, The Atlantic 2015). Although it is very typical for consumers to be exposed to multiple instances of negative publicity about a brand, prior research has focused on consumers’ reactions to one-time instances of negative publicity. However, the information integration literature suggests that the overall evaluation of an object becomes more extreme as the amount of information known about the object increases, even when the value of each piece of information is held constant (Yamagishi and Hill 1983). Therefore, one can expect consumers to have different reactions when they are exposed to multiple instances of negative publicity about a brand. As an attempt to understand effects of multiple negative publicity instances on brands in a realistic setting, the main objective of this research is to examine how consumers respond to multiple instances of negative publicity that are either in a single domain or across different domains.
Prior research examining the role of consumer-brand relationship on consumers’ reactions to negative publicity shows that self-brand connection with the brand plays an important role during the times of negative publicity (Sen and Bhattacharya 2001, Swaminathan, Page, and Gürhan-Canli 2007; Lisjak, Lee, and Gardner 2012). Specifically, when a brand that consumers identify with is threatened, a threat to the brand elicits the same responses as a threat to the self (Cheng, White, and Chaplin 2012). Because consumers want to preserve the integrity of the self during the times of crisis encountered by the brand, they react to negative information about the brand with a defense mechanism (Lisjak et al. 2012). In the current study, I suggest that consumers who are exposed to multiple instances of negative publicity about a brand in the same domain versus in different domains will have different brand evaluations depending on their self-brand connection level.

Specifically, I suggest that individuals with low self-brand connection will process negative brand-related information with higher accuracy motivation, which in turn will result in lower brand evaluation when they are exposed to multiple instances of negative publicity in different domains versus in the same domain. On the other hand, individuals with high self-brand connection will process negative brand-related information with defense motivation, which in turn will result in lower brand evaluation when they are exposed to multiple instances of negative publicity in the same domain versus in different domains.

By this research, I intend to make several contributions. First, and most basically, this project aims to contribute to the CSR literature by showing that consumers’ reactions to multiple instance of negative publicity is different and more complex than their reactions to one-time negative publicity. Second, this study also extends the prior research in self-brand connection by showing how accuracy motivation affects reactions, given by consumers with low self-brand
connection, to negative brand-related information. Third, this study aims to contribute to the information integration literature by showing how different motivations affect consumers’ responses to multiple pieces of negative information about brands. Finally, this research intends to provide practical implications for marketing practitioners by investigation specifically when encountering multiple instances of negative CSR publicity might cause them to lose their most valuable consumers, namely, consumers with high self-brand connection.

Next, in chapter two, I will present the conceptual framework and the predictions of the current research. Then, in chapter three, I will discuss the studies conducted to test the proposed hypotheses. Finally, in chapter four, I will provide additional thoughts for general discussion.
CHAPTER 2: CONCEPTUAL FRAMEWORK

2.1. Negative Publicity

Today, consumers have access to a wide variety of outlets for brand information, including traditional media and new media, such as online news forums, webcasts, and podcasts. Although these outlets have provided brands with new opportunities for reaching more consumers, they have also made it more difficult for brands to restrict or manage negative publicity about their unethical business practices. Given how prevalent negative publicity is in the marketplace, previous research has examined negative publicity in many diverse domains, such as employee relations, human rights, diversity, corporate governance, environment, and product (Du, Bhattacharya, and Sen 2017; Sen and Bhattacharya 2001). Based on this literature, many factors, that mitigate or worsen the consequences of negative publicity, have been identified. Accordingly, whereas commonness of the crisis among the population of interest (Lei, Dawar, and Gürhan-Canli 2012) might have a buffering effect, self-relevance of the negative publicity domain (Trump 2014), perceived controllability of the crisis (Sinha and Lu 2016), and consumers’ personal support of the negative CSR publicity domain (Sen and Bhattacharya 2001) might worsen the negative consequences of company misbehavior. Scholars have also examined the role of brand-related factors during the times of crisis and have shown that innovativeness of the brand (Barone and Jewell 2013), having an exciting brand personality (Aaker, Fournier, and Brasel 2004), having a smiley CEO (Gorn, Jiang, and Johar 2008), and a prior positive reputation for CSR (Klein and Dawar 2004; Eisingerich and Bhardwaj 2011), all mitigate the negative consequences of negative publicity about a brand. However, some other brand-related factors such as conflicting CSR statements of the brand (Wagner, Lutz, and Weitz 2014), anthropomorphized brands (Kwak, Puzakova, and Rorereto 2015; Puzakova, Kwak, and
Rocereto 2013), and prior negative CSR associations (Kim 2014) can worsen the consequences of negative publicity.

Although there has been extensive research examining the role of situational and brand-related factors on consumers’ reactions to negative publicity, most research has examined an isolated one-time negative publicity instance and overlooked the reality that consumers are often exposed to multiple instances of negative publicity about a brand. As an exception, one study in Lei’s paper (2012) examines a situation in which the brand experiences the same crisis twice. Specifically, they show that consumers who discount a first crisis also tend to discount a second crisis for the same brand, whereas consumers who subtype (treat the crisis as an exception for the brand’s normal behavior) the first crisis are unlikely to subtype again. Lei’s paper corroborates the fact that consumers’ reactions to multiple instances of negative publicity might be different than their reactions to single-event negative publicity.

Another stream of research in the negative publicity literature focuses on the role of consumer-brand relationships such as commitment to the brand (Ahluwalia, Burnkrant, and Unnava 2000), consumer-brand relationship strength (Huber et al. 2010; Grégoire, Tripp, and Legoux 2009), brand familiarity (Ahluwalia 2002), the nature of consumer-brand relationship -communion vs. exchange oriented relationships- (Kwak et al. 2015), self-brand identification (Sen and Bhattacharya 2001; Cheng et al. 2012; Lisjak et al. 2012; Trump 2014), previous expectations (Dawar and Pillutla 2000), and consumers’ attachment styles (Whelan and Dawar 2016). Overall, this stream of research shows that strong brand relationships might neutralize potential negative impacts of negative publicity (Ahluwalia et al. 2000; Dawar and Pillutla 2000). Given that consumers with high self-brand connection respond to negative brand information as they do to personal failure and are defensive toward a counter-attitudinal
information about the brand, consumer behavior literature has recognized self-brand connection as an essential indicator of the relationship quality (Smit, Bronner, and Tolboom 2007; Swaminathan et al. 2007; Lisjak et al. 2012; Escalas 2004; Fournier 1998).

In the current research, I specifically investigate how consumers with different self-brand connection levels react to multiple instances of negative publicity about a brand in the same domain versus in different domains. Based on prior research, I suggest that consumers with different self-brand connection levels will be guided by distinct motivations (accuracy versus defense motivations) while processing negative information about brands, which in turn might cause them to have distinct brand evaluations after exposure to multiple instances of negative publicity about a brand in the same domain versus in different domains. In the following section, I will discuss my reasoning about the role of self-brand connection more in detail.

2.2. Self-Brand Connection & Negative Publicity

A large literature shows that consumers use brands to actively construct, cultivate, and display their self-identity (Escalas 2004; Fournier 1998), and a favorite brand may actually become a part of the consumer’s self-concept (Belk 1988). Following the terminology of Cheng and her colleagues (2012), I refer to individuals who have extended more of their psychological self to a brand as those with high self-brand connection and individuals who have extended less (or none) of their psychological self to a brand as those with low self-brand connection (SBC).

Prior research suggests that when individuals include close others’ identity into the self, people associate their own characteristics and memories with those of the others (Aron and Fraley 1999). Importantly, when people observe the behavior of a close other, they make assessments or inferences about that behavior as if they had taken part in the behavior
themselves (Goldstein and Cialdini 2007). In line with this reasoning, research in the consumer domain shows that the overlap between psychological representations of self and brand can include the brand’s CSR efforts (Newman and Brucks 2018). Specifically, Newman and Brucks (2018) show that high SBC consumers may experience a close brand’s negative actions as their own moral actions, which may impact their future moral behaviors. Similarly, Cheng and her colleagues (2012) show that unlike low SBC consumers, high SBC consumers’ response to a brand’s failure is similar to their response to personal failure – they experience a threat to their positive self-evaluations.

Prior research has also examined the buffering effect of SBC during negative publicity (Swaminathan et al. 2007; Lisjak et al. 2012). Research in psychology shows that individuals who identify with and value their in-group defend their in-group in a way that is similar to how they defend the self when the self is threatened (Gardner, Gabriel, and Hichschild 2002). For example, Crocker and Luhtanen (1990) find that participants who strongly identify with their in-group show an in-group bias when their in-group is threatened, whereas participants who do not identify with their in-group do not exhibit such a defensive response. Similarly, in the consumer domain, Lisjak and her colleagues (2012) show that when a brand that people identify with is threatened, high SBC consumers defend the brand to preserve the integrity of the self because a threat to the brand elicits the same responses as a threat to the self.

Deriving from prior brand-relationship literature, I suggest that SBC is going to drive the goals that guide people while processing multiple pieces of negative information about a brand. Although prior research suggests that accuracy is consumers’ default information processing motivation, consumers with high SBC are expected to process the negative brand information with defense motivation. Next, I will discuss how consumers are expected to process multiple
pieces of information based on the evidence provided in the consumer domain and the motivation literature.

2.3. Consumers’ Reactions to Multiple Instances of Negative Publicity

Consumer behavior literature has investigated various situational factors that affect how consumers process multiple pieces of information such as the presentation order of the information - for example primacy and recency effects - (Johar, Jedidi, and Jacoby 1997; Ge, Häubl, and Elrod 2011), compatibility between earlier and later acquired information (Pham and Muthukrishnan 2002), consumers’ locus of control (Chaxel 2016), variation between different pieces of information (Schumann, Petty, and Clemons 1990), consumers’ affective state (Adaval 2001), fluency between different pieces of information (Shen, Jiang, and Adaval 2009), and inconsistencies between multiple pieces of information (Maheswaran and Chaiken 1991). Additionally, research has investigated how these various situational factors lead to different information processing patterns such as adding versus averaging relative weight of each piece of information (Anderson 1965; Hodges 1973), attribute-based processing (comparing brands on specific attributes) versus attitude-based processing (Mantel and Kardes 1999), systematic versus heuristic processing (Maheswaran and Chaiken 1991), contrast and assimilation effects (Shen et al. 2009), and many motivational information processing patterns (Chaxel 2016). A large body of research in information integration literature has emphasized the importance of motivations by showing how different factors (e.g., individual differences, consumer-brand relationships, priming) result in different consumer motivations which in turn lead to distinct information processing patterns (Chaiken, Giner-Sorolla, and Chen 1996; Agrawal and Maheswaran 2005). As an example, prior research has shown that threatened consumers with an internal locus of
control (vs. external locus of control) activate an accuracy goal that results in confirmatory information processing (Chaxel 2006).

The multiple-motive framework summarizes individuals’ information processing motives in the service of their goals under three dimensions: accuracy, defense, and impression motivation: (a) the accuracy goal is to discern the validity of attitude and induces objective evaluation; (b) the defense goal holds attitudes that support current existing beliefs and promotes selective elaboration; and (c) the impression goal leads to biased systematic processing to express attitudes that will satisfy interpersonal and social goals (Chaiken, Giner-Sorolla, and Chen 1996; Agrawal and Maheswaran 2005; Cronley, Mantel, and Kardes 2010; Park and Bae 2014). In the current study, I suggest that consumers with different SBC levels will have distinct motivations (accuracy versus defense motivations) for information processing, which in turn might cause them to have different brand evaluations after exposure to multiple instances of negative publicity about a brand in the same domain versus across different domains. Next, I will explain the proposed interactive effect of SBC and multiple negative publicity patterns on consumers’ attribution of responsibility to the brand and resulting brand evaluations.

2.3.1. High SBC & Negative Publicity

Although negative information typically has been perceived as highly diagnostic in the context of product judgments, it is important to note that diagnosticity judgments are a subjective assessment (Ahluwalia 2002). Prior research shows that when consumers’ self and brand concepts are connected, brand performance reflects on the consumer’s self-concept (Cheng et al. 2012) and a threat to the brand elicits the same responses as a threat to the self (Lisjak et al. 2012). Therefore, when a brand that people identify with is threatened, they are likely to defend the brand to preserve
the integrity of the self (Lisjak et al. 2012) and therefore, discount negative information that is counter to prior favorable preferences (Agrawal and Maheswaran 2005).

Other research supporting this line of reasoning comes from the literature on the need for cognitive closure, which finds that undesirable tasks increase the need for specific closure (Kruglanski and Webster 1996). The inference that one can draw from this literature is that when exposed to negative publicity information about a brand, for high SBC consumers, the need for specific closure increases, and they become more close-minded because viewing such information is less desirable for them. This is expected to make them selectively focus on evidence that supports their preferred conclusion (Kruglanski and Webster 1996). Next, I will discuss how high SBC consumers’ defense motivation is expected to result in distinct reactions after exposure to multiple instances of negative publicity about a brand in a single domain versus across different domains.

2.3.2. High SBC & Negative Publicity Similarity

According to the attribution theory, causal inferences are based on distinctiveness, consensus, and consistency judgments (Kelley 1967). Further experimental research in social psychology shows that each of these sources of information independently affect attributions to the actor (McArthur 1972). Therefore, repeating the same behavior (consistency in behavior) is likely to signal that the event is due to a stable unchanging characteristic of the actor (Tsiros, Mittal, and Ross 2004; Weiner 2000). Similarly, one can expect consumers to perceive high consistency after exposure to multiple instances of negative publicity about a brand in a single domain. Although consumers with high SBC are motivated to process negative information in a biased manner and to avoid making attributions to the brand, increases in the information
consistency is likely to make it harder to refute the available negative information. On the other hand, when instances of negative publicity about a brand are across different domains, the company’s actions are less likely to signal behavioral consistency, which might leave room for consumers to selectively focus on evidence that supports their preferred conclusion. Therefore, high SBC consumers might be more likely to counterargue each distinct negative behavior of the company.

2.3.3. Low SBC & Negative Publicity

Prior research suggests that consumers’ default motivation is to find a brand that will satisfy them, and they are willing to pay attention to any information that might help to them achieve this objective (Raju, Unnava, and Montgomery 2008; Bakamitsos 2006). Therefore, their default motivation is to hold an accurate representation of the information presented (Raju et al. 2008; Bakamitsos 2006). Supporting this assumption, research has shown that when consumers are alerted to the possibility that their judgment may be biased by a factor (e.g., mood), they attempt to correct for any effect that unrelated information may have on their judgments about products and brands due to their default motivation to hold accurate beliefs about them (Bakamitsos 2006). Therefore, one can expect low SBC consumers - who do not identify themselves with the brand - not to be threatened by negative information about the brand but to be motivated to make accurate judgments.

According to the attribution theory, individuals are by default more likely to attribute behaviors to dispositions rather than the context (Ross 1977). This effect is shown to be more pronounced for negative than for positive behaviors, particularly in the morality domain (Skowronski and Carlston 1989). Similarly, according to the consumer behavior literature,
consumers readily attribute CSR concerns to a brand’s character (Yoon, Gürhan-Canli, and Schwarz 2006; Lei et al. 2012). Additionally, prior research research in consumer behavior suggests that negative information is perceived highly diagnostic in settings in which subjects are expected to engage in relatively open-minded processing and are accuracy motivated (Ahluwalia 2002). Therefore, I suggest that since consumers with low SBC process the information with accuracy motivation, only consumers with low SBC are likely to attribute responsibility to the brand for a single-event negative publicity instance, which will in turn, lower their overall brand evaluations. Next, I will discuss how low SBC consumers’ accuracy motivation is expected to result in distinct reactions after exposure to multiple instances of negative publicity about a brand either in a single domain or across different domains.

2.3.4. Low SBC & Negative Publicity Similarity

Since negative information is perceived highly diagnostic in settings in which subjects are expected to engage in relatively open-minded processing and are accuracy motivated (Ahluwalia 2002), low SBC consumers are expected to readily attribute responsibility to a brand. For instance, if consumers with low SBC read a news report describing how a brand has polluted a nearby river, consumers are likely to find the brand responsible for the pollution of the river and decrease their brand evaluations accordingly.

Therefore, when consumers are exposed to multiple instances of negative publicity about a brand in different domains, they are likely to attribute responsibility to the brand for each unique negative publicity domain. The literature suggests that accuracy motivated individuals tend to focus heavily on relevant information and tend to be quite "data driven" (Alba and Hutchinson
Since accuracy motivated people will see each unique negative publicity instance as diagnostic of the brand’s character, each negative information in a different domain is expected to have incremental effect in the evaluation of the brand. In general, individuals expect that others have a stable personality and therefore, others’ behaviors should be consistent across situations and over time (Hirt, Erickson, and McDonald 1993). Therefore, once individuals see one-time negative publicity about a brand as diagnostic of the brand’s character, they might expect the brand to act according to this dispositional trait. As mentioned before, since consumers with low SBC are assumed to be accuracy motivated, they will readily attribute the negative information to the brand’s character. Therefore, additional negative information in the same domain might not be perceived as informative. Thus, I suggest that consumers with low SBC will have lower brand evaluations after exposure to multiple instances of negative publicity in different domains versus in the same domain. Given this theorizing, I propose the following hypotheses:

**H1:** Low SBC consumers will have lower brand evaluation after exposure to multiple instances of negative publicity about a brand across different domains versus in a single domain. In contrast, consumers with high SBC will have lower brand evaluation after exposure to multiple instances of negative publicity about a brand in a single domain versus across different domains.

**H2:** Consumers with higher defense motivation will have lower brand evaluation after exposure to multiple instances of negative publicity about a brand in a single domain versus across different domains. In contrast, consumers with higher accuracy motivation will have lower brand evaluations after exposure to multiple instances of negative publicity about a brand in different domains versus in a single domain.
Consumers spontaneously engage in reasoning about negative events (Folkes 1988; Wong and Weiner 1981), and this attribution process typically involves identifying the locus of cause for the event (Weiner 1980). According to Weiner (1985), the locus of attributions can be internal or external. If the locus is internal, consumers tend to attribute blame to the brand. If the locus is external, consumers assign blame to external factors. Prior research shows that these attributions also determine brand evaluations (Folkes 1984; Klein and Dawar 2004). As mentioned before, consumers with low SBC are expected to find multiple instances of negative publicity in different domains versus in the same domain more diagnostic of the brand’s character. Therefore, consumers with low SBC are expected to attribute more responsibility to the brand and to have lower brand evaluations after exposure to multiple instances of negative publicity in different domains versus in the same domain. On the other hand, consumers with high SBC are expected to make causal attributions to the brand only after observing that a specific negative publicity issue is consistent and related to something stable going on with the brand. Therefore, I expect consumers with high SBC to assign more responsibility to the brand after exposure to multiple instances of negative publicity about a brand in the same domain versus across different domains. Based on this reasoning, the following hypothesis is proposed:

**H3:** The interaction effect between negative publicity similarity and SBC on overall brand evaluation is expected to be mediated by perceived brand responsibility.

---

**FIGURE 1**
CONCEPTUAL FRAMEWORK

- Self-Brand Connection
- Accuracy vs. Defense Motivation
- Brand Responsibility
- Overall Brand Evaluation

H1, H2, H3

Negative Publicity Domain Similarity
CHAPTER 3: THE CURRENT RESEARCH

3.1 Overview of Studies

Next, I report three studies designed to test my framework examining consumers’ reactions to multiple instances of negative publicity (Figure 1). Study 1 provided some preliminary results and showed that consumers with different SBC levels might give distinct reactions to multiple instances of negative publicity. Study 2 tested the hypothesized interaction effect between SBC and negative publicity domain similarity on consumers’ overall brand evaluation. This second study also examined the process through which participants change their brand evaluations. Specifically, results showed that the interaction effect of SBC and negative publicity domain similarity on brand evaluation was mediated by perceived brand responsibility. In Study 3, instead of measuring SBC as a continuous variable, I manipulated this construct to increase its internal and to rule out confounding effects. Additionally, this study introduced need for cognition as a new moderator and showed that need for cognition affects reactions given to multiple instances of negative publicity, especially for high SBC consumers.

3.2 Study 1

The main objective of this study was to examine whether consumers with different SBC levels have distinct reactions to multiple instances of negative publicity. Specifically, consumers with low SBC were expected to have lower brand evaluation after exposure to multiple instances of negative publicity about a brand across different domains versus in the same domain. On the other hand, consumers with high SBC were expected to have lower brand evaluations after exposure to multiple instances of negative publicity about a brand in the same domain versus across different domains.
3.2.1. Method

Participants and Design. Two hundred twenty-five participants (37.7% female, M\textsubscript{age} = 35.21) were recruited through the Amazon Mechanical Turk platform and compensated $1.75 for their participation. The study had a one-factor design with two conditions: different-domain condition versus same-domain condition. Participants were randomly assigned to one of these two conditions. The same-domain condition had three levels: bribery, hiring undocumented workers, and inflating income. Participants who were assigned to the same-domain condition were further randomly assigned to one of these three domain levels. These three same-domain levels were created to ensure that obtained results were not due to the domain type, but due to domain similarity manipulation. Whereas participants in the same-domain conditions were exposed to three news reports each of which were describing negative publicity instances in the same domain, participants in the different-domain condition were exposed to three news reports each of which were describing negative publicity instances across different domains.

Pretest 1. A pretest was conducted with 59 U.S. adults (33.90% female, M\textsubscript{age} = 34.51) recruited through the Amazon Mechanical Turk platform to select the target brand. Participants were asked to list up to three brands with which they identified themselves using the SBC items (Swaminathan et al. 2007). According to the results, Nike (27%), Apple (25%), Samsung (14%), and Adidas (10%) were the brands with which participants identified themselves most.

Pretest 2. Another pretest was conducted to select the target brands for the main study. The main purpose of this pretest was to select a brand with wide range of SBC scores and with no prior negative ethicality associations. Fifty-one U.S. adults (39.2% female, M\textsubscript{age} = 31.65) were recruited through the Amazon Mechanical Turk platform. Participants completed the same questionnaire for all four brands (Nike, Apple, Samsung, and Adidas) presented in random order.
For each brand, participants responded to the SBC scale first. Then, participants answered the following question: “Are you aware of any unethical business practices by brand X?” (1 = no, 2 = yes). If their response was yes, they were asked to report what the unethical behavior was. SBC means were similar across brands (M_{Nike} = 3.49, M_{Adidas} = 3.54, M_{Apple} = 3.25, and M_{Samsung} = 3.67). However, the answers given to the brand ethicality question showed that whereas 37% and 49% of the participants were aware of an unethical business practice by Nike and Apple respectively, 12% of participants were aware of an unethical business practice by Samsung, and only 4% of participants were aware of an unethical business practice by Adidas. Since this paper investigates consumers’ reactions to multiple negative publicity instances, any negative publicity instance by the brand known prior the study could confound with the study results. Therefore, Adidas was selected as the target brand for the main study.

Pretest 3. The opening paragraphs of eleven news reports, each focused on a different domain, were created using the phrases adapted from actual news reports on major news websites. In order to ensure that there were no differences in the perceived negativity of the behaviors described in the news reports, a pretest was conducted with 48 U.S. adults (31.3% female, M_{age} = 33.02) recruited through the Amazon Mechanical Turk platform. In this pretest, participants were told that these news reports have appeared in the news in the past few months, and the names of the companies were disguised for the sake of confidentiality. After reading each news report, presented in random order, participants rated the brand’s behavior on three 7-point negativity items (not bad at all/extremely bad, not unethical at all/extremely unethical, not harmful at all/extremely harmful) (α = 0.90). Hierarchal cluster analysis revealed two distinct clusters of news reports with similar negativity ratings. There were no significant differences between the negativity ratings of the following reports in cluster 1: child labor, river
contamination, and workers’ hospitalization (M_{Child\_Labor} = 6.34, M_{River\_Pollution} = 6.30, 
M_{Worker\_Hospitalization} = 6.30; all p’s > 0.1). Additionally, there were no significant differences 
between the negativity ratings of the following reports in cluster 2: bribery, hiring undocumented 
workers, and inflating income (M_{Bribery} = 5.47, M_{Undocumented\_Worker} = 5.54, M_{Inflating\_Income} = 5.57; 
all p’s > 0.1). These six news reports were selected for the next pretest.

*Pretest 4.* Each of the news reports selected in Pretest 2 were about a different negative 
publicity domain. However, in the same-domain condition, participants would be asked to read 
multiple news reports about negative publicity instances in the same domain. Therefore, two 
similar versions of each of these reports were created using the phrases adapted from actual news 
reports. In order to ensure that perceived negativity and commonness ratings were not different 
between those final eighteen news reports, a pretest was conducted with 61 U.S. participants 
(36.1% female, M_{age} = 34.51) recruited through the Amazon Mechanical Turk platform. After 
reading each report, participants completed the same three-item negativity index used in the 
previous pretest. Additionally, participants responded to the following question: “How common 
do you think this kind of behavior is for companies?” (1 = extremely rare, 7 = extremely 
common). Results showed that for each individual cluster (cluster one and cluster two), there 
were no significant differences between the news reports’ negativity ratings (all p’s > .1). For 
study 1, I used the news reports in cluster 1, namely, the news reports about bribery, hiring 
undocumented workers, and inflating income.

*Stimuli and Procedure.* In order to avoid any potential order effects, for each condition, 
nine report-domain combinations were created by counterbalancing the order of the reports 
(Appendix A). All news reports were ostensibly published on the Wall Street Journal within the 
past four months (Appendix B).
The study consisted of two parts involving ostensibly unrelated tasks. The first part, comprising the brand-relationship quality measures, was titled “Brand Evaluations Study.” Participants were asked to complete a questionnaire about Adidas and three other consumer brands, which were presented in random order. After completing the brand-related measures, participants filled out a filler task to clear short-term memory which asked them about their TV watching habits. The second part, comprising the news reports and main dependent variables, was titled “News Reports Study.” Participants were told that the researchers wanted to understand how consumers react to news reports about companies and brands. Each participant was randomly assigned to one of the eighteen report-condition combinations. All participants read three news reports about Adidas’ negative publicity instances in sequential order – starting with the report that was published first. Then, participants’ brand purchase likelihood and perceived stability of the situation were measured. As a manipulation check, participants reported whether the three news reports described Adidas’ actions in the same domain versus across three different domains on a 9-point scale. After completing some unrelated measures, participants reported to what extent they would be concerned when a company commits the three target unethical behaviors (bribes government officials, inflates its earnings, and hires undocumented workers) along with three other unethical behaviors, which were presented in random order. Finally, the study finished with a brief demographics section. After the study, all participants were debriefed about the purpose of the study.

Measures. For each brand, participants first responded to the following brand familiarity and liking items: “How familiar are you with the sportswear brand Adidas?” (1 = not at all familiar; 7 = extremely familiar) and “How much do you like or dislike Adidas? (1 = dislike very much; 7 = like very much). Then, they completed a two-item SBC scale adopted from prior
literature (Swaminathan et al. 2007): “Adidas reminds me of who I am,” and “Adidas says a lot about the person I am or I want to be” \( (r = .92) \) \((1 = \text{strongly disagree}; 7 = \text{strongly agree})\).

Participants' brand purchase likelihood was measured with the item: “How likely would you be to buy Adidas’ products when the next time you are shopping for sportswear?” on a slider scale from 0\% (= not at all likely to buy) to 100\% (= very likely to buy). In order to measure the perceived stability of the situation, participants rated whether the cause(s) of Adidas’ behaviors described in those reports were permanent versus temporary on a 9-point scale (Coombs and Holladay 1996).

### 3.2.2 Results

Participants who have failed the attention check \((N = 18)\) were excluded from further analysis. There were 197 participants for subsequent analysis.

*Manipulation Check.* An ANOVA run on the domain-similarity item with the four-level negative publicity independent variable revealed a significant effect \((F(3, 193) = 5.55, p < .01)\). Pairwise comparisons showed that different-domain condition was more likely to be perceived as describing three different domains versus one domain compared to each level in the same-domain condition, namely, bribing level \((M_{\text{different}} = 5.02, M_{\text{bribery}} = 3.71, p < .05)\), hiring undocumented workers level \((M_{\text{undoc_workers}} = 3.56, p < .01)\), and inflating income level \((M_{\text{inflating_income}} = 3.26, p < .01)\). I collapsed these three individual same-domain levels into one condition. Further analyses were conducted on the basis of a two-level (negative publicity similarity: different domain, same domain) between-subjects design.

*Moderation Effects.* PROCESS model 1 (Hayes 2013) was used to test whether SBC moderated the effect of domain similarity on purchase likelihood. The interaction between SBC
and publicity similarity was marginally significant ($\beta = .09, t = 1.88, p = .06$). When SBC was one standard deviation below the mean, brand purchase likelihood was significantly lower in the different-domain condition than in the same-domain condition ($M_{\text{different}} = 6.68, M_{\text{same}} = 12.70; \beta = -.37, t = -2.48, p < .05$). However, when SBC was one standard deviation above the mean, the difference between the same-domain condition and the different-domain condition was not significant ($M_{\text{different}} = 41.8, M_{\text{same}} = 42.71; p > .1$) (Figure 2). When participants’ personal concern for companies bribing government officials, inflating their earnings, and hiring undocumented workers were added as covariates, and the moderation analysis were conducted again, results revealed a stronger interaction effect between SBC and negative publicity similarity ($\beta = .10, t = 2.33, p = .02$).

PROCESS model 1 (Hayes 2013) was used to test whether SBC moderated the effect of domain similarity on perceived situation stability. The interaction between SBC and publicity similarity was not significant ($p > .17$). However, as expected, when SBC was one standard deviation below the mean, the situation was perceived as more temporary in the same versus different-domain condition ($M_{\text{same}} = 4.39, M_{\text{different}} = 3.58$). In contrast, when SBC was one standard deviation above the mean, the situation was perceived as more temporary in the different versus same-domain condition ($M_{\text{same}} = 4.83, M_{\text{different}} = 5.00$).

**FIGURE 2.**
3.2.3. Discussion

Results of Study 1 gave some preliminary results showing that consumers’ reactions to multiple instances of negative publicity might be dependent on their SBC level. Specifically, participants with low SBC were less likely to purchase the brand after exposure to multiple instances of negative publicity about a brand across different domains versus in the same domain. However, results did not reveal significant results for participants with high SBC. Based on Pretest 3 conducted prior to this study, the news reports used in this study were perceived only moderately negative compared to other tested news reports. However, one might expect high SBC consumers to easily justify publicity instances that are moderately negative even when they are repeated. Therefore, in the next study, I used the news reports that were perceived extremely negative based on the results of Pretest 3. As another important point, participants in the Study 1 were only provided textual information about news reports without any visuals. However, participants (especially if they are connected with the brand) might not perceive these news reports realistic unless they see an actual page or screenshot from the news website. In
order to make the stimuli more realistic, new report visuals that look like actual news reports were created and used in the following studies.

3.3. Study 2

This second study had several objectives. As mentioned before, Study 1 did not reveal significant results for high SBC consumers which might be due to the news reports used in the study that were perceived only moderately negative. In order to solve this issue, in Study 2, extremely negative news reports were used. Second, in order to make the news reports more realistic, new report visuals that look like actual news reports were created. Third, Study 2 a multi-item mediator was used to examine the underlying reason for consumers’ reactions to multiple negative publicity instances.

3.3.1. Method

Participants and Design. One hundred eighty-one U.S. adults (39.2% female, M_age = 35.45) were recruited through the Amazon Mechanical Turk platform and paid $1.75 for participating in the study. As in Study 1, this study had a one-factor design with two conditions: different-domain condition versus same-domain condition. Same-domain condition had three levels: environmental pollution, child labor practices, and hospitalization of workers. These three same-domain levels were created to ensure that obtained results were not due to the domain type, but due to domain similarity manipulation. Participants were randomly assigned either to the different domain or same-domain condition. Participants who were assigned to the same-domain condition were further randomly assigned to one of the three domain levels.
Pretest 1. In order select a brand for Study 2, a pretest was conducted with 49 U.S. adults (38.8% female, M\text{age} = 30.78) recruited through the Amazon Mechanical Turk platform. Participants completed the same measures for all four brands, namely Zara, Under Armour, Old Navy, and H&M, which were presented in random order. For each brand, participants first answered the question: “Have you ever heard of the brand X?” (1 = no, 2 = yes). Then, participants completed the SBC scale (Fournier 1994; Swaminathan et al. 2007), which asked participants to rate the following statements: “The brand and I have a lot in common,” “This brand’s image and my self-image are similar in a lot of ways,” “This brand says a lot about the kind of person I am or want to be,” “This brand reminds me of who I am,” and “This brand is a part of me.” Responses to each statement were measured on a seven-point scale (1 = strongly disagree; 7 = strongly agree) and were averaged to obtain a SBC score ($\alpha = .96$). Given that Under Armour’s SBC scores were ranging from very high to very low ($M = 2.96$, $SD = 1.81$), and it was a brand known by a large percentage of participants (91.8%), Under Armour was selected as the target brand for Study 2.

Stimuli and Procedure. Following the procedure in Study 1, in order to avoid any potential order effects, nine report-domain combinations were created for each condition by counterbalancing the order of the reports. In contrast to Study 1 in which only textual information was provided to participants, actual news report visuals were created for this study (Appendix C).

Main Measures. Participants’ general impression of Under Armour was measured using two nine-point semantic differential items (bad/good; unfavorable/favorable) ($r = .95$). Then, participants rated the internal locus of causality item: “Under Armour alone is responsible for its behaviors described in these news reports” (adapted from Monga and John 2008) and two
perceived stability items: “Under Armour is likely to repeat its behaviors described in these news reports” (adapted from Sohn and Laricy 2014), and “Under Armour is likely to have had committed similar behaviors in the past” (adapted from Sohn and Laricy 2014), all scaled from 1 (= strongly disagree) to 9 (= strongly agree). Those three items were collapsed to create the brand responsibility index ($\alpha = .80$).

**Other Measures.** In order to ensure that participants in all conditions perceived the news reports equally representative, they rated their agreement with the following items: “The webpages were realistic,” and “I can imagine visiting such webpages while following the news online” ($r = .46$). In order to ensure that participants’ involvement with sportswear brands did not differ across conditions, participants stated their agreement with the following items: “Generally, I am very concerned about what brands of sportswear I purchase,” “I care a lot about what brands of sportswear I wear,” and “Generally, choosing the right brands of sportswear is important to me” ($\alpha = .95$).

### 3.3.2 Results

Participants who failed the attention check (N = 13) measures were excluded from further analysis. There were 168 respondents for subsequent analyses.

**Main Effects.** An ANOVA run on the attitude index with four-level negative publicity similarity independent variable revealed no significant results (all $p$’s $>.1$). Similarly, individual ANOVA’s run on website representativeness index and involvement with sportswear brands index revealed no significant results (all $p$’s $>.1$). Given that that individual same-domain levels did not differ on the main DVs, following the procedure of Schrift and his colleagues (2011), I collapsed these three levels into one condition. Further analyses were conducted on the basis of a
two-level (negative publicity similarity: different domain, same domain) between-subjects design. Finally, overall website representativeness index was significantly higher than the mid value (M = 5.79, SD = 1.08; t(167) = 21.52, p < .001).

Moderation Effect. PROCESS model 1 (Hayes 2013) was used to test whether SBC moderated the effect of domain similarity (same domain = 0, different domain = 1) on overall brand evaluation. The interaction between SBC and publicity similarity was significant (β = .36, t = 2.66, p < .01). When SBC was one standard deviation above the mean, the overall brand evaluation was lower in the same-domain condition than in the different-domain condition (M_{different} = 3.39, M_{same} = 2.61; β = .79, t = 2.23, p = .03). In contrast, when SBC was one standard deviation below the mean, overall brand evaluation was significantly lower in the different-domain condition than in the same-domain condition, but this effect was marginally significant (M_{different} = 1.26, M_{same} = 1.84; β = -.58, t = -1.73, p = .09) (Figure 3).

Similarly, PROCESS model 1 (Hayes 2013) was used to test whether SBC moderated the effect of domain similarity (same domain = 0, different domain = 1) on perceived brand responsibility. The interaction between SBC and domain similarity was significant (β = -.39, t = -2.80, p < .01). When SBC was one standard deviation below the mean, perceived brand responsibility was significantly higher in the different-domain condition than in the same-domain condition (M_{different} = 8.03, M_{same} = 7.35; β = .69, t = 2.00, p < .05). In contrast, when SBC was one standard deviation above the mean, perceived brand responsibility was higher in the same-domain condition than in the different-domain condition (M_{different} = 6.31, M_{same} = 7.09; β = -.78, t = -2.16, p < .04) (Figure 4). Furthermore, adding the brand familiarity or brand liking items as controls did not change the obtained results.
FIGURE 3.

The Effect of Negative Publicity Similarity and SBC on Overall Brand Evaluation

<table>
<thead>
<tr>
<th></th>
<th>Overall Brand Evaluation</th>
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<tbody>
<tr>
<td>High (SD+1)</td>
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</tr>
<tr>
<td>Low (SD-1)</td>
<td>1.84</td>
</tr>
</tbody>
</table>

Self-Brand Connection

FIGURE 4.

The Effect of Negative Publicity Similarity and SBC on Perceived Brand Responsibility

<table>
<thead>
<tr>
<th></th>
<th>Perceived Brand Responsibility</th>
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</thead>
<tbody>
<tr>
<td>High (SD+1)</td>
<td>8.03</td>
</tr>
<tr>
<td>Low (SD-1)</td>
<td>6.31</td>
</tr>
</tbody>
</table>

Self-Brand Connection
Moderated Mediation Effect. PROCESS MODEL 8 (Hayes 2013) was used to conduct moderated mediation analysis. In the model estimated by this analysis, two-level negative publicity similarity (same domain = 0, different domain = 1) was the manipulated independent variable, the brand responsibility item was the mediator, overall brand evaluation was the dependent variable, and SBC was the measured continuous moderator variable. First, there was a significant negative publicity similarity by SBC interaction on perceived brand responsibility ($\beta = - .36$, $t = -2.92$, $p < .01$). Second, the mediation through the perceived brand responsibility was significant for low SBC participants ($\beta = -.28$, 95% CI: [-.57, -.03]), but it did not statistically significant for high SBC participants ($\beta = .32$, 95% CI: [-.01, .73]). Finally, the moderated mediation index was significant ($\beta = .16$, 95% CI: [.04, .31]).

3.3.3. Discussion

Results of this study showed that consumers’ reactions to multiple instances of negative publicity is dependent on their SBC level. Specifically, results showed that low SBC participants had lower brand evaluations after exposure to multiple instance of negative publicity about a brand across different domains versus in the same domain. On the other hand, high SBC participants had lower brand evaluations after exposure to multiple instances of negative publicity about a brand in the same domain versus across different domains. This study also tested whether the interaction between negative publicity domain similarity and SBC level is mediated by perceived responsibility attributed to the brand. According to the results, participants with low SBC attributed more responsibility to the brand after exposure to multiple instances of negative publicity about the brand across different domains versus in the same domain. On the other hand, participants with high SBC attributed more responsibility to the
brand after exposure to multiple instances of negative publicity about a brand in the same domain versus across different domains.

3.4. Study 3

This study had several objectives. In previous studies, SBC was measured as a continuous variable. In Study 3, SBC was manipulated to increase the internal validity of the construct and to rule out confounding effects. Additionally, this study introduced the need for cognition scale as a new moderator explaining consumers’ reactions to multiple negative publicity instances. According to the information processing literature, as an individual difference variable, need for cognition determines how much individuals think about and elaborate cognitively on issue-relevant information and take into account different perspectives into account when making a judgment. (Cacioppo et al. 1986). Accordingly, the higher an individual’s need for cognition is, the more likely that individual is to rely on central cues (e.g., argument quality) rather peripheral cues. Given high NFC individuals are motivated to make an informed and objective decision, one can expect high SBC consumers who are high in NFC to respond to negative publicity information as low SBC consumers do. Therefore, I expected high SBC participants who are high in NFC to have lower brand evaluations in the different versus same-domain condition. On the other hand, high SBC participants who are low in NFC were expected to have lower brand evaluations in the same versus different-domain condition. Since low SBC consumers are already processing the information with accuracy motivation, for low SBC participants, I did not expect any differences in brand evaluations when NFC is high versus low.
3.4.1. Method

Participants and Design. One hundred eighty-one participants (42.6% female, $M_{\text{age}} = \text{34.62}$) were recruited through the Amazon Mechanical Turk platform and paid $1.75 for participating in the study. This study had a $2(\text{SBC}: \text{low vs. high}) \times 2(\text{domain type}: \text{different-domain vs. same domain})$ between-subjects design. Same-domain condition had three levels: environmental pollution, child labor practices, and hospitalization of workers. Participants were randomly assigned to the different-domain or same-domain conditions. Participants who were assigned to the same-domain condition were further randomly assigned to one of the three same-domain levels.

Pretest. In order to test the validity of the SBC manipulation, fifty-three U.S. adults ($45.3\%$ female, $M_{\text{age}} = 34.11$) were recruited through the Amazon Mechanical Turk platform in exchange for payment. Participants were randomly assigned to take part in one of the two writing tasks (Newman and Brucks 2018). In the high-SBC condition, participants were asked to write about how they were similar to Under Armour, while in the low-SBC condition, participants were asked to write about how they were different from Under Armour (Appendix D). In order to confirm the effectiveness of the SBC manipulation, participants then completed the SBC scale following the same procedure in Study 2. An ANOVA run on the SBC index revealed that participants in the high-SBC condition reported significantly higher SBC ratings compared to the participants in the low-SBC condition ($M_{\text{lower}} = 2.29$, $M_{\text{higher}}=4.47$; $F(1,51) = 21.13$, $p < .001$). Since SBC manipulation was successful, this manipulation was used in the main study.

Stimuli. As in Study 2, news reports visuals that looked like actual Wall Street Journal news reports, were used in the study. In order to simplify the design, instead of eighteen report-
condition combinations, six report-condition combinations were created. Similarly, in order to avoid any potential order effects, the order of the reports was counterbalanced (Appendix E).

Measures. Participants’ general impression of Under Armour was measured using five nine-point semantic differential scales (bad/good, unfavorable/favorable, negative/positive, undesirable/desirable, and awful/nice) ($\alpha = .84$). Then, they rated the perceived credibility of the news reports on three nine-point semantic differential items (biased/unbiased, not credible/credible, and anti-Under Armour/neutral) ($\alpha = .98$). For manipulation check, participants reported whether the three news reports described Under Armour’s actions in the same domain versus across three different domains on a 9-point scale. Additionally, participants answered a shortened 5-item version of the NFC scale (adapted from Cacioppo et al. 1986) (Appendix F). Finally, the study finished with a brief demographics section. After the study, all participants were debriefed about the purpose of the study.

3.4.2. Results.

Participants who failed the attention check (N = 20) were excluded from further analysis. There were 171 participants for subsequent analysis.

Manipulation Check. An ANOVA run on the domain similarity manipulation check item with the SBC index and four-level negative publicity similarity independent variable revealed only the significant main effect of the domain similarity factor ($F(1,167) = 12.58, p < .001$). As expected, compared to participants in the same-domain condition, participants in the different-domain condition were more likely to agree that the three news reports described Under Armour’s actions in three different domains versus in one domain ($M_{\text{same}} = 3.42, M_{\text{different}} = 5.02$). Another ANOVA run on the domain similarity item with the four-level negative publicity
similarity independent variable revealed a significant effect \( (F(1, 167) = 4.51, p < .01) \). Pairwise comparisons showed that different-domain condition was more likely to be perceived as describing three different domains versus one domain compared to each level in the same-domain condition namely, river-pollution level \( (M_{\text{different}} = 5.02, M_{\text{river\_pollution}} = 3.70, p = .034) \), child-labor level \( (M_{\text{child\_labor}} = 3.14, p = .003) \), and workers’-hospitalization level \( (M_{\text{workers\_hosp}} = 3.41, p = .013) \). Additionally, there were no significant differences between any of the same-domain levels \( (all \ p’s > .1) \). As in previous studies, I collapsed these three same-domain levels into one condition. Further analyses were conducted on the basis of a two-level (negative publicity similarity: different domain versus same domain) between-subjects design.

**Moderation Effects.** An ANOVA run with the SBC and domain similarity factors on the attitude index did not reveal any significant main or interaction effects \( (all \ p’s > .1) \). Similarly, a second ANOVA run on the news report credibility index revealed no significant main effects \( (p’s > .1) \). However, the interaction between SBC and domain similarity was significant \( (F(1, 167) = 4.38, p = .04) \). Pairwise comparisons showed that for high SBC participants, news reports were perceived more credible in the same domain condition than in the different domain condition \( (M_{\text{same}} = 7.05, M_{\text{different}} = 5.85, p < .01) \). On the other hand, for low SBC participants, there was no significant difference in credibility ratings between the same domain and different-domain conditions \( (M_{\text{same}} = 5.83, M_{\text{different}} = 5.98, p > .1) \).

**Moderated Moderation Effect.** To analyze the interaction effect between domain similarity, SBC and NFC on overall brand evaluation, I used Model 3 in the PROCESS macro \( (Hayes 2013) \), as this model is specifically designed to examine three-way interactions in regression analysis \( (Appendix \ G) \). Results revealed a significant interaction effect between domain similarity, SBC and NFC \( (\beta = -.83, t = -2.11, p < .04) \). Effects of NFC on participants’
responses to negative publicity instances is displayed in Figure 4. and Figure 5. When NFC was low, the interaction between domain similarity and SBC was significant (β = 1.96, F(1, 163) = 4.82, p = .03). High SBC participants had significantly lower brand evaluations in the same-domain versus different-domain condition (M_{same} = 2.05, M_{different} = 3.49, β = 1.43, t = 2.31, p < .03). In contrast, low SBC participants had lower brand evaluations in the different-domain versus same-domain condition, but this effect was not significant (M_{same} = 2.55, M_{different} = 2.03, p > .1). On the other hand, when the need for cognition was high, the interaction between domain similarity and SBC was not significant (F < 1). High SBC participants had marginally lower brand evaluations in the different domain versus same domain condition (M_{same} = 3.16, M_{different} = 2.10, β = -1.05, t = -1.90, p = .059). Similarly, low SBC participants had lower brand evaluations in the different domain versus same domain condition (M_{same} = 2.66, M_{different} = 2.23, p > .1), but this effect did not reach significance level.
Low Need For Cognition:  
The Effect of Negative Publicity Similarity and SBC on Overall Brand Evaluation

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<th>Different Domain</th>
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High Need For Cognition:  
The Effect of Negative Publicity Similarity and SBC on Overall Brand Evaluation

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</tr>
<tr>
<td>Low (SD-1)</td>
<td>2.66</td>
<td>2.23</td>
</tr>
</tbody>
</table>
3.4.3. Discussion

Results of this study showed that the interaction effect between domain similarity and SBC on overall brand evaluation was not significant. However, means were in the expected direction both for low SBC and high SBC consumers. According to the SBC manipulation pretested prior to Study 3, SBC ratings of participants in the high SBC condition were around the mid-scale point ($M_{\text{high, SBC}} = 4.17$). Based on the conceptual framework provided in this paper, consumers should be connected to the brand to perceive company misbehaviors as their own behaviors and to feel a personal threat. However, SBC manipulation used in this study might not be strong enough to create this connection. On the other hand, results showed that the three-way interaction between domain similarity, SBC, and NFC on overall brand evaluation was significant. As expected high SBC participants who were in NFC responded to negative publicity information as low SBC participants did. In other words, high SBC participants who were high in NFC had lower brand evaluations in the different versus same-domain condition. On the other hand, high SBC participants who were low in NFC had lower brand evaluations in the same versus different-domain condition. Finally, as hypothesized, low SBC consumers’ overall brand evaluations did not vary based on their NFC level.
CHAPTER 4: GENERAL DISCUSSION

Given consumers have access to a wide variety of outlets for brand information, including traditional media and news media, it is very common for consumers to be exposed to multiple instances of negative publicity about a brand. Moreover, these instances might be in the same domain or across different domains. The current study shows that consumers who are exposed to multiple instances of negative publicity about a brand in the same domain versus across different domains might have different brand evaluations depending on their self-brand connection level. Specifically, consumers with low self-brand connection have lower overall brand evaluations after they are exposed to multiple instances of negative publicity about a brand in different domains versus in the same domain. On the other hand, consumers with high self-brand connection have lower brand evaluations when they are exposed to multiple instances of negative publicity in the same domain versus across different domains. Additionally, results show that the observed interaction effect between SBC and negative brand publicity similarity is driven by how much responsibility consumers attribute to the brand.

This research makes several contributions to the literature. First, this paper contributes to the CSR literature by showing that consumers’ reactions to multiple instance of negative publicity is different and more complex than their reactions to one-time negative publicity instances. Although there has been extensive research examining the role of situational and brand-related factors on consumers’ reactions to negative publicity, existing research has focused on isolated one-time negative publicity instances.

Second, extending the prior research showing the role of defense motivation in high-SBC consumers’ negative information processing, this paper investigates the role of accuracy motivation in low-SBC consumers’ negative information processing. This paper suggests that
because high SBC consumers are defense motivated, they are likely to process the negative publicity information about the brand using heuristics and general rules to justify the brand’s behaviors. In contrast, because low SBC consumers are accuracy motivated, they are more likely to be objective in their judgments and to rely on the diagnosticity of the available information. The final study confirms this theorizing by examining the role of NFC in consumers’ reactions to multiple instances of negative publicity. Since high NFC consumers are motivated to make informed and objective decisions, high SBC consumers who were high in NFC responded to negative publicity information as low SBC consumers did. On the other hand, as expected, high SBC participants who were low in NFC responded to negative information as how high SBC participants were expected to respond in general. Furthermore, since low SBC consumers process brand-related information with accuracy motivation in general, for low SBC participants, no differences in brand evaluations were observed when NFC was high versus low. Future studies might manipulate accuracy and defense motivations independently to further investigate the role of motivations in consumers’ reactions to multiple instances of negative publicity. However, in that case, one might need to design the study taking into account confounding effects.

This paper also contributes to the information integration literature by investigating how different motivations affect consumers’ responses to multiple pieces of negative information about brands. Prior literature has shown that the overall evaluation of an object becomes more extreme as the amount of information known about the object increases, even when the value of

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1 Another study was conducted, in which accuracy and defense motivations were manipulated independently. However, that study’s results were counfounded with the additive effects of consumers’ SBC level and manipulated motivations. Therefore, that study is not included in this paper.
each piece of information is held constant (Yamagishi and Hill 1983). This paper shows how individuals might respond to multiple pieces of negative information depending on their motivations for information processing and the similarity between different pieces of provided information.

Finally, this paper provides practical implications for marketing practitioners in brand reputation. Results of the current study give insights about when encountering multiple instances of negative publicity might cause brands to lose their most valuable consumers, namely, consumers with high self-brand connection. Based on the current research, brands should avoid repeated negative publicity in the same domain if they want to keep consumers who are connected to them. On the other hand, if a brand does not have a large segment of connected customers, experiencing negative publicity instances across different domains versus in the same domain might be more detrimental to them.

There were also some limitations to the current study. First, participants in all studies were recruited through the Amazon Mechanical Turk platform which might limit the generalizability of the findings. Future studies might be conducted with diverse samples to investigate the generalizability of the observed findings. Second, studies in this paper focused on negative publicity instances that were not product related. Today, consumers have access to a wide variety of outlets for product-related information which makes it hard for companies to restrict negative publicity about their products and services. Failed automobile safety tests, manufacturing defects in medical devices, computer chips that spark fires in laptop computers, and toxic ingredients in brands of baby food are just a few examples of product-related negative publicity instances. Future research might investigate whether reactions to multiple instances of negative publicity might be different for product-related issues.
APPENDIX A: DESIGN OF THE EXPERIMENT (STUDY 1)

**Same-Domain Condition Combinations:**

<table>
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**Different-Domain Condition Combinations:**

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APPENDIX B: STIMULI (STUDY 1)

Scenario: Bribery 1
Source: *Wall Street Journal*
Publication Date: May 8, 2018 12:23p.m. ET

"An investigation by Securities and Exchange Commission revealed that Adidas has paid up to $24 million in bribes to Mexican government officials in exchange for construction permits to expand Adidas’ presence in that country. According to the report, the company knew about the scheme in advance, and top executives have been involved in a cover-up effort."

Scenario: Bribery 2
Source: *Wall Street Journal*
Publication Date: June 15, 2018 2:37p.m. ET

"Adidas is accused of bribing foreign officials in Argentina to obtain permits to fast track the opening of several new stores. A recent lawsuit claims that top-level executives of Adidas held meetings with local government officials, whom the company paid millions of dollars in bribes to open new company stores in several locations in Argentina without the required paperwork."

Scenario: Bribery 3
Source: *Wall Street Journal*
Publication Date: July 19, 2018 5:38p.m. ET

"According to a recent report from Transparency International, Adidas bribed officials in Kazakhstan to obtain permission for the construction of a new manufacturing plant. The organization claims that foreign government officials were given $17 million in bribes in return
for the permission to build the plant. Accordingly, the company is accused of both conspiracy and bribery."

**Scenario: Hiring Undocumented Workers 1**

Source: *Wall Street Journal*

Publication Date: May 8, 2018 12:23p.m. ET

"A recent lawsuit alleges that Adidas illegally recruited, hired and employed undocumented workers at their manufacturing facility in Sioux City, Iowa so as to pay less than minimum wage and gain financial advantage. The indictment has charged two regional managers and some supervisors. The charges include conspiracy as well as document fraud."

**Scenario: Hiring Undocumented Workers 2**

Source: *Wall Street Journal*

Publication Date: June 15, 2018 2:37p.m. ET

"Adidas is being investigated after former employees reported that the company hired undocumented workers at their manufacturing plant in Wentzville, Missouri and hid it from the federal government. Preliminary evidence shows that those undocumented workers were only paid half the regular wage and were always paid in cash under the table."

**Scenario: Hiring Undocumented Workers 3**

Source: *Wall Street Journal*

Publication Date: July 19, 2018 5:38p.m. ET
"Adidas is accused of relying on illegal employees to finish the construction of its new corporate office buildings in Tampa, Florida. According to the lawsuit, even after receiving repeated warnings about these illegal actions from the Labor Department, Adidas did not take any corrective measures to ensure that only people who were authorized to work in the U.S. were employed."

**Scenario: Inflating Income 1**

Source: *Wall Street Journal*

Publication Date: May 8, 2018 12:23p.m. ET

"Adidas is accused in a lawsuit of misleading its investors by inflating the company’s earnings. According to the complaint, manipulating the net income in financial statements caused analysts to make inaccurate performance estimates for the last two fiscal quarters and gave investors a misleading picture of the company's financial position."

**Scenario: Inflating Income 2**

Source: *Wall Street Journal*

Publication Date: June 15, 2018 2:37p.m. ET

"Several investors of Adidas filed a lawsuit against the company accusing it of overstating company profits for the first two fiscal quarters in 2017. According to the lawsuit, Adidas inflated its sales figures in both fiscal quarters and with the full cooperation of top managers, manipulated its accounts to cover up the investment losses it had incurred over several earlier quarters."
Scenario: Inflating Income 3

Source: *Wall Street Journal*

Publication Date: July 19, 2018 5:38p.m. ET

"A recent lawsuit alleges that Adidas overstated its earnings by millions of dollars between 2015 and 2016. According to the lawsuit, Adidas' accounting department deliberately provided insufficient explanations to its auditors, with the intention of carrying out a systematic cover-up. The company's most senior leaders are accused of knowing about the fraudulent accounting."
APPENDIX C: STIMULI (STUDY 2)

Scenario: River Pollution 1

Under Armour linked to Mekong River Pollution

Updated Jan 12, 2018 12:23 p.m. ET

A recent Greenpeace report accuses Under Armour of contaminating the Mekong River in Vietnam with chemical residue. According to the report, eight samples of wastewater discharged from the factory to the river contained hazardous chemicals. Greenpeace says that the river serves as a source of drinking water and fish for millions of people.

Scenario: River Pollution 2

Under Armour: Chemicals and water pollution in Mexico

Feb 17, 2018 2:37 p.m. ET

Earthjustice reported that toxic discharges from a manufacturing plant owned by Under Armour have been contaminating the Atoyac River in Mexico. According to the report, contamination of the river by the toxic discharges of the company factory resulted in the death of thousands of fish and other aquatic life, and the river poses serious health risks for the local community.
Scenario: River Pollution 3

Under Armour polluting the Citarum River in Indonesia

March 29, 2018 5:38 p.m. ET

The Nature Conservancy investigation alleges that Under Armour has been discharging untreated wastewater to the Citarum River in Indonesia. The organization states that Under Armour has contributed to the extinction of fish species in the river, and the water—which 10 million people rely on—contains mercury four times the recommended level, plus unsafe amounts of iron.

Scenario: Child Labor 1

Under Armour using child labor in Vietnam

Updated Jan. 12, 2018 12:23 p.m. ET

Human rights organization Amnesty International has accused Under Armour of failing to do basic checks to ensure children are not employed in the manufacturing facility of Under Armour in Vietnam. According to the organization’s report, these children, many of whom are under the age of 10, work up to 12 hours a day 7 days a week in incredibly poor factory conditions.
Scenario: Child Labor 2

Under Armour's factory employing children in Thailand

Feb. 17, 2018 2:37 p.m. ET

An investigation carried out by the International Labor Rights Forum revealed that Under Armour's factory in Thailand has been employing children between the ages of 6 and 12. As stated by the organization at a news conference, these children work for long hours 7 days a week, are punished for refusing to do overtime, and are paid only $30 per month.

Scenario: Child Labor 3

Child labor uncovered in Under Armour's factory in Bangladesh

March 29, 2018 5:38 p.m. ET

Under Armour was recently found to employ children in its manufacturing facility in Bangladesh. The investigation carried out by the Human Rights Watch showed that children as young as 7 years of age are working in Under Armour's facility. According to the group's report, these children do not have contracts, work 11 hours a day, and are grossly underpaid.
Scenario: Workers’ Hospitalization 1

Under Armour linked to Mekong River Pollution

Updated Jan. 12, 2018 12:23 p.m. ET

A recent Greenpeace report accuses Under Armour of contaminating the Mekong River in Vietnam with chemical residue. According to the report, eight samples of wastewater discharged from the factory to the river contained hazardous chemicals. Greenpeace says that the river serves as a source of drinking water and fish for millions of people.

Scenario: Workers’ Hospitalization 2

Under Armour polluting the Citarum River in Indonesia

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Scenario: Workers’ Hospitalization 3

**Under Armour's workers in Thailand hospitalized**

March 29, 2018 5:38 p.m. ET

Hospitalization of Under Armour's employees in a manufacturing facility in Thailand is being investigated by the International Labor Union. Preliminary evidence shows that some carcinogenic chemicals used in production have been inhaled by several employees because the factory was not vented appropriately. According to the report, the plant supervisors have known about this deficiency for months.
APPENDIX D: SBC MANIPULATION (STUDY 3)

Research shows that consumers often think about companies as if they were people. In other words, companies, like people, carry distinct personality types, have positive and negative qualities about them, and often communicate who they are or what they represent to others.

**High-SBC Condition:**

For the next several minutes, we would like you to write about how you are similar to Under Armour. That is, thinking of Under Armour as a person, describe the qualities and characteristics that you share with Under Armour.

Please provide as much detail as possible.

**Low-SBC Condition:**

For the next several minutes, we would like you to write about how you are different from Under Armour. That is, thinking of Under Armour as a person, describe the qualities and characteristics that you do not share with Under Armour.

Please provide as much detail as possible.
APPENDIX E: EXPERIMENTAL DESIGN (STUDY 3)

Same-Domain Condition Combinations:

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Different-Domain Condition Combinations:

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APPENDIX F: MEASURES (STUDY 3)

Need for Cognition (Adapted from Cacioppo et al. 1986)

- I don’t like to have to do a lot of thinking (reverse coded)
- I try to avoid situations that require thinking in depth about something (reverse coded)
- I prefer to do something that challenges my thinking abilities rather than something that requires little thought
- I prefer complex to simple problems
- Thinking hard and for a long time about something gives me little satisfactions (reverse coded)
APPENDIX G: MODERATED MODERATION MODEL (MODEL 3)

(PROCESS MODEL 3)
REFERENCES


