A COMPARISON BETWEEN PRE AND POST-CRISIS CONSUMER RESPONSES: DOES REPUTATION REALLY ACT AS A SHIELD? 1 2

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ABSTRACT

A good corporate reputation is not only a critical intangible asset but is also stands out as a shield during crises. Humans have a natural tendency to question the underlying causes of events and real reasons behind the situations, and they also differentiate between intentional and unintentional actions. We would expect high reputation companies to engage in activities compatible with their reputation; however, this is not always the case as they might partake in some incompatible actions. A crisis poses an example of such unfavorable actions that are likely to haunt high reputation companies. In this 2X2 experimental study, a comparative analysis of pre and post-crisis consumer reactions was conducted, where reputation and intentionality of the company were manipulated at two levels. The results revealed that reputation might not act as a shield in every situation, and consumers may consider other factors to see the goodwill of the company.

Keywords: Reputation, intentionality, consumer behavior, pre/post-crisis differences

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KRİZ ÖNCESI VE SONRASI TÜKETİCİ TEPKİLERİNİN 
KARŞILAŞTIRILMASI:
İTİBAR GERÇEKTEN BİR KALKAN GÖREVİ GÖRÜR Mü?

ÖZ

İyi bir kurumsal itibara sahip olmak kritik bir varlık olarak kabul edilirken, bu maddi olmayan duran varlığın kriz durumlarında bir kalkan görevi görmesi beklenmektedir. İnsan doğası, olayların altında yatan nedenleri ve durumların arkasındaki gerçek sebepleri araştırmayı zorunlu kılar ve bununla birlikte insanların kısıtlı ve kasıtsız eylemler arasında ayırım yaptığı da bilinmektedir. Yüksek itibarlı firmaların itibarlarına uygun hareket etmeleri beklenirken, gerçekleşen olaylar, bu krizin hâlâ tutarsızlıklarını bir araya getirerek ve tüketicilerin şirketin iyini niyetini görmek için diğer faktörleri göz önünde bulundurabileceğini ortaya koymuştur.

Anahtar Kelimeler: İtibar, kısıtlılık, tüketici davranışları, kriz öncesi/sonrası farklılıklar
1. Introduction

Corporate reputation is a dynamic construct that develops over time as a result of the evaluation and comparison of a company’s past activities (Gotsi and Wilson, 2001) and future prospects (Fombrun, 1996). As the reputation of the company increases, it will attract investors, customers, suppliers, and employees. As a consequence of this attraction, a firm may acquire a competitive advantage in the market (Binz, et al., 2013) in terms of price, cost, and selection advantage (Reuber and Fischer, 2011).

Although the stakeholder perceptions about a company’s actions shape the corporate reputation (Gray and Balmer, 1998), there is also an implicit expectation about the consistency of those actions. Possible inconsistencies, such as crises, erode the reputation of the company and harm public support just as Benjamin Franklin argues; “Glass, china⁵, and reputation are easily cracked, and never well mended.” Reputational crises are destructive for the company as they undermine “the essence of the brand” (Greyser, 2009). Since authenticity is an integral part of creating, preserving, and defending the reputation (Greyser, 2009), inconsistencies in the actions of the company are likely to contradict the positive reputation of the company. Moreover, crises impose extra responsibility on high-reputation companies since the expectations from those organizations are higher. A high reputation company’s unfavorable reaction to an unexpected situation could besmirch its prestige and positive image, whereas an equally negative action by a less renowned company might not engender similar adverse outcomes. (Dean, 2004).

Previous researchers refer to the attribution theory as an explanatory framework useful for understanding the crises (Yakut, 2018). From a homo rationalist perspective of human beings, we would expect people to rationalize product failures through an understanding of the basic causes behind events and shape their post-failure behavior accordingly. (Folkes, 1984). Moreover, researchers and practitioners focus primarily on consumers’ interpretation of events and their reactions to such situations. In this context, a better understanding of consumers’ rationalization and interpretation processes could enable companies to identify and take a better course of action.

There is widespread scholarly interest in the study of consumers’ perceptions of crises, which is also the main topic of the current study. As the above discussion suggests, crises might unveil a plethora of unexpected outcomes that might put the organization in jeopardy and require immediate intervention. (Penpece and Madran, 2014). Previous incidents, such as the United Airlines crisis in 2017 (a video of a man who was forcibly dragged from an overbooked airplane caused a major criticism and caused about $1 billion loss in value to the firm) and H&M advertisement disaster (the world-renowned fashion firm was under fire in 2018 for using a black child to model a sweatshirt with the words “coolest monkey in the jungle”) showed that many firms are still unprepared and/or do not have the necessary resources to deal with these abrupt situations. Therefore, this study aims to investigate the effects of crises and to compare the differences between consumer responses before and after a crisis by manipulating the reputation and intentionality of the company at two levels through an experimental design. It should be noted that this study created a new research direction where the collective effect of these two factors (reputation and intentionality) have not acquired the attention of the researchers before.

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⁵ Porcelain is identified with China and people call it “china” in colloquial English
A Comparison between Pre and Post-Crisis Consumer Responses: Does Reputation Really Act As a Shield?

2. Literature Review and Hypothesis Development

2.1. Corporate Reputation and Crisis Management

In today’s’ harsh competitive business world, corporate reputation is a critical element; since all stakeholders use corporate reputation as a touchstone to guide their decisions. Employees choose the companies to work for; investors judge companies to invest; customers evaluate firms to buy products/services according to their reputation (Maden et al., 2012). To evaluate the reputation of corporations across the globe, some well-known organizations and media organs (e.g., Fortune, Management Today) publish reports such as “Best companies to work for”, “Best companies to invest,” and “Most reputable companies.” The evolving market requirements, such as growing public interest on corporate actions; demands on transparency; recent notions such as environmentalism, greenness; the electronic word of mouth; extensive media coverage, and power of activist groups also increase the pressure on maintaining a highly regarded corporate reputation (Shamma, 2012). As a result, this valuable asset has become the center of attention for many researchers from different disciplines. Even though every discipline focuses on a different aspect of business reputation and explains it by using different concepts (prestige in sociology; goodwill in law and accounting; image, reputation, and brand in marketing; and image reputation and reputation capital in management); they all agree on the significance of the reputation (Karnaukhova and Polyanskaya, 2016).

Any institution – commercial or non-profit/high reputation or low reputation /well known or unknown– inevitably would experience some sort of a crisis where its image/brand/reputation will be at risk. Today’s rapid and tech-driven business environment makes it harder for organizations to handle even a small consumer dissatisfaction since every problem/news has the potential to turn into a crisis and go viral instantly. This new nature of competition forces organizations to respond to crises and manage it rapidly, efficiently, and appropriately. The purpose of crisis management is “to restore organization’s image and reputation and isolate them from the negative associations related to the crisis by employing various communication techniques” (Greenberg and Elliott, 2009: 192).

Consumer judgments and attributions vary based on the nature of the crisis, i.e., consumers’ accusatory reactions will be more severe when they believe that the company has greater responsibility for the fault and is the one to blame. To deal with intense consumer responses, to regain sympathy, and to save the lost reputation, crisis response strategies attempt to mold the public’s perceptions (Coombs, 1995). Nevertheless, organizations will not effectively address the negative consequences of crises in the absence of a clear crisis management strategy in place. Managing reputation and handling possible threats require policies in every medium, including the internet. There are some essential strategies to follow in the current digital age, such as social media policies and practices, and communicating the brand on social media through multiple channels using a personalized style (Rokka et al., 2014).

Many studies have highlighted the significance of the reputation since it protects companies from the negative outcomes of the failure and leads to higher repurchase intentions following crises. However, one of the factors that affect consumers’ judgment of blame is “intentionality of the firm” during the crises (Coombs, 2007), which requires a thorough investigation of intentionality and its relation to crises.
2.2. Attribution Theory and Intentionality

Attribution theory has an important role in terms of interpreting crises since its main objective is to understand how people perceive the events, how they make inferences, and to examine the connection between these inferences and people’s behavior. Weiner (1985) suggested three causal dimensions (locus of causality—who is responsible, stability—possibility of recurrence, and control—whether the action/event can be controlled or not) to explain the causal attribution process (Zhu, et al., 2013). This three-dimensional strategy is the most prevailing attributional approach when examining the product/service failure situations (Chang, et al., 2015). For instance, the customer would question who is responsible for the failure if a purchased computer fails to function properly. A manufacturer-induced defect would inevitably generate a different attribution than a consumer-induced defect (locus of causality dimension). If a particular computer brand repeatedly malfunctioned, then failures from that brand would be seen as permanent; however, if the failure happened only for once, then it would be interpreted as a one-time experience and attributed accordingly (stability dimension). On the other hand, consumers would be less tolerant if the cause of the defect can be controllable by the company compared to the situations where the cause is uncontrollable, such as inefficient quality control processes vs. voltage problems in the city’s electrical lines (controllability dimension).

In determining the level of responsibility for an action, people look whether the action was done consciously and intentionally or an environmental cause led to the action. Apparently, the level of intentionality will determine the causal inference attributed to the action (Person Perception, 04.02.2019). Heider (1958) clearly differentiates intentional actions from unintentional ones while interpreting the attributions (Malle, 2011); and stated that people could benefit from or harm each other intentionally and willfully. The intentionality concept helps consumers to interpret the meaning of behavioral data (Malle, 2011). Even though intentionality is an important construct, most of the attribution theory research omitted the effect of intentionality. A crisis can also be classified according to the intentionality of the action, which also corresponds to the attribution theory (Coombs, 1995). Since the level of responsibility during the crisis will determine the level of threat to the organization (Choi and Chung, 2013), it can be stated that intentional crises will generate more responsibility and threat to the organizations compared to the unintentional ones (Coombs and Holladay, 2010). Therefore, in this study, two critical factors—reputation and intentionality—which affect the consumer attributions during the crisis will be examined, and changes in the consumer reactions will be questioned.

2.3. Hypothesis Development

A crisis poses a significant threat to a system since there is a limited time to respond, with possibly highly undesirable consequences and inadequate resources to deal with the situation (Mishra, 1996). Organizational crises are low probability and ambiguous events where causes and effects are unknown; and create a major threat to an organization and its stakeholders (Pearson and Clair, 1998). Crises may endanger the institutions, whether they are commercial or non-profit organizations. The nature of the crises makes them a threat.
to the balance of the society, endangers the health and life of every individual (McConnell, 2011), and jeopardizes the organizations, companies, industries, society, products, services, brands and/or reputations (Arpan and Roskos-Ewoldsen, 2005). Even though the occurrence possibility of a crisis is low, its results can be comprehensive and harsh for the organizations (Vassilikopoulou et al., 2009). As a result of the crises, companies may face with altered consumer reactions, lost reputation, lost revenues and market shares (Van Heerde et al., 2007), decreased purchase intentions (Laufer and Coombs, 2006; Griffin et al., 1991; Rea, Wang, and Stoner, 2014) and negative attitudes towards the company (Griffin et al., 1991; Rea et al., 2014). Therefore,

**H1**: Post-crisis consumer reactions (attitudes towards the company and purchase intentions) will be negatively affected by the crisis and will be lower compared to the pre-crisis consumer reactions.

An intention is generally understood as a determination to engage in a particular behavior (Deci and Ryan, 1987). When people evaluate real-world actions and problems, their evaluation process is being characterized according to the intentionality (Malle and Knobe, 1997); where intentional actions generate more responsibility and blame compared to unintentional ones (Heider, 1958; Malle and Bennett, 2002). The intentionality of a person or entity can also be used in assigning praise and blame towards that person/entity (Knobe, 2003); and consumer judgments towards intentional events will be more negative compared to unintentional ones (Lagnado and Channon, 2008).

**H2a**: The level of decrease in attitudes towards the company will be more in intentional conditions compared to unintentional conditions.

**H2b**: The level of decrease in purchase intentions will be more in intentional conditions compared to unintentional conditions.

Reputation is considered as an important factor which affects the consumer reactions and judgments during and after product harm crises (Laufer and Coombs, 2006). In various studies (Dawar and Pillutla, 2000; Siomkos and Kurzbard, 1994; Laczniak et al., 2001; Wang and Wang, 2014), it has been found that consumers reflect more favorable attitudes and reactions toward high reputation companies; and attribute less responsibility and blame to them. As a result, it is hypothesized that

**H3a**: The level of decrease in attitudes towards the company will be more for low reputation companies compared to high reputation companies.

**H3b**: The level of decrease in purchase intentions will be more for low reputation companies compared to high reputation companies.

### 3. Methodology

#### 3.1. Research Design

Experimental designs can be used to investigate the reasoning process of the events and make inferences (Royne, 2008). The study consists of a 2X2 between-subject design with two levels of firm reputation (high-reputation and low-reputation) and two levels of firm intention (intentional and unintentional). A customer-firm relationship is a longitudinal
construct that cannot be established instantly; therefore, real firms were preferred. Using real firms let the experiments based on current relationships between the target firms and consumers (Xie and Peng, 2010). Therefore, relative reputational change can be examined by comparing the attitudinal differences towards two firms (Mews and Boenigk, 2013).

In intentional and unintentional crises, scenarios were created based on a combination of several past crisis events to ensure the validity of the study (Xie and Peng, 2010). In both conditions, the text briefly described whether the company intentionally or unintentionally caused the event in a similar format and length.

A high-involvement level product was also desired to investigate the true nature of consumer reaction differences. Therefore, as a product, smartphones are selected. To determine the two real firms (one high reputation and one low reputation) that are going to be used in the study, two separate pretests were administered with convenient sampling. In the first pretest (adapted from Henard and Dacin, 2010) participants (N=41) were asked to list two high-reputation and two low-reputation firms. According to the frequency of the responses, four firms were selected (two high-reputation and two low-reputation). At the second pretest (N=102) (adapted from Claeyys and Cauberghe, 2015), respondents were asked to rate the reputation of those four firms on a 7-point Likert scale with “(1) Very Low” to “(7) Very High. Based on the two pre-tests, the highest-rated and the lowest rated firms were selected and t-test results showed they differed significantly regarding their reputation (M_{Low reputation} = 2.77, SD = 1.62 vs. M_{High reputation} = 6.33, SD = 1.14; t (101) = 17.276, p < 0.001).

Also, to evaluate the effectiveness of the intentional/unintentional scenarios, a separate (third) pretest (N=40) was conducted by randomly assigning participants to one of the scenarios (either intentional or unintentional) and asking them to evaluate the crisis incident based on the following statement: “Firm ABC intentionally (unintentionally) caused the incident” on a 7-point Likert scale (from (1) “Completely Disagree”, to (7) “Completely Agree”). The third pretest results showed significant differences between intentional scenario and unintentional scenario (M_{Unintentional} = 3.90, s.d. = 1.59 vs. M_{Intentional} = 5.75, s.d. = 1.33; t (38) = 3.993, p < 0.001).

A pilot study (N = 40) was also conducted to ensure that all scenarios (reputational and intentional manipulations) are consistent with the study objectives. Pilot study results revealed significant differences between the four different conditions and ensured the applicability of the study.

3.2. Scales

In each scenario, consumers’ pre and post-crisis attitudes towards the company and purchase intentions were measured. As a result, differences between the four different treatment conditions were revealed.

The attitudes towards the company scale was used by Goldsmith et al. (2000). The scale consists of 5 items using 7-point Likert scale originally. The scale was valid and highly reliable (Cronbach’s α = .94).

The original purchase intention scale was developed by Lee (2005). The scale was developed to assess the purchase intentions of the consumers after an airline crisis. It was
adapted to fit into the current crisis, it consists of three items, and its validity has been tested before. It was measured by 7-point Likert scale. The scale is found to be highly reliable (Cronbach’s $\alpha = .83$)

3.3. Experiment Procedure

For each of the four experimental conditions, four surveys were designed and distributed online by using the snowball sampling method. One of the main objectives of this study was to obtain consumer responses across different parts of the country. Therefore, snowball sampling is preferred since this method is “suitable for hard to reach populations” (Etikan, et al. 2016: 1). The online survey links were sent to contacts in different regions, and they were asked to forward the surveys to their contacts in that region. Respondents were asked not to continue if they had already participated in this or other version(s) of the study to avoid repeated participation. In designing the scenarios, real news websites, real company websites, real company CEO images, and real phone explosion images were used to increase the believability of the experiment.

The procedure was as follows: First, general information about one company (either high-reputation or low-reputation) is given in a few paragraphs. In this section, the products and services of the firm are explained, operations of the firm are defined, and statistical data about the sales numbers and consumer preferences are also given. No information about the crisis is given in that section. After giving the firm information, a basic description of the corporate reputation is given, and a manipulation check was conducted to see that the high-reputation firm indeed has a higher reputation than the low-reputation firm. This section constitutes the pre-crisis phase. At the end of this section, consumers’ attitudes towards the company and purchase intentions were measured.

In the second section, a website article is presented about the crisis incident. This article explains the reasons for the crisis and manipulates the intentionality of the firm by explaining the events that led to the failure of the product. The intentional and unintentional articles are clearly differentiated by using inspection results of the government officers and employing more precise wording. After that, a manipulation check was conducted to ensure that participants perceive the intentional wrongdoing scenario different than the unintentional wrongdoing scenario. At the end of this section, consumers’ attitudes towards the company and purchase intentions were re-measured. After completing the questionnaire, participants were presented a message stating that all the crisis information was fictitious and made up as a part of the study.

Manipulation results showed that both high reputation / low reputation and intentional/unintentional conditions significantly differed.

3.4. Sample

The data used in this research is part of a larger dataset that was collected for Yakut and Bayraktoroğlu’s study (2020). A total of 735 responses were collected in 40 days. This sample size was adequate since employing 10:1 rule to 16 items, and to 4 groups requires a sample size of 640 (16x10x4). Responses were received from all age groups, where 35.5% of the participants were between the age of 25 and 34, 28% were between 35-44, 17% were between 18-24, and 13% were 45-54. Consistent with the smartphone user statistics (Nielsen Report, 2016), the majority (63 %) of the respondents are between the ages of 25 to 44 years. As for the marital status, 58% of the respondents were married, and 42% are single. The number of male and female participants was close to each other, with 53% male and 47% female respondents. Consistent with the study objective, respondents
participated in the study from 61 different locations across the country, where 148 (20\%) of them from Istanbul, 118 of them from Izmir (16\%), and 77 (11\%) of them from Bursa.

The number of responses to Scenario 1 was 170; Scenario 2 was 200; Scenario 3 was 190, and Scenario 4 was 175. The responses were screened for the missing and unengaged responses. There weren’t any missing and unengaged responses in the numerical data.

3.5. Analysis

3.5.1 Exploratory Factor Analysis

To see the factor structure of the study, an exploratory factor analysis (EFA) with maximum likelihood method and Promax rotation was conducted. According to EFA results, the Kaiser-Meyer Olkin measure of sampling adequacy revealed that the sample was factorable (KMO = .939) with a significant Bartlett’s Test of Sphericity (.000) (Hair et al., 2010) (See Table 1). However, the third purchase intention item had a value of 0.125 and was below the 0.4 threshold; therefore, it was removed, and EFA was re-conducted. The four-factor solution explained 78\% of the total variance over the acceptable value of 60\% (Hair et al., 2010). Rotated Factor Matrix revealed that all pre-crisis attitudes items were loaded on the third factor; all pre-crisis purchase intention items were loaded on the second factor, all post-crisis attitudes items were loaded on the second factor and all post-crisis purchase intention items were loaded on the fourth factor (See Table 2).

Table 1: KMO and Bartlett’s Test

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | .939 |
| Bartlett’s Test of Sphericity | Approx. Chi-Square | 14335.772 |
| df | 120 |
| Sig. | .000 |

Table 2: Pattern Matrixa

<table>
<thead>
<tr>
<th>Factor</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>PreAtt1</td>
<td>.815</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PreAtt2</td>
<td>.647</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PreAtt3</td>
<td>.589</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PreAtt4</td>
<td>.830</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PreAtt5</td>
<td>.678</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PrePurc1</td>
<td>.840</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PrePurc2</td>
<td>.981</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PostAtt1</td>
<td>.874</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>PostAtt2</td>
<td>.815</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PostAtt3</td>
<td>.696</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PostAtt4</td>
<td>.883</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PostAtt5</td>
<td>.811</td>
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<tr>
<td>PostPurc1</td>
<td>.732</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PostPurc2</td>
<td>.863</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Extraction Method: Maximum Likelihood.
Rotation Method: Promax with Kaiser Normalization.
a. Rotation converged in 6 iterations.
3.5.2 Split-Plot ANOVA Assumptions

In factorial designs, if one or more independent variables (IV) are measured between subjects, and other IVs are measured within-subjects, a Mixed Design Anova (split-plot, repeated-measures, or randomized-block factorial design) can be used to assess the differences between two or more independent groups (Tabachnick and Fidell, 2007).

The skewness and kurtosis values were between -2 and 2; the normality assumption was not violated (George and Mallory, 2016). The examination of the data for the univariate outliers demonstrated no outliers.

Another assumption is the homogeneity of variance-covariance matrices across the groups. This assumption was met by checking the Box’s M results with a p-value above .001. On the other hand, this test is very sensitive to unequal sample sizes across groups. In this study, the sample sizes are not equal across groups (See Table 3). If the group has an approximately equal number of cases (Largest group size / Smallest group size <1.5), then the violation of this assumption is acceptable (Hair et al., 2010: p.365; Mertler and Vannatta, 2005: p.126; Tabachnick and Fidell, 2007). Box’s M results revealed that this assumption was violated (See Table 4). On the other hand, the largest sample size in this study (Group 2) is 199, and the smallest sample size is (Group 1) is 168; and the proportion of the largest group sample size to that of the smallest is 199/168=1.18, which is smaller than 1.5. Therefore, it can be concluded that violation of this assumption can be omitted.

Table 3. Between-Subjects Factors

<table>
<thead>
<tr>
<th>Value Label</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1</td>
<td>High Rep - Intentional</td>
</tr>
<tr>
<td>Group 2</td>
<td>High Rep - Unintentional</td>
</tr>
<tr>
<td>Group 3</td>
<td>Low Rep - Intentional</td>
</tr>
<tr>
<td>Group 4</td>
<td>Low Rep - Unintentional</td>
</tr>
</tbody>
</table>

Table 4. Box’s Test of Equality of Covariance Matrices

<table>
<thead>
<tr>
<th>Test</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Box’s M</td>
<td>60.938</td>
</tr>
<tr>
<td>F</td>
<td>6.737</td>
</tr>
<tr>
<td>df1</td>
<td>9</td>
</tr>
<tr>
<td>df2</td>
<td>5626454.877</td>
</tr>
<tr>
<td>Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

Tests the null hypothesis that the observed covariance matrices of the dependent variables are equal across groups.

- Design: Intercept + Group
- Within Subjects Design: Attitudes

The last assumption, equality of variances among groups, was tested by Levene’s test. Even though significant Levene’s test results revealed the violation of this assumption (See Table 5); an examination of the standard deviations asserted that none of the largest standard deviations of the dependent variables were more than four times the size of the smallest standard deviations; meaning that this assumption was also satisfied (Howell, 2009). Furthermore, the sample sizes are approximately equal, and standard deviations are 20% of each other, which, as a result, alleviates the concerns about this assumption (Hair et al., 2010). Moreover, using Greenhouse & Geisser values will correct the possible problems related to the violation of the Split-Plot ANOVA assumptions (Geisser and Greenhouse, 1958).
Table 5. Levene’s Test of Equality of Error Variancesa

<table>
<thead>
<tr>
<th>Source</th>
<th>F</th>
<th>df1</th>
<th>df2</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Crisis Attitudes</td>
<td>11.508</td>
<td>3</td>
<td>726</td>
<td>.000</td>
</tr>
<tr>
<td>Post-Crisis Attitudes</td>
<td>6.448</td>
<td>3</td>
<td>726</td>
<td>.000</td>
</tr>
<tr>
<td>Pre-Crisis Purchase Intent</td>
<td>3.660</td>
<td>3</td>
<td>726</td>
<td>.012</td>
</tr>
<tr>
<td>Post-Crisis Purchase Intent</td>
<td>4.848</td>
<td>3</td>
<td>726</td>
<td>.002</td>
</tr>
</tbody>
</table>

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept + Group
Within Subjects Design: Purchase Intent + Attitudes + Purchase Intent * Attitudes

4. Findings

The results of the Split-Plot ANOVA (Table 6) reveals that all consumers’ attitudes towards the company and purchase intents significantly differ before and after the crisis (Attitudes, F (1,726) = 135.074 p < .001; Purchase Intent, F (1,726) = 13.388 p < .001) regardless of the scenarios. These results show that consumers’ purchase intentions and attitudes are significantly affected by the crisis and decreased due to the crisis. Therefore, the first hypothesis is supported.

Table 6. Tests of Within-Subjects Effects

<table>
<thead>
<tr>
<th>Source</th>
<th>F</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
<th>Partial Eta Squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitudes</td>
<td>Sphericity Assumed</td>
<td>70.518</td>
<td>1</td>
<td>70.518</td>
<td>135.074</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Greenhouse-Geisser</td>
<td>70.518</td>
<td>1</td>
<td>70.518</td>
<td>135.074</td>
<td>.000</td>
</tr>
<tr>
<td>Purchase Intent</td>
<td>Sphericity Assumed</td>
<td>6.523</td>
<td>1</td>
<td>6.523</td>
<td>13.388</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Greenhouse-Geisser</td>
<td>6.523</td>
<td>1</td>
<td>6.523</td>
<td>13.388</td>
<td>.000</td>
</tr>
<tr>
<td>Attitudes * Intentionality</td>
<td>Sphericity Assumed</td>
<td>19.566</td>
<td>1</td>
<td>19.566</td>
<td>37.275</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Greenhouse-Geisser</td>
<td>19.566</td>
<td>1</td>
<td>19.566</td>
<td>37.275</td>
<td>.000</td>
</tr>
<tr>
<td>Purchase Intent * Intentionality</td>
<td>Sphericity Assumed</td>
<td>3.442</td>
<td>1</td>
<td>3.442</td>
<td>6.885</td>
<td>.009</td>
</tr>
<tr>
<td></td>
<td>Greenhouse-Geisser</td>
<td>3.442</td>
<td>1</td>
<td>3.442</td>
<td>6.885</td>
<td>.009</td>
</tr>
<tr>
<td>Attitudes * Reputation</td>
<td>Sphericity Assumed</td>
<td>.303</td>
<td>1</td>
<td>.303</td>
<td>.550</td>
<td>.459</td>
</tr>
<tr>
<td></td>
<td>Greenhouse-Geisser</td>
<td>.303</td>
<td>1</td>
<td>.303</td>
<td>.550</td>
<td>.459</td>
</tr>
<tr>
<td>Purchase Intent * Reputation</td>
<td>Sphericity Assumed</td>
<td>9.290</td>
<td>1</td>
<td>9.290</td>
<td>18.885</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Greenhouse-Geisser</td>
<td>9.290</td>
<td>1</td>
<td>9.290</td>
<td>18.885</td>
<td>.000</td>
</tr>
</tbody>
</table>

To test the second and third hypotheses, the significant effect of intentionality and reputation on consumer reactions (attitudes towards the company and purchase intentions) should be investigated. The results (Table 6) reveal that the intentionality significantly affects both attitudes towards the company and purchase intentions (Attitudes, F (1,726) = 37.275 p < .001; Purchase Intent, F (1,726) = 6.885 p < .001); however reputation has only significant effect on purchase intention (Purchase Intent, F (1,726) = 18.885 p < .001) and attitudes towards the company do not differ between the high reputation and low reputation companies (Attitudes, F (1,726) = .550 p > .005). It can be concluded that intentionality significantly affects both consumer reactions, but reputation only significantly affects the purchase intention. Therefore, hypothesis H3a is rejected because of an insignificant reputation effect on attitudes towards the company.

To test the hypotheses H2a, H2b and H3b, the mean differences should be investigated. As it can be seen on Table 7, Table 8, and Table 9, consumers’ attitudes towards the company and purchase intentions differ according to the intentionality and reputation of the company before and after the crisis. The plots (Figure 1, Figure 2, and Figure 3) also reveal the pre/post-crisis change in attitudes towards the company and purchase intention.
A Comparison between Pre and Post-Crisis Consumer Responses: Does Reputation Really Act As a Shield?

Table 7. Attitudes towards the Company * Intentionality Pre-Post Crisis Means Comparison

<table>
<thead>
<tr>
<th>Group</th>
<th>Pre-Crisis Attitudes</th>
<th>Std. Error</th>
<th>Post-Crisis Attitudes</th>
<th>Std. Error</th>
<th>Decrease in the mean</th>
<th>Decrease Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intentional</td>
<td>4.627</td>
<td>.085</td>
<td>3.950</td>
<td>.089</td>
<td>0.678</td>
<td>14.6 %</td>
</tr>
<tr>
<td>Unintentional</td>
<td>4.978</td>
<td>.084</td>
<td>4.763</td>
<td>.087</td>
<td>0.215</td>
<td>4.3 %</td>
</tr>
</tbody>
</table>

Table 8. Purchase Intention * Intentionality Pre-Post Crisis Means Comparison

<table>
<thead>
<tr>
<th>Group</th>
<th>Pre-Crisis Purchase Intention</th>
<th>Std. Error</th>
<th>Post-Crisis Purchase Intention</th>
<th>Std. Error</th>
<th>Decrease in the mean</th>
<th>Decrease Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intentional</td>
<td>3.541</td>
<td>.119</td>
<td>3.307</td>
<td>.113</td>
<td>0.233</td>
<td>6.6 %</td>
</tr>
<tr>
<td>Unintentional</td>
<td>4.040</td>
<td>.117</td>
<td>4.001</td>
<td>.111</td>
<td>0.039</td>
<td>1.0 %</td>
</tr>
</tbody>
</table>

Table 9. Purchase Intention * Reputation Pre-Post Crisis Means Comparison

<table>
<thead>
<tr>
<th>Group</th>
<th>Pre-Crisis Purchase Intention</th>
<th>Std. Error</th>
<th>Post-Crisis Purchase Intention</th>
<th>Std. Error</th>
<th>Decrease in the mean</th>
<th>Decrease Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Reputation</td>
<td>5.196</td>
<td>.092</td>
<td>4.903</td>
<td>.093</td>
<td>0.678</td>
<td>5.6 %</td>
</tr>
<tr>
<td>Low Reputation</td>
<td>2.379</td>
<td>.093</td>
<td>2.405</td>
<td>.093</td>
<td>0.215</td>
<td>-1.1 %</td>
</tr>
</tbody>
</table>

As the mean differences between pre and post-crisis examined (Table 7, Table 8, and Table 9), the sequence of the decrease can be stated as follows:

Table 10. Consumer Reaction Decrease Sequence

<table>
<thead>
<tr>
<th>Attitudes towards the Company</th>
<th>Intentionality</th>
<th>Reputation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The level of decrease is higher in intentional conditions (H2a is supported)</td>
<td>Insignificant reputation effect on attitudes towards the company (H3a is rejected)</td>
<td></td>
</tr>
<tr>
<td>Purchase Intent</td>
<td>The level of decrease is higher in intentional conditions (H2b is supported)</td>
<td>The level of decrease is higher for high reputation companies (H3b is rejected)</td>
</tr>
</tbody>
</table>
As can be seen in Table 10, H2a and H2b are supported. Intentional conditions generate more negativity from consumers in terms of attitudes towards the company and purchase intentions. As for the reputation, in addition to the insignificant effect on attitudes towards the company, consumers’ purchase intentions endured more negativity when a high reputation firm experienced the crisis. As a result, H3a and H3b are rejected.

Figure 1. Pre/Post Crisis Attitudes towards the Company (Intentionality)

Figure 2. Pre/Post Crisis Purchase Intent (Intentionality)
First of all, it should be stated that this study is one of the few studies that explore the collective effect of two contradictory factors (making an intentional mistake despite having a high reputation) during crises by conducting an experimental study. The results of the study revealed that organizations would suffer more or less in terms of consumer reactions in most cases; moreover, in almost every situation, consumer reactions were negatively affected following the crisis for both high reputation and low reputation firms.

The different ways to successfully deal with the crisis and alleviate the negative consequences of crises have been discussed before. The importance of reputation and intentionality has also been stated in the literature. In this study, the interaction effect of reputation and intentionality was investigated to examine the changes in consumer reactions. It was expected that, when those two factors (reputation and intentionality) are positively (negatively) manipulated, consumer reactions will also vacillate. Even though the result showed a significant intentionality effect for both of the consumer reactions, the reputation was only found to be significant for the purchase intention of the consumers.

The results showed that consumers’ attitudes towards the company and purchase intentions decreased more when the company intentionally caused the event compared to unintentional conditions. On the other hand, low reputation companies did not suffer more from crisis compared to high reputation firms, which is contrary to the expectations and current literature. Moreover, it can be seen that purchase intention towards low reputation firms slightly increased after the crisis. One way of interpreting the results could be consumers’ low expectations about low reputation firms. As a result, their purchase intentions toward those firms are not affected by a single crisis incident. As for the reputational effect on attitudes towards the company, it can be concluded that consumers might have a certain perception about the firms. These perceptions did not differ solely by a single crisis, and
they have not been significantly affected by the reputation of those companies.

Another important ramification of the results could be low consumer tolerance towards high reputation firms in terms of purchase intentions. Even though consumers do not differentiate their attitudes according to the reputation of the firms when it comes to purchase intentions, they do not tolerate the high reputation firms, and a significant decrease was experienced.

In general, it can be stated that, in terms of attitudes towards the company, the intentionality of the firm is more important since, for both high reputation and low reputation firms, intentional harm created more negative effects. As for the purchase intent, the results showed that intentionality was more important since intentional harm created significant negative effects for both high reputation and low reputation firms. On the other hand, as revealed in the results, consumers are less tolerant of high reputation firms regardless of their intentions.

Interestingly, low reputation firms received slightly positive reactions from the consumers in terms of purchase intent. Therefore, it can be concluded that a crisis can be used as a reputation building activity if it is handled correctly and efficiently, which is also consistent with the literature (Claeys and Cauberghe, 2012; Brown and White, 2010; Ihlen, 2002). This result can also be interpreted as the consumers’ indifference towards the low-reputation firms, as long as they do business as usual. Consumers may perceive that experiencing a single crisis is non-contradicting/appropriate to have a low reputation, and therefore, their reactions do not fluctuate and stay very close to pre-crisis attitudes in terms of purchase intentions and do not significantly affect in terms of attitudes towards the company for low reputation firms.

As a result, it can be stated that high reputation companies continue to stay on top even after a crisis incident and have the privilege of generating higher attitudes towards the company and purchase intentions from consumers. However, this single incident creates significant damage to high reputation companies and rips big pieces from them. It should be noted that, if the crises keep happening, it will contradict with the overall expectation of the consumers from a high reputation firm, and bigger wear-offs from the consumer reactions may occur. Therefore, it can be implied that reputation may not be as strong a shield as it is imagined and may not even protect the company in every situation, which requires companies to not solely rely on their reputation. If the mistakes and crises keep happening, there may not be any reputation left to protect the company in the long run. Moreover, consumers may consider other factors to see the goodwill of the company, where in this study, intentionality of the firm significantly affected consumer attributions and reactions after the crisis. Thus, organizational efforts to affect the perceptions of the consumers about the intentionality and the goodwill of the company may create more positive reactions and relieve the negative consequences of the crisis.

6. Managerial Implications

Organizational crises are low probability and ambiguous events where causes and effects are unknown, and they create a major threat to an organization and its stakeholders (Pearson and Clair, 1998). Although crises are low-probability events, their consequences could be far-reaching and formidable. (Vassilikopoulou et al., 2009). Since the organization’s
actions do not meet the expectations of the consumers during the crises, dissatisfaction is quite possible. Since a crisis has detrimental consequences, combining this punitive event with an intentional mistake would be fatal for the organizations. Therefore, managers should pay extra attention and be more prudent when taking actions that may deteriorate the trust of the consumers.

Another important ramification of the study is the fact that crises can also damage high reputation companies. It is known that reputation can be built over time; however, it should also be realized that every single crisis may tear pieces from the companies. Managers should always keep their guard on for the possible reputation damaging events. To successfully deal with a crisis, which has tremendous internal and external effects and negative consequences, managers and companies need to be prepared and have a legal procedure in practice. As the consumers approve the organizational response about the crisis, effective crisis management will allow companies to rebuild consumers’ desire for the product, ensure that the crisis is over and persuade them about the safety (Vassilikopoulou et al., 2009). After the crisis is over, companies should focus on their processes, check the efficiency of the crisis management procedures, and take the necessary actions. To achieve continuous improvement, companies should continue to focus on knowledge management, product traceability, technology (Kumar, 2014), product safety, and security strategies (Berman and Swani, 2010).

7. Limitations and Future Studies

In this study, snowball sampling as a convenience method - a nonprobability technique for studying populations that are hard-to-reach (Heckathorn, 2011: p.355) - was used to collect responses from different locations across Turkey. Even though this method is suggested to reach diverse participants, there is a possibility of overrepresentation of some groups and therefore generalizability of the findings is limited.

It is also known that the level of ascribing importance to certain events is affected by the culture and values of the societies (Wagatsuma and Rosett, 1986). Since this study was conducted on a sample of Turkish consumers, the results are likely to be a product of the Turkish societal culture. In that aspect, the influence of culture should be considered when evaluating the differences/similarities in the results and making comparisons to other studies which were conducted in different cultures. The locational variations among the participants may also indicate Turkish subcultural differences, and the results of the study might be influenced by subcultural factors. Therefore, comparative studies in different countries/cultures might also be useful to understand the effect of cultural differences.

Another limitation of the study is that the severity of the crisis is not taken into account during the preparation of the scenarios. As it was stated in the literature, consumers consider crisis severity as an important aspect when assigning responsibility and blame (Haas-Kotzegger and Schlegelmilch, 2013). To keep the number of scenarios reasonable, only a limited number of factors were manipulated, and consumer attributional changes in terms of crisis severity were not assessed. In future studies, the crisis severity might be included to see the consumers’ perceptional differences where meaningful insights might be generated for both scholars and practitioners.

There are several response strategies that can be adopted during crises, and Situational
Crisis Communication Theory provides the fundamentals of selecting the right response strategy to secure the organizational reputation during a crisis (Claeys and Cauberghe, 2012). A comparison of different response strategies and their effect on attitudes towards the company and purchase intentions might be helpful for scholars and marketing managers.

Another point of concern is the participants’ previous experiences with the firms. To accurately measure the participants’ evaluations, real firms were used in this study, which might negatively affect the consumer judgments and cause biases because of participants’ previous experiences about those brands (Siomkos, 1999).

This study was prepared, distributed, and conducted online, and some setbacks in terms of participants’ behavioral patterns could have been experienced. A future experimental study in a laboratory environment would generate a healthy environment where respondents are secured from an environmental stimulus is also suggested.
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References


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