

Corporate Crisis Communication and Brand Forgiveness: The Role of Brand Attachment

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Abstract

Consumers nowadays have many possibilities to voice their opinions, and many of them possess no sensibilities of apprehension to relay their sentiments to the very brands whom they feel had wronged them. In certain instances, customers might even develop brand hate, which can lead to profound ramifications for brands, particularly when companies fail to adequately respond. However, the number of publications on this topic remains limited. We strive to close this gap by addressing the roles of brand attachment and companies' response strategies for consumers' willingness to forgive a brand in the case of a value-based brand transgression. We show that brand attachment significantly increases brand forgiveness. Importantly, customers with medium to high brand attachment show levels of brand forgiveness that are unrelated to corporate responses. In contrast, consumers with low brand attachment show significant differences in brand forgiveness depending on the type of corporate response.

Keywords

Brand Forgiveness, Brand Attachment, Brand Hate

Track

Product and Brand Management

1. Introduction

As contemporary consumers have access to ubiquitous means of communication enabling them to voice their opinions, researchers have in turn identified the phenomenon of brand hate as an essential threat towards brands. Companies need to be made aware as to how to respond to hateful rhetoric; thus, understanding the concept of brand forgiveness as well as having the knowledge to divert a crisis and restore relationships is essential (Fetscherin & Sampedro, 2019). This article addresses the role of brand attachment and corporate response strategies for brand forgiveness.

2. Background

Much of the available research pertaining to brand emotions addresses positive rather than negative emotions. However, consumers engaging in brand hate must not be overlooked (Zarantonello, Romani, Grappi, and Bagozzi 2016). Due to negativity bias, which delineates that people weigh negative information more heavily, consumers' negative actions can be far more consequential than one might assume (Sharma, Jain, and Gupta 2021).

2.1 Brand hate

Küçük (2018b, p. 20) defines brand hate as *“a psychological state whereby a consumer forms intense negative emotions and detachment toward brands that perform poorly and give consumers bad and painful experiences on both individual and social levels.”* Whilst some customers simply depart from a brand following a negative experience, others become incensed, and certain frustrated customers might even engage in anti-branding behavior (Kucuk, 2018a). In practice, brand hate can manifest in various forms, such as via consumer empowerment (Sharma et al., 2021), negative word of mouth (Kucuk, 2018b), brand avoidance and boycotting (Hegner, Fetscherin, and van Delzen, 2017), online anti-branding activities (Powell, Stavros, and Dobebe, 2021), or even extreme forms of brand retaliation that can include illegal activities (Kucuk, 2018b).

2.2 Brand forgiveness

Research pertaining to the topic of brand forgiveness currently remains to be in its fledgling stages. Joireman, Grégoire, and Tripp (2016, pp. 76–77) cover the related concept of

customer forgiveness and define it as “customers’ internal act of relinquishing anger and the desire to seek revenge against a firm that has caused harm as well as the enhancement of positive emotions and thoughts toward this harm-doing firm”. Fetscherin and Sampedro (2019, p. 635) refer to Tsarenko and Tojib’s (2011, p. 382) argumentation that “the main component that underlies forgiveness is the transformation of negative emotions.” Like in interpersonal relationships, forgiveness serves as the primary mechanism for reducing or replacing negative sensibilities (Fetscherin & Sampedro, 2019).

2.3 Brand attachment

Park, Macinnis, Priester, Eisingerich, and Iacobucci (2010, p. 2) define brand attachment as “the strength of the bond connecting the brand with the self”. Extant research identifies brand attachment as a highly relevant construct for consumer-brand relationships that influences trust (Bidmon, 2017), loyalty and willingness to promote a brand (Bidmon, 2017; Park et al., 2010), or resilience to negative information and willingness to defend a brand (Japutra, Ekinci, & Simkin, 2014; Schmalz & Orth, 2012). However, brand attachment is also related to negative behaviors such as forms of denigration (Japutra, Ekinci, Simkin, and Nguyen, 2014; Japutra, Ekinci, and Simkin, 2018). Strong bonds and strong brand identification can lead to rivalry against other brands. Furthermore, strong emotional bonds can lead to anti-brand behavior in the event of perceived brand transgressions (Grégoire & Fisher, 2008; Japutra et al., 2018).

2.4 Corporate crisis communication

Küçük (2018b, p. 165) argues that “no complainer turns into hater overnight”, suggesting that brands can actively manage negative emotions. By complaining, consumers inform brands that a problem needs to be addressed. Dismissiveness can lead to escalation and damage towards the brand’s reputation (Kucuk, 2018b). Demonstrating empathy is essential as customers might feel their concerns are not being taken seriously (Kucuk, 2018b). When dealt with appropriately, negative emotions can be reduced or even replaced with positive ones, which indicates that a consumer has forgiven the brand for its perceived transgression (Fetscherin & Sampedro, 2019).

A crisis is a sudden, unexpected event that can physically, emotionally, or financially harm stakeholders. It can be defined as a “perception of an unpredictable event that threatens important expectancies of stakeholders and can seriously impact organization’s performance

and generate negative outcomes” (Coombs & Holladay, 2012, p. 19). Coombs and Holladay (2002) advanced the Situational Crisis Communication Theory (SCCT) as a reference frame covering consumers’ reactions towards crises and corporate response strategies. SCCT assists in determining responsibility for a crisis and offers guidelines in how to effectively respond (Coombs & Holladay, 2012). Crisis response strategies shape responsibility, frame the conversation, and reduce negative emotions. SCCT provides three main categories for response strategies: denial (i.e. an attempt to prove a brand bore no responsibility), diminishment (i.e. arguing that the crisis is not as adverse as it might appear), and rebuilding (i.e. offering compensation, expressing remorse) (Coombs & Holladay, 2002).

3. Research Question

To the best of our knowledge, research pertaining to brand attachment and corporate crisis communication in the context of brand crises remains scarce. We strive to close this gap by addressing the role of attachment theory and corporate crisis communication for brand forgiveness in case of a value-based brand transgression. Nobi, Kim, and Lee (2021) demonstrated that consumers with strong (positive) brand relationships are more forgiving in case of transgression. This is in line with Schmalz and Orth (2012), who argue that brand attachment influences behavioral consequences of corporate unethical behavior. Brand attachment can lead to anti-brand behavioral practices (Japutra, Ekinci, Simkin, et al., 2014), heightened rivalry, and lasting hate in case of brand transgressions (Grégoire & Fisher, 2008; Japutra et al., 2018). Ergo, we argue that brand attachment plays a pivotal role for relationships, judgment, and anti-brand behavior in case of brand transgressions.

There is a perceived difference as to whether a company simply regrets its previous actions or whether it also attempts to explain the reasons behind its transgression. In other words, only comprehensive apologies can effectively induce brand forgiveness (Yuan, Cui, and Lai, 2016). The type of corporate response thus plays a particular role in avoiding brand hate and generating brand forgiveness. Folkes (1984) found that consumers might perceive to own an apology in order to redress the wrong in case of a firm-related crisis. However, the study did not incorporate different types of apologies. Fetscherin and Sampedro (2019) offer an investigation into brand forgiveness but do not cover different corporate response strategies. Yuan et al. (2016) show that consumers are more likely to forgive when companies

display self-reflection and self-attribution of responsibility for the transgression in their crisis response.

The role of corporate crisis communication appears somewhat under-investigated. Moreover, brand attachment might play an essential role for brand forgiveness. Against this backdrop, we exploratively investigate possible relationships. We thus formulate the following research question:

RQ: What are the roles of brand attachment and corporate response strategies for the development of brand forgiveness in the case of value-based brand transgression?

4. Pretest

We employed a 4 (brand attachment) x 5 (response strategy) quasi-experimental design in the form of a structured online questionnaire as a pretest. We randomly assigned participants to one of four groups representing different levels of brand attachment. We asked participants to name a brand that aligns with their experimental group's description (e.g., 'brand I love and am a regular customer of'). We chose this procedure of self-selected brands in line with Fetscherin and Sampedro (2019). All participants were then exposed to the same description of a hypothetical value-based brand transgression. After that, we exposed participants to five different scenarios of brand response strategies, one after another (denial, attacking the accuser, excuse, concern, and taking responsibility). We assessed the participant's level of brand forgiveness for every company response. Following Fetscherin and Sampedro (2019), we adopted items from Xie and Peng (2009) (*see Appendix for study design*).

4.1 Results and discussion

The pretest resulted in a total of 100 valid questionnaires. We applied analysis of variance (ANOVA) to analyze differences in brand forgiveness depending on the factor brand attachment. We found significant differences in brand forgiveness among different groups of brand attachment in the scenarios of denial ($F(3, 96) = 4.212, p = 0.008$), attacking ($F(3, 96) = 3.039, p = 0.033$), and excuse ($F(3, 96) = 3.159, p = 0.028$). Importantly, our pretest showed no significant differences in the cases of concern and taking responsibility. Based on these preliminary results, one might assume that consumer's brand attachment does not influence

brand forgiveness if the company shows concern or if the company takes responsibility. We thus performed a second study.

5. Main study

Our pretest revealed some provocative first findings. However, this preliminary study came with certain shortcomings considering question design and sample size. We addressed these shortcomings in our main experimental study. We exposed participants to one of three hypothetical scenarios of corporate responses. In contrast to our pretest, we explicitly assigned our scenarios to a specific well-known consumer electronics brand. We first assessed brand attachment by applying items from Park et al. (2010). We then exposed participants to the same hypothetical brand transgression as in our pretest. We then assigned participants to one out of three scenarios (denial, taking responsibility, and a control scenario without a corporate response). Subsequently, we measured brand forgiveness with items from Xie and Peng (2009) (*see Appendix for study design*).

5.1 Results and discussion

We obtained 237 completed questionnaires (63.7 % female) and ensured reliability via Cronbach's alpha for brand attachment (0.883) and brand forgiveness (0.796). We applied analysis of variance (ANOVA) to statistically test for differences in brand forgiveness depending on the factor brand attachment. We found significant differences in brand forgiveness depending on the factor brand attachment in the scenarios of denial ($F(15, 64) = 3.394, p < 0.001$) and taking responsibility ($F(15, 61) = 2.150, p = 0.019$), as well as in the control scenario ($F(15, 64) = 2.550, p = 0.005$). That is, participants of all scenarios show significantly different levels of brand forgiveness depending on their level of brand attachment. At a first glance, these results are in contrast to our preliminary findings which suggested that brand attachment does not influence brand forgiveness when the company takes responsibility for the transgression.

We therefore performed a second ANOVA. We created three groups of brand attachment (1 SD below mean, 1 SD above mean, in between, *see Figure 1*). We then tested for differences in brand forgiveness depending on the factor response strategy. For the group with low brand attachment, our results show significant differences in brand forgiveness depending on the type of response strategy ($F(2, 44) = 3.416, p = 0.042$). However, we found no significant differences in the groups with medium and high brand attachment. We thus find

that corporate response strategies play an important role for participants with low levels of brand attachment. *Figure 1* visually depicts the relationship between different levels of brand attachment, different response strategies, and brand forgiveness.

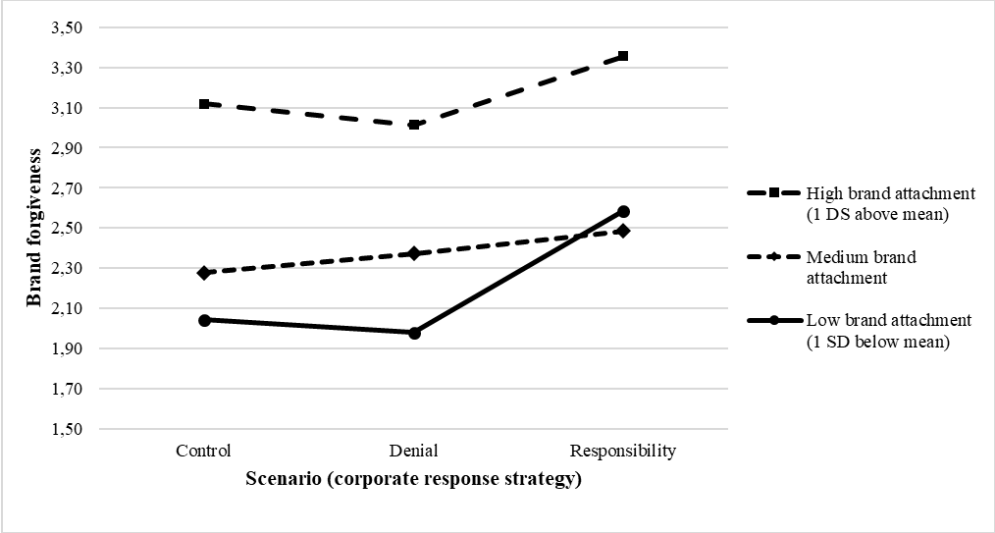


Figure 1. Relationship between brand attachment, brand forgiveness, and corporate response strategy

6. Conclusion and Implications

Our results have important theoretical and managerial implications. We demonstrate that both brand attachment and corporate response strategies play an essential role for brand forgiveness in case of brand transgressions. We show that brand attachment significantly increases brand forgiveness. However, participants with medium to high brand attachment show levels of brand forgiveness that are unrelated to corporate response strategies. Importantly, participants with low brand attachment significantly show higher levels of brand forgiveness depending on corporate response strategies.

We thus recommend managers to foster brand attachment among their customer base, as medium to highly attached customers are willing to forgive even in cases of negative corporate responses. However, managers are encouraged to focus on taking responsibility in cases of brand transgressions, as this type of corporate response will increase levels of brand forgiveness amongst customers with low brand attachment.

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Appendix

A.1 Self-selected categories of brand attachment (pretest)

1. brand I love and am a regular customer of
2. brand I used to love but was disappointed by and am no longer a customer of
3. brand I hate and will never be a customer of
4. brand I have no attachment to and whose products are, for me, replaceable by others on the market

A.2 Value-based transgression (pretest and main study)

“Selected brand has been accused of tampering with rules regarding safety measures in their factories in developing countries to increase productivity. This allegedly exposed its workers to dangerous working conditions and caused injuries due to too long working hours and exhaustion. None of this has yet been proven in court, however, the evidence and witness testimonies are pretty solid. Some human rights organizations have already started to get involved.”

A.3 Scenarios

“A representative has made a public statement to address the accusations.”

- Denial (pretest, main study): *“The accusations are false. Nothing like this ever has or would take place at our production facilities.”*
- Attacking (pretest): *“If these so-called human rights organisations actually did their job right, they would see that we are not the ones they should be focusing on”*
- Excuse (pretest): *“We cannot know what goes on in our partner establishment at all times and although we have introduced strict standards from our side, some things are out of our control and supervision”*
- Concern and compensation (pretest): *“We do, however, feel for the people involved in this situation and will be helping those who are most affected by it on a case-by-case basis.”*
- Taking responsibility (pretest, main study): *“Our lack of oversight and constant pressure on our partner establishments to deliver has caused this situation that never should have happened. We take full responsibility for it. We ask for your forgiveness and commit to working with all parties involved to right this wrong.”*