Navigating Brand Crises in in the digital era: A Comprehensive Approach to Understanding the Psychological Processes of Consumer Coping Strategies

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Abstract:

This research endeavors to comprehend the factors that initiate a brand crisis, resulting in a psychological phenomenon known as consumer revenge. To achieve this, a qualitative study was conducted utilizing netnography, with 1600 messages collected and analyzed, along with two focus groups. The objective was to explore the expressions and negative reactions associated with two notable instances of brand crises. Specifically, the study focused on the contamination incident involving infant milk products manufactured by Lactalis and the racially insensitive communication by H&M. Through thematic content analysis, several cognitive and affective precursors were identified. Additionally, the empirical study uncovered various forms of revenge, thereby shedding light on both theoretical and managerial implications.

Keywords: brand crisis-coping strategies-consumer reactions-netnography-communication

1. Introduction

The contemporary context is marked by a proliferation of crises, creating a reality that is both obvious and worrying. Among these crises, those affecting brands are problematic. Often triggered by unexpected and seemingly low-risk events, they are of great concern because of their potentially harmful consequences. In 2015, Coombs proposed a typology of brand crises, distinguishing reputation crises from product crises. Reputational crises are characterized by the emergence of negative media-scale events, such as communication scandals or unethical behavior, which lead to a re-evaluation of consumers' perceptions of the brand, thus jeopardizing its reputation (Sohn and Lariscy, 2014). For example, in 2017, United Airlines faced a reputational crisis of considerable international scope. It all began when a video, which had gone viral, showed a passenger being forcibly removed from an overbooked flight. The shocking images and unfair treatment of the passenger triggered an intense public reaction.

Over the past two decades, food safety crises, also known as product harm crises, have multiplied at an alarming rate, highlighting the malfunctioning of the agri-food industry, a sector particularly vulnerable to such situations. Examples such as the mad cow crisis, salmonella-contaminated infant milk involving Lactalis, fipronil-contaminated eggs, Findus lasagne containing horsemeat, and the Buitoni pizza contamination incident illustrate the worrying frequency of such crises. These events have considerable potential for viral propagation and media amplification. For example, the crisis of eggs contaminated with Fipronil in 2017 caused intense reactions among consumers, expressing their dissatisfaction in a belligerent manner, and generated more than 206,500 media publications (Visbrain, 2022).

In this context, when a crisis occurs, brands face the dual challenge of managing both the operational and financial repercussions of the crisis, as well as the psychological impact on consumers. Consumers, being directly affected by these crises, whether attributable to product failures or reputational crises, may display intense negative reactions in an attempt to restore a sense of justice to the harm suffered. Furthermore, a worrying trend is the significant increase in the percentage of customers seeking revenge after a brand crisis since 2020, rising from 10% to 32% (the future of commerce, 2023). Most studies have focused on analyzing the impact of crises on companies, examining factors such as perceived risk (Pennings et al., 2002), corporate social responsibility (Klein and Dawar, 2004), marketing effectiveness (Heerde, Helsen and Dekimpe, 2007), reputation (Coombs and Holladay, 2010) and on consumers, particularly purchase intention (Puzakova et al., 2013) and negative word-of-mouth (Lee and Atkinson, 2019). However, these studies have not addressed the question of the amplification of several factors that can aggravate a triggering event, nor have they explored in depth consumers' negative reactions to such events. Indeed, when a consumer feels that a company has seriously betrayed his trust (Grégoire et al., 2010) and is confronted with a defective product that could endanger his health or with a sensitive communication campaign, he tends to feel angry and react in an intense and violent manner (Yang, Sun, and Shen, 2022). Apart from initial reactions such as complaints, consumers may resort to spreading negative reviews, calling for boycotts (Capelli, Legrand, and Sabadie, 2012), or more extreme and illegal forms of protest such as revenge. However, it should be noted that some consumers tend to avoid products associated with a brand crisis and adopt avoidance behaviors towards them (Bray, 2017).

The literature on consumer revenge is based mainly on work from the field of service marketing (Bechwati and Morrin, 2003; McColl-Kennedy et al., 2009; Zourrig et al., 2009a; Grégoire et al., 2010). These studies focus specifically on customer reactions to a double deviation, which occurs when there is both an initial service failure and a failure to recover from that failure.

However, there are very few studies on the coping strategies adopted by consumers in the face of brand crises (Khamitov, Grégoire, and Suri, 2020).

By focusing on brand crises, this article aims to understand the psychological processes that govern consumer reactions following a crisis, whether reputational or product-related, by addressing the following issues: What are the psychological mechanisms underlying consumer behavior in the face of a brand crisis? What factors can exacerbate the triggering of a brand crisis? What forms of revenge do consumers express in the face of a brand crisis?

The paper is organized as follows: First, we will establish the theoretical framework of our research, focusing on key concepts. Next, we will detail the methodology we used to conduct our study. We will then present and discuss our main findings. Finally, we will conclude with a discussion of the limitations inherent in our research and of the future prospects that emerge from it.

2. Literature Review

2.1 Brand crises

Pearson and Clair (1998, p. 60) define crises as « *low-probability but high-impact events that threaten the viability of the organization and the crucial health and safety expectations of stakeholders. They are characterized by inherent ambiguity in their causes, effects, and means of resolution, requiring rapid decisions* ». Many researchers, such as Pearson (1997), Sayech (2004), Sommer (2006), Klein, and Eckhaus (2017) have unanimously approved this definition. Dutta and Pullig (2011) have distinguished two types of crises: performance-related crises, which reduce a brand's ability to deliver functional benefits, and value-related crises, which are associated with the symbolic benefits attributed to a brand (Roehm and Brady, 2007). The emergence of this field of research has mapped out a fundamental path to apprehending the mechanisms underlying the emergence of these events (Coombs and Holladay, 2002) and evaluating strategies enabling organizations to minimize the consequences inherent in these situations (Bundy and Pfarrer, 2015). This development has prompted many researchers to look at different issues, leading to the identification of three major lines of research (Chandrasekar and Rehman, 2023).

The first line of research looked at the pre-existing relationship with stakeholders based on attributes linked to the consumer and the relationship with the brand. Other research has focused on the roles of consumers' pre-crisis perceptions, particularly in terms of ethics, authenticity, and corporate social responsibility initiatives (Brunk and De Boer, 2020), familiarity (Cleeren, Dekimpe, and Helsen, 2008), loyalty (Ahluwalia, Burnkrant, and Unnava, 2001), prior expectations of product quality (Dawar and Pillutla, 2000), and commitment (Germann et al., 2014), in the generation of a halo effect aimed at mitigating the negative impact of a crisis (Hiber et al., 2010). For example, Ahluwalia et al. (2000) found that consumer engagement can mitigate the negative effects of a brand crisis. Their studies showed that consumers with a high level of brand commitment are more likely to challenge negative information than those with a low level of commitment. As a result, highly engaged consumers have an attitude less likely to decline following a brand crisis.

The second line of research has focused specifically on crisis management (Coombs, 2007) and strategies to mitigate the damage associated with these situations (Claeys and Cauberghe,

2014; Gistri, Corciolani, and Pace, 2016; Pace, Balboni, and Gistri, 2017). Indeed, previous studies have shown that consumer perception is influenced by several situational factors, such as perceived severity (Lai et al., 2015), perceived risk (Ruppel and Einwiller, 2021), and attribution of blame (Lange and Washburn, 2012).

The third line of research focused on the long-term consequences of crises and the resulting behavioral reactions of consumers. Although the negative effects of brand crises on sales (Liu, Shankar, and Yun, 2017), trust (Cleeren et al., 2013; Humphreys and Thompson, 2014), and negative word-of-mouth (Baghi and Gabrielli, 2019; Nguyen, Lee, Ngo, and Quan, 2022) have been consistently demonstrated, there is a lack of in-depth research into the psychological mechanisms underpinning consumer reactions to brand crises, be they reputation or product crises (Chandrasekar and Rehman, 2023).

2.2 Revenge and avoidance: an adapted responses to brand crises

Revenge is defined as "*behavior intended to punish and/or harm a company in response to perceived damage*" (Zourrig et al., 2009, p. 996). Huefner and Hunt (2000) identified six common themes in consumer revenge behaviors, namely: (1) creating costs or losses; (2) vandalism; (3) ransacking; (4) stealing; (5) negative word-of-mouth; and (6) personal attack (Huefner and Hunt, 2000). Among these revenge actions, negative word-of-mouth (WOM) is the behavior that provides the most ethical sensation (Gelbrich, 2010). On the Internet, Obeidat et al. (2017) have proposed a typology that encompasses three forms of revenge: immediate online revenge (via a social media platform, such as Twitter, Facebook, etc.), online revenge by third parties, and online revenge through the creation of an own website, which allows the negative emotions felt against the company to be disseminated more intensely.

Two theoretical frameworks provide a better understanding of revenge behavior: the attribution of responsibility theory (Folkes, 1984) as a pillar of Coombs' SCCT (2007) and the cognitive appraisal theory of emotion (Lazarus, 1991). The former is concerned with the reasons that drive consumers to retaliate and highlights the different motivations. They seek to answer the question, "Why does the consumer retaliate?" (Folkes, 1984). The second study examined the operating mechanism of the psychological process of revenge, exploring the cognition-emotion-action sequence (Arnold, 1960; Lazarus, 1991). During a brand crisis, a high level of responsibility encourages aggressive behavior. Hence, the development of a symbolic approach to communication (Coombs, 2007). From the point of view of the cognitivist approach, the perception of a stressful situation triggers a cognitive appraisal in the individual, where the consumer engages in a three-stage psychological process: cognition, emotion, and action (Lazarus, 1991). Anger has been considered as the only emotional trigger predictive of revenge behavior (Zourrig et al., 2009; Grégoire et al., 2009; McColl-Kennedy et al., 2011). Consumers react to conflictual situations by adopting adjustment strategies that can take the form of revenge ("fight"), focused on solving the problem, or avoidance ("flight"), focused on managing emotions.

3. Methodology
3.1 Netnography: non-participant observation of virtual communities

After a thorough analysis of relevant examples of brand crises for our research, we meticulously selected two distinct and striking cases as a framework for study. The first case concerns the reputational crisis at H&M, resulting from a linguistic misrepresentation of the content of an

advertisement. The second case concerns the crisis linked to a defective product at Lactalis, which necessitated a product recall. In 2018, the Lactalis group was at the center of the news due to an Agona-type salmonella contamination in infant milk. To address the raised questions, we adopted a netnographic approach, inspired by Kozinets (2012), which involved selecting the most relevant communities, collecting data, and subsequently analyzing and interpreting the results. We chose non-participant observation as our methodology due to the sensitive nature of the topics being studied.

The selected contexts represent a critically important research area for examining a highly sensitive triggering factor (Sayrah, 2013). The ramifications of this factor have had a profound and far-reaching impact on a vulnerable population. These repercussions encompass the hospitalization of 60 infants, the contamination of 200 children, a recall of 12 million cans across 83 countries, a substantial number of complaints, the mobilization of parents who feel deceived, the endangerment of lives, the failure to provide assistance to a person in danger, and the involvement of multiple stakeholders.

We selected the "Boycott H&M" community, a Facebook page created on January 8, 2018, with 5,654 members and a dynamic feed where each post generates an average of 400 likes, 60 comments, and 750 shares. We also chose the "Contaminated Milk: Reacting against Lactalis" community, which is a private Facebook group affiliated with AFVLCS (Association of Families Affected by Salmonella-Contaminated Milk). This group has 1,229 active members and displays a high level of activity with a significant number of posted messages. These two communities meet the criteria advocated in the literature (Branthonne and Waldispuehl, 2019). In total, we collected and analyzed 1,600 messages during our study, with 750 messages posted for the H&M case and 850 messages posted for the Lactalis case, which underwent thematic content analysis (Bardin, 2013).

3.2 Focus groups

In order to explore consumer revenge behaviors, we gathered two groups of undergraduate management students, one consisting of 12 participants and the other consisting of 10 participants. This sample size is considered representative, as previous research suggests that interactivity emerges within groups ranging from 5 to 12 individuals (Giannelloni and Vernette, 2015). The two focus groups, each lasting an average of 3 hours and 30 minutes, took place on February 6, 2020, at the university premises. With the participants' consent, we recorded and transcribed the discussions in summary form. Similar to the netnographic study, the interview guide focused on the Lactalis case to gain a better understanding of revenge behaviors. Other questions related to our research objectives were also asked (Appendix 1). The final corpus underwent thematic content analysis (Giannelloni and Vernette, 2015) using Nvivo software.

4. Results

The thematic content analysis highlights the significance of triggering factors in understanding the psychological processes underlying consumers' coping strategies. Through the exploration of the discourse, we were able to categorize the antecedents of a brand crisis and the associated consumer reactions into two main themes: antecedents and forms of revenge. The following table summarizes the findings of our research.

<p align="center">**Table 1: Summary of the main results**</p>

Themes	Verbatim
Cognitive antecedents	
Blame attribution	"Lactalis is at fault, but responsibility lies with every link in the chain, and everyone has a responsibility to inform their customers and stop marketing dangerous products". "I think that if they had thought it was racist, they wouldn't have let him do it ! "
Perceived greed	"The Lactalis group puts its own economic activity before the general interest; otherwise, it would have destroyed these milk products, presenting a risk of contamination. This greed, expressed at the expense of others, is not a fault but a cowardice" . "H&M's "successful marketing stunt," "an attempt to create a buzz," "to provoke in order to gain publicity".
Crisis response strategy	"It's too late Lactalis, it's time to apologize and act transparently" "apologies without acknowledgement of responsibility are worthless. Who cares about his hypocritical apology?" "[...] H&M's message did worse than go unanswered. It seems to be the same press release, even the same speech every time [...] No effort! ".
Emotional antecedents	
Anger	*"Capitalist society, I'm irritated and they dare to talk about defending the consumer", "pfffff that pisses me off!!!! ☹☹☹☹".*
Empathy	"The families are right to lodge a complaint, because it's their baby who could have died as a result! I find it unacceptable and above all I hope that none of these babies will suffer any after-effects ☹ ". "I felt empathy for the people who were directly affected, anger too".
Forms of revenge	
Legal complaints (Lactalis)	*"Hello, what's the status of the site? I'm waiting for instructions on how to lodge a complaint, it's a bit long....", "once the complaint has been lodged, what is the procedure to follow?".*
Destructive actions (H&M)	"How could this company let this happen? There are firings that would be deserved. Insulting the black community has a cost that H&M is going to have to pay!(...) "Zero tolerance against Afro phobia. »"
Boycott	"Stop Lactalis stop their products that poison our babies!!!" "Guerlain, H&M boycott!!! And all these other brands that denigrate black people".
Online Revenge	"Consumers have a formidable weapon at their disposal: social networks. I think this is the best way to respond". "For my part, I much prefer collective consumer social networks where I can share and relay information as widely as possible".

Results Commentary:

The analysis of the comments revealed three cognitive antecedents that contribute to the process of consumer revenge: attribution of responsibility, perceived greed, and crisis response strategy. In the context of a brand crisis, the attribution of responsibility plays a pivotal role in the evaluation of causality.

Netnographic analysis shows a lack of intentional control and a high level of locus, given that salmonella contamination occurs quite frequently (2005). In addition, several actors seem to be

involved in this case (manufacturer, distributor, laboratories, and public authorities). According to Weiner's causal attribution model (1980), this chain of negligence accentuates causal attributions (Lei, 2012). In the case of H&M, responsibility is shared between the brand itself and the child's parents. The analysis also shows that consumers strongly denounce the opacity of the affair and infer greed on the part of Lactalis, which sought to maximize its profits by acting opportunistically (Grégoire et al., 2010). On the H&M side, some respondents also stressed that the linguistic distortion triggering H&M's reputational crisis was not due to chance but rather a marketing strategy to get the company talked about and generate buzz, thanks to a well-targeted advertising message. Our study mobilizes Coombs' Situational Crisis Communication Theory to analyze the crisis communication in both cases. An examination of the comments highlighted the crucial importance of communication strategies in the revenge process. Response strategies amplified consumer reactions, as the majority of respondents expected them to acknowledge responsibility, in line with Coombs' mortification strategies (2020). Respondents expressed dissatisfaction with Lactalis' communication, which failed to provide sufficient detail on the events that led to the contamination and the measures taken to prevent a recurrence. In addition, the decision to pay financial compensation to the victims was criticized as an attempt to buy their silence. Our findings are relevant to understanding the potential impact of crisis communication strategies, as 80% of those surveyed said that an effective corporate response could reduce their desire for revenge.

Two emotions dominate our study: anger and empathy. Our results confirm that anger is the main catalyst for revenge reactions (Zourrig et al., 2009). Our results show that consumers adopt three forms of revenge: legal complaints, boycotts, and online revenge. For example, the Lactalis affair gave rise to a legal complaint for "deception," "endangering the lives of others," and "non-assistance to a person in danger." This led to a boycott (a petition gathered 2,700 signatures in one day, calling for greater transparency). Finally, consumers engage in online revenge behavior using a variety of devices, ranging from simple posts on social networks to the creation of anti-consumer groups, websites aimed at damaging brand image, and the publication of videos on YouTube to denounce both types of crises. Our results are in line with the work of Obeidat et al. (2017), who show that the Internet is a favorable terrain for the expression of consumer revenge.

5. Conclusions and Limitations

The aim of this article is to understand the main triggering factors of a food crisis that lead to various associated revenge reactions. From a theoretical perspective, this research has enhanced our understanding of the phenomenon of revenge, particularly in the context of a brand crisis. It helps identify products contaminated with salmonella and posing health risks, as well as sensitive communication as a new field of application that gives rise to several active and passive forms of consumer resistance. From a managerial standpoint, the findings of this study can be valuable for companies seeking to prevent or manage a crisis, enabling them to better comprehend consumer reactions to such events. Companies can also utilize these results to design effective response strategies that minimize negative impacts on consumer trust and brand loyalty. From a methodological point of view, this work highlights the originality of research conducted on social media, particularly Facebook and microblogging sites, where access to information is simplified. However, despite its contributions, this study is not exempt from limitations. The main limitation concerns the use of netnography. This method involves respecting the confidentiality and anonymity of the people who share their opinions online. It would therefore be interesting to consider a future study with a participatory approach requiring ethical validation by the participants. Unfortunately, it is not possible to write to 1,600 people

in advance to obtain their permission. The second limitation relates to the social desirability bias in the focus group, where participants do not guide their responses according to their thoughts but rather according to what is socially acceptable in society. By way of conclusion, we can say that this study is a first step in more developed research that could lead to the emergence of a theoretical framework to situate cases of revenge for misappropriated advertising.

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Appendix 1: Interview Guide

<u>Introduction Phase:</u>

Introduce myself; express gratitude; briefly present the research without specifying its exact topic in the introduction. Ethical considerations (recording and anonymity permissions).

- In your opinion, what is a brand crisis? What are the key elements that define a crisis situation?
- According to you, what are the different triggering contexts of brand crises?
- Can you provide examples of factors that can contribute to the occurrence of a crisis?

<u>Refocusing and Deepening Phase:</u>

We will now discuss the case we are studying, namely the product crisis of the dairy group Lactalis. Do you remember this event? Please describe it briefly.

Theme 1: Cognitive Factors

- How did you personally react to the Lactalis product crisis?
- What were the elements or information that influenced your perception of this crisis?
- Can you specify which parties are generally considered responsible? In the case of the Lactalis health crisis, who do you think is responsible for the situation? Do you believe that the primary responsibility lies with Lactalis?

- Please assess the company's response strategy based on the provided information. Lactalis' response strategy: The CEO of Lactalis apologized to the affected families and consumers, stating: "The entire company, myself included, is committed to a common goal: to repair and improve what necessarily needs to be done and restore the trust between you and us. We will do everything in our power to restore that trust: the road will be long, but we will succeed, I am convinced. We will compensate all families who have suffered harm."
- How do you evaluate the response strategy adopted by Lactalis?
- Do you think their apologies and commitment to compensate the affected families are appropriate for managing the health crisis? Why?
- Do you think both responses were adequate in dealing with these crises? Why?

Theme 2: Intensity of Emotions Felt

- What emotions did you experience when you became aware of this crisis? Could you describe these emotions in detail?
- How would you characterize the emotions you felt when assessing the situation? What emotions were evoked in you when you analyzed the events?
- When you recall these events, what emotions come to mind? How did you emotionally react when these events occurred?

Theme 3: Motivational Mechanisms

- What motivations emerged in response to the emotions you felt in this situation?

- In this situation, are you more inclined to feel a desire for vengeance towards the affected brand? If yes, why do you feel this desire for revenge, and what actions or reparations would seem appropriate to you?

- On the contrary, are you more inclined to adopt an avoidance attitude towards the brands in question?

- Or, are you willing to forgive the brands involved in this situation?

Theme 4: Forms of Revenge

- What forms of online revenge have you encountered or heard of?

- Have you witnessed or participated in direct or online acts of revenge against Lactalis in response to these crises?

Conclusion Phase:

Briefly summarize the key points raised by the group during the discussion. Express gratitude for their participation and for sharing their opinions and experiences.