### Reputation affection in the Samsung Electronics smartphone crisis

The role of involvement, emotion and responsibility

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#### **Preface**

The Master thesis. Also known as the last step of my Master's program. The final step in my academic career as a student at the Erasmus University in Rotterdam. Even though this was the second time that I had to write a thesis, it somehow made me very nervous. Not only is this the last assignment before my graduation, it is also the beginning of something new, namely my working career. And that can be pretty scary. It even made me want to stop several times. Though, everyone who knows me, knows that I am not a quitter and that is the reason why you are reading this thesis right now.

Throughout my academic career I have learned that my interest lays in the field of social media. I therefore did my minor regarding this topic and my bachelor thesis covered the social branding of Dutch cinema's. Moreover, during my master's program I discovered that I do not only like social media, but reputation management and crisis communication as well. I was therefore determined to write my thesis covering this topic so I had covered all my interest in the two theses I have written. Needless to say, I needed an expert on this topic and that is why I have chosen for Dr. Yijing Wang to be my supervisor during this process.

While writing this thesis I have learned that it is of high importance to ask for help and accept the help that is being offered. I therefore would like to thank the following people. At first my supervisor Dr. Yijing Wang. I could not have asked for a more patient, understanding and helpful supervisor for my master thesis. She is the best and I without her this thesis would not have been the same. Next I would like to thank some of my fellow students who have provided me with some statistical SPSS books. Without those books the interpretation my results would have been a disaster. Last, but certainly not least, I would like to thank my friends. I have never experienced more stress in my life than in the last couple of days. My friends have been the much needed relaxation during those months.

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#### **Abstract**

Reputation is seen as one of the most important intangible assets of a company. It takes years for a company to built a good reputation. However, a reputation of a company can be damaged within minutes. This is oftentimes caused by a crisis. A crisis is a "sudden and unexpected event that threatens to disrupt an organization's operations and poses both financial and reputational treat" (Coombs, 2007, p. 164). The effective use of crisis communication can repair the reputational damage. In order for communication managers to know when crisis communication is affective one can use the situational crisis communication theory. This theory covers all important aspects of a crisis such as the type of crisis, the responsibility, response strategies and emotions. Though, the theory does not cover the perception of the public on reputation. Therefore, this study aims to find out whether or not the reputation of Samsung Electronics has been affected in the eye of the Dutch public after the crisis with regards to the exploding batteries of the Galaxy Note 7.

Using a quantitative method, an online survey has been distributed in order to find out if the post-crisis reputation can be predicted based on responsibility and experiencing negative emotions. The results of this study suggest that responsibility as well as negative emotions does not have an effect on the post-crisis reputation of Samsung Electronics. This can be explained by the fact that the responsibility level within this crisis is rather low according to Coombs (2005). Additionally, the public is very familiar with Samsung Electronics as a brand and is therefore not seen as a predictor for post-crisis reputational damage. Additionally, the involvement of the Dutch public has a positive effect on the post-crisis reputation. It has been concluded that the Dutch public was highly involved since the release of a new Galaxy Note smartphone took some time. Furthermore, future study should focus more on the involvement of the public with regards to a crisis in order to provide a profound framework. This framework can be used by communication managers in order to implement more effective crisis communication in times of emergency.

**Keywords:** reputation management, situational crisis communication theory, crisis communication, responsibility, involvement, emotions, post-crisis reputation

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#### 1. Introduction

Reputation is one of the most important intangible assets of a company. It is believed that "reputations signal publics about how a firm's products, jobs, strategies and prospects compare to those of competing firms" (Fombrun and Shanley, 1990, p. 233). Moreover, reputation is "an aggregate evaluation that stakeholders make about how well an organization is meeting the expectations of their stakeholders based on its past behaviors" (Coombs, 2007, p. 164). Reputations are known to have favorable consequences. These consequences can enable companies to set premium prices, enhance access to capital markets and attract investors (Fombrun and Shanley, 1990). As for customers a good reputation influences the decision-making. In other words, a good or bad reputation can influence the willingness of customers to buy products.

Needless to say, a good reputation is of high importance to a company. However, building a good reputation can take up years and an organizational crisis can threat the reputation of the company. These reputational threats are also known as a crisis. "A crisis is a sudden and unexpected event that threatens to disrupt an organization's operations and poses both financial and reputational treat" (Coombs, 2007, p. 164). In other words, damage that has been caused by a crisis can have a negative effect on the reputation of the company. Consequently, this damage also affects the relationship between the stakeholders and the organization. For example, in 2009, two employees of Domino's posted a video on YouTube. In this video, the employees explained and visualized how they contaminated several ingredients that were used while making the pizza's. The video got over one million views in a few days. It did not take long before it became worldwide news. This worldwide negative attention towards Domino's resulted in a shift from positive to negative in the perception of Domino's in the eye of the consumer (Veil, Sellnow and Petrun, 2012).

Another, more recent example, is the case of the exploding batteries of one of the smartphones produced by Samsung Electronics. Samsung Electronics, founded in 1938 by the Korean Lee Byung-Chull, is a company specialized in consumer electronics. The company is well-known for its in-home appliances, healthcare and smartphones. Throughout the years Samsung Electronics has built up a good reputation. Each year Forbes Magazine publishes the results of research conducted by the Reputation Institute. Within this research Reputation Institutes monitors the reputation of companies and ranks them. Based on these results, Samsung Electronics ranks 18<sup>th</sup> out of 25.

Each year Samsung Electronics produces millions of smartphones. Though, the peak of each year is whenever the flagships are released: The Samsung Galaxy S and Note-line. In 2016, Samsung Electronics had planned a release of the Galaxy S7 (edge) in the beginning of the year and the Galaxy Note 7 at the end the summer. The first release for the Galaxy S line had been astonishingly successful. Bases on the sales figures it is estimated that Samsung Electronics have shipped around 13.3 million units during the first half of 2016 (Wiggers, 2016). With the success of the Galaxy S7 (edge) in mind the Dutch public had high expectations for the Galaxy Note 7. Especially given the fact that the Galaxy Note 4 had been the last smartphone in the Note-line released in the Netherlands. Research has indicated that the Dutch public was somewhat disappointed regarding the fact that the new flagships of the Note-line had never been released in the Netherlands (Wijkman van Aalst, 2016). Therefore, the Galaxy Note 7 was more than welcome.

The newly announced smartphone was released on the 19<sup>th</sup> of August in Korea and in the United States of America. Nearly five days after the release alarming reports emerged claiming that the battery of the Note 7 exploded. On the 31<sup>st</sup> of August Samsung Electronics reported to stop the production of its Note 7. Roughly two days later the company recalled all the released phones. On the 19<sup>th</sup> of September Samsung Electronics publicly announced to replace all the "old" Note 7 phones with "new" Note 7 phones. The new Galaxy Note 7 phones contained a new and improved battery. Unfortunately, on the 5<sup>th</sup> of October, the same alarming reports on exploding batteries resulting in the evacuation of airplanes still emerged. These new reports were on the "new" Note 7 which claimed to have new and improved batteries that could not explode. On the 10<sup>th</sup> of October Samsung Electronics announced a temporary stop in the production of the flagship. Nearly a day later, on the 11<sup>th</sup> of October, Samsung Electronics decided to completely stop the production and sales of the Note 7. For the safety of the people the company recalled all phones worldwide (Himmelbauer, 2016).

On the 23<sup>rd</sup> of January Samsung Electronics publicly announced through a press release what the reason for the explosion of the batteries was. The company claimed that "the negative electrode was deflected in the upper right corner of the battery" (Dhapola, 2017). Due to the fact that the batteries were too big for the phone, they heated up too much. This caused the batteries to explode. Up until January 2017, the crisis had cost Samsung Electronics roughly 5,5 million dollars (De Volkskrant, 2017). Admittedly, it is safe to say that this series of events is seen as a crisis in the eyes of Samsung Electronics. This crisis can damage the reputation of Samsung Electronics.

Good crisis communication is able to repair reputational damage. It is believed that effectively communicated messages have positive effects on the perception among the general public. These positive effects can be maintaining of the consumers purchasing intention and the prevention of spreading negative word-of-mouth (Coombs and Holladay, 2014). Needless to say, the same applies to bad crisis communication. This will result in negative effect on the perception, the purchasing intention and thus encourage the spreading of negative word-of-mouth. Though, the reactions of the public are critical since their reactions will determine whether the crisis communication is effective or not. Bronn (2007) state that reputation can be impacted by how customers perceive an organization. Communication and public relation professionals oftentimes pay attention to how the media covers a crisis and it is assumed that the public and thus stakeholders will perceive a crisis the way the media portrays it (Lin and Choi, 2009).

Coombs and Holladay (2002) suggest that future research of crisis communication should focus more on how the public interpret a crisis and how this affects the reputation of the organization. Lin and Choi (2009) examined the reactions of involved people in the recalls of Mattel and suggest that future research should focus on how the perception of customers can be integrated into the crisis response strategy. It goes without saying that there is a need for research on the reaction of people on different types of crises and thus the affection of reputation. Within this research the focus lies on the perception of the crisis of the Galaxy Note 7 fabricated by Samsung Electronics. Within this research the following question will be answered:

**RQ:** How does the crisis with regards to the exploding battery of the Galaxy Note 7 affect the reputation of Samsung Electronics in the eye of the Dutch public?

As apposed by Coombs and Holladay (2002) and Lin and Choi (2009) there is a need for research on the customer perspective of interpreting a crisis and its effect on the reputation of a company. In addition, Aguinis and Glavas (2012) propose that research on crisis communication and corporate social responsibility (from now on referred to as CSR) should focus more on micro-level. More precisely, CSR and crisis communication are based upon individual action yet multiple studies in this field focus on macro-level issues. Rupp, Ganapathia and Williams (2006) state that CSR activities are oftentimes conceptualized as "activities, decisions, or policies that 'organizations' engage in to effect positive social change and environment sustainability" (p. 537). In other words, the authors conclude that CSR is

oftentimes typically conceptualized as macro-level activities that result in macro-level consequences. It can therefore be concluded that focusing on micro-level gives more insight on individual interpretation and thus allows research in this field to move forward. The authors therefore conclude that research on micro-level should explore more on an individual level, for example attitudes and personality (Aguinis and Glavas, 2012). Moreover, Coombs and Holladay (2014) conclude that the public's reaction is critical in the assessment of the effectiveness of the crisis communication. All in all, it can be concluded that there is a need for research on the perception of the public. Therefore, there is a scientific need for the topic of this study.

Needless to say, reputation is a concept that has been used for years and thus has had different definitions. Within this study, different definitions are compared to each other. Though, throughout this thesis reputation is seen as "the stakeholder's overall evaluation of a company over time" (Gotsi and Wilson, 2001, p. 29). During the events of crises an organization can damage some of the reputation (Coombs, 2007). Within this study it is therefore aimed to research whether this reputational damage has happened to Samsung Electronics after their crisis with regards to the exploding batteries. In order to do so, it has been chosen to make use of a quantitative method. More precisely, an online survey has been conducted in order to answer the aforementioned questions. The validation of the chosen method and more details on the method, data collection and operationalization are provided in the third chapter of this thesis. By the means of this study it is aimed to give more insight in the individual interpretation of a crisis and consequently its effect on post-crisis reputation. As mentioned before, there is a lack of studies available covering this topic. Therefore, this study has a practical relevance.

It goes without saying that the first numbered chapter of this thesis is the introduction. This introduction includes the proposal of the research question, the theory associated with this research question and the used concepts. An elaboration of this theory and the corresponding concepts is presented in the second chapter of this thesis. In order words, the following chapter includes the theoretical and academic knowledge that is used as a framework in this study. This theoretical chapter includes hypotheses that are formulated based on the obtained academic knowledge. As mentioned before, the third chapter is the method chapter. This chapter covers the validation of the chosen method, insights on the data collection as well as the operationalization of the concepts. Additionally, in the fourth chapter the results of the data analysis are presented. The discussion of these results are presented in the fifth and final chapter. This chapter also includes the conclusion, managerial implications,

limitations and recommendations for future research. Hereafter, the references and appendices can be consulted.

#### 2. Theoretical framework

For the purpose of this study it is investigated if and to what extent the reputation of Samsung Electronics is affected after their battery explosion crisis. For the sake of understanding crises, crisis communication and the affection of reputation this chapter provides profound insights on the aforementioned aspects. In addition, the importance of crisis communication is explained. Namely, crisis communication is used in order to protect the reputation of a company during a crisis. Thus, it is beneficial for a company when the crisis manager understands how crisis communication can be used as a strategy when the company copes with a crisis. Coombs (2007) did research on the aforementioned dynamic and developed the situational crisis communication theory for this. This theory, from now on referred to as SCCT, provides an extensive and profound framework that enables communication managers to understand the importance of crisis communication. The SCCT is "a mechanism for anticipating how stakeholders will react to a crisis in terms of the reputational threat posed by the crisis" (Coombs, 2007, p. 163). Since the SCCT covers all important aspects regarding a crisis (the crisis itself, crisis communication, the outcome of crises and the reputational threat) the theoretical framework of this study is build upon this theory. In addition, the SCCT includes important determinants for the outcomes of crises. All in all, this chapter contains an extensive and detailed explanation on the SCCT. In addition, this chapter covers profound insights on the different types of crises, the importance of crisis communication and an elaboration on the important crisis outcomes determinants according to the SCCT. Throughout this theoretical framework, hypotheses are formulated based on the provided academic knowledge. Accordingly, based on the formulated hypothesis a conceptual model has been constructed. This conceptual model is also included in this chapter.

#### 2.1. SITUATIONAL CRISIS COMMUNICATION THEORY

The SCCT is not a theory that has been developed on its own. The SSCT is derived from the attribution theory. At the beginning of the 20<sup>th</sup> century the attribution theory has been founded by Fritz Heider. In the individual's pursuit of meaning lays the roots of this theory. Based on the aforementioned Fritz Heider is oftentimes referred to as the "father of attribution" (Sanderson, 2010). In general, the attribution theory indicates to what extent people try to explain the causal relationships between behavior and events (Heider, 1944). Moreover, the attribution theory indicates that "people interpret behavior in terms of its causes and that these

interpretations play an important role in determining reactions to the behavior" (Kelley and Michela, 1980, p. 458).

The SCCT is an extension of the attribution theory. The SCCT has been developed in order to identify several post-crisis communication strategies (Coombs and Holladay, 2005). The foundation of the attribution theory is noticeable in the SCCT the following is the guidance: "as the reputational threat of a crisis increases, the crisis managers must use more accommodative responses" (Coombs and Holladay, 2005, p. 267). The SCCT evaluates the crisis and predicts the reputational threat. Hereafter, a crisis response strategy is designed in order to protect the reputational assets of a company (Coombs, 2007a). By understanding the situation of the crisis, crisis managers can determine what kind of crisis response strategy can be used best in order to maximize the protection of the reputation.

#### 2.1.1. DIFFERENCES IN CRISES

Though before the SCCT can be applied, it is of importance to know the differences between crises. Coombs (2007c) makes a distinction between three types of crises: victim, accident and preventable crisis. The author has concluded that a crisis is indicated as a victim whenever the crisis is a natural disaster, a rumor, a workplace violence or product tampering/malevolence (Coombs, 2007c). It goes without saying that a crisis is a natural disaster when there is an act of nature. Examples acts of nature are tornadoes, tsunami's and/or earthquakes. A crisis is a rumor, or a hoax, whenever false information has been distributed about the organization. The aforementioned example of Domino's is an example of workplace violence. In case of workplace violence, a current employee attacks the organization publicly. Lastly, a crisis is indicated as product tampering/malevolence whenever and external stakeholder is the origin of attack. All crises that are seen as a victim crisis have a minimal crisis responsibility. In other words, the organization is not held responsible for the crisis when the crisis is a natural disaster, a rumor, a workplace violence or product tampering/malevolencies. The second type of crisis indicated by Coombs (2007c) is the accident. This type covers challenges, technical error accidents and technical error product harms. A crisis is indicated as a challenge whenever a stakeholder claims that an organization is operating in an unacceptable manner. Whenever a crisis relates to equipment and/or technology failure which consequently causes an industrial accident the crisis is indicated as technical error product harm (Coombs, 2007c). Though, whenever the failure of equipment and/or technology failure causes the product to be defective or even potentially harmful to the public, the crisis is indicated as technical error product harm. All aforementioned types of

crisis have a low crisis responsibility. The last type of crisis indicated by Coombs (2007c) are the preventable crises. Needless to say, those crises could have been prevented by the company and thus have a strong crisis responsibility. The first crisis in this category is the human-error accident. In this case an industrial accident is caused by the failure of people. In addition, a crisis is seen as a preventable one whenever the product is defective or harmful because of human error (Coombs, 2007c). Lastly, a crisis is indicated as a preventable one when the crisis is an organizational misdeed. In this case, an action caused by the management of a company put stakeholders at risk. A crisis is also seen as an organizational misdeed when the company violates the law.

#### 2.2. REPUTATION

It goes without saying, that an important factor in the SCCT is reputation. Gray and Balmer (1998) studied how corporate identity and corporate reputation can be managed. It is believed that "corporate identity is the reality of the company" (Gray and Balmer, 1998, p. 695). In other words, the identity of a company reflects what the company really is. Communication regarding corporate identity is the aggregation of messages that are sent out to stakeholders. Through these messages a company tries to create a wide-spread name recognition. In addition, Gray and Balmer (1998) conclude that a corporate image is created easier than a corporate reputation. A corporate image can be created through image-building campaign that contains the logo, symbolism, corporate advertising and public relations. In contrast to corporate image, corporate reputation is established through consistence performance over time. This can take years into account. Therefore, it can be concluded that well coordinated communication contributes to establishing a good reputation (Gray and Balmer, 1998). Needless to say, as a result of consistent and coherent performance corporate reputation can evolve over time. The reputation of a company in the eyes of its stakeholders determines the willingness to provide or withhold support to the company. Thus, Gray and Balmer (1998) conclude that "if customers develop a negative perception of the company or its products, its sales and profits assuredly will decline" (p. 697).

The reputation of an organization is seen as a valuable asset since it attracts customers (Reuber and Fischer, 2005). In 2005, the authors did research on how several young firms signal the reputation of their company through their customers. For the means of this study several CEO's were interviewed. Based on the results of the interviews, the authors conclude that a good reputation attracts customers and reassures exchange partners. This contributes to the good performances of a company. Moreover, the reputation of a company is formed based

on the information stakeholders receive regarding the organization. This information is mostly retrieved through the media. However, reputations are evaluative and therefore stakeholders oftentimes compare retrieved information to a certain standard.

Ponzi, Fombrun and Gardberg (2011) state that "corporate reputations are intangible assets that provide firms with sustainable competitive advantage in the marketplace" (Ponzi et al, 2011, p. 15). Corporate reputation can influence how customers and all the other stakeholders a company has view and behave towards the company. Gotsi and Wilson (2001) defined reputation as highly dependent on the everyday images that people retrieve through the media and each other. Another dependent of the corporate reputation is based on the behavior and symbolism of a company. These determinants are important for establishing the corporate reputation and can highly influence the image stakeholders has of a company. Within this research it has been concluded that a "corporate reputation is a stakeholder's overall evaluation of a company over time. This evaluation is based on the stakeholder's direct experiences with the company, any other form of communication and symbolism that provides information about the firm's actions and/or a comparison with the actions of other leading rivals" (Gotsi and Wilson, 2001, p. 29). Bennet and Gabriel (2001) add up to this that reputation is also a form of trust. Whenever a stakeholder feels like they cannot trust the company, the reputation in the eye of that stakeholder will not be that good. For the means of this study the definition of reputation provided by Gotsi and Wilson (2001) is used.

#### 2.2.1. REPUTATION, CRISIS AND POST-CRISIS REPUTATION

During the events of crises an organization can damage some of the reputation. Needless to say, it is of high importance for a company to create a favorable pre-crisis reputation. A favorable pre-crisis reputation functions as a buffer for mitigating the reputational damage during a crisis (Coombs, 2007). Moreover, it is even concluded that "an organization with a more favorable prior reputation will still have a stronger post-crisis reputation, because it has more reputational capital to spend that an organization with an unfavorable or neutral prior reputation (Coombs, 2007, p. 165). In addition, Coombs and Holladay (2006) state that a favorable prior-reputation functions as a bank account for reputational capital. The reputational of an organization can be described as a "stock of perceptual and social assets" (Coombs, 2007, p. 165). In other words, a company's reputational capital is also the quality of the relationship with stakeholders. Additionally, it is the way the brand of the company is held. Companies that have a high reputational capital are able to afford some loss in their capital due to a crisis (Alsop, 2004 as cited in Coombs and Holladay, 2006). As a result, the

company suffers less from the crisis and thus recovers more quickly compared to companies with a low reputational capital. Additionally, Alsop (2004) concludes in his study that "a crisis or other negative development will certainly tax any reputation and rob a company of some of its stored-up reputation capital" (p. 17). Needless to say, the reputation capital of a firm is oftentimes compared with the bank account. One can be robbed from a bank account as well. A company with lots of money on its bank account can overcome a robbery more easily than a company who has not. It goes without saying that this bank account functions as a halo that protects the company's reputation.

#### 2.3. CRISIS RESPONSIBILITY AND RESPONDING STRATEGIES

According to the SCCT, responsibility is an important determinant of crisis outcomes. Moreover, the degree of responsibility for the crisis assigned to the company by the stakeholders is the primary determinant of reputational threat (Coombs and Holladay, 2005). In other words, responsibility is crucial for post-crisis reputation (Coombs and Holladay, 2002). It can therefore be assumed that communication managers should have the knowledge on how the handle responsibility with regards to the crisis. Coombs and Holladay (2002) did research on post-crisis communication and the level of a company's responsibility. In order to take responsibility into account, it is of high importance to select the correct response strategy. The correct response strategy is helpful in protecting the reputation of the organization. In order to determine crisis response strategies, the authors handed out vases concerning a crisis with corresponding surveys. The survey covers statements regarding organizational reputation, personal control and crisis responsibility. Based on the results of the survey it has been concluded that "the level of crisis responsibility is a key indicator of the potential reputational damage a crisis might inflict" (Coombs and Holladay, 2002, p. 168). The research conducted by Coombs and Holladay (2002) suggests that the way a company responds to a crisis indicates the level of responsibility. For example, if a company apologizes for a crisis it publicly accepts their responsibility for the crisis and takes thus full responsibility for the crisis. However, taking full responsibility consequently weakens the legal position. Ki and Nekmat (2014) have concluded that companies should therefore acknowledge their responsibility in a crisis. In order to assess the responsibility of a company Coombs and Holladay (2002) identified eight different response strategies. Each response strategy has an indication of to what extent the company is held responsible for the crisis. This ranges from no responsibility at all to full responsibility. The first response strategy is the attack on the accuses. In this case the communication manager itself informs the public of

the existence of a crisis. The second response strategy is denial in which the communication manager claims that there is no case of an emergency. The third response strategy is the control strategy. Within this strategy is is believed that the company has control over the crisis. Though, the company itself tries to excuse for the crisis in order to minimize their responsibility for the crisis. The fourth response strategy is victimization. In this type of crisis, the organization is as much of a victim as the stakeholders. The fifth response strategy is justification. In this case the communication managers minimize the perceived damage. The sixth response strategy is the ingratiation. In this type of crisis, the focus lies completely on the good work the company did in the past. The seventh response strategy is the corrective action. In this case the communication manager tries to prevent a repetition of the crisis. The last response strategy within crisis is the apology. As said before, in this type of crisis a company takes up full responsibility for the crisis (Coombs and Holladay, 2002, p. 171). In addition, it is proven that severity and performance during crises in the past can modify the perception on crisis responsibility. Coombs and Holladay (2002) note that if an organization is capable of controlling a crisis the organization will be perceived as more responsible for the crisis.

Coombs (2007b) adds upon this by stating that stakeholders will make attributions about the responsibility of a crisis. He argues that an organization will endure reputational damage if it is held responsible for a crisis. As a result, stakeholders will no longer invest in the relationship they have with the organization or are more willing to distribute negative word-of-mouth. Dean (2004) also researched the responsibility of an organization during a crisis. He agrees with Coombs (2007b) regarding responsibility and even concludes that a crisis oftentimes result in negative publicity which can lead to reputational damage. The reason for this is the fact that "the high credibility of corporate image as well as the negative effect, a tendency for negative information to be weighted more than positive information in the evaluation of people, objects and ideas (Dean, 2004, p. 193). Dean (2004) argues that the public feels the need to identify causality and are therefore seeking for one that can be held responsible.

The aforementioned theory regarding response strategies provided by Coombs and Holladay (2002) indicates that responsibilities can be attricuted to the crisis types. Moreover, when a company apologizes for the crisis it takes full responsibility. But the company can also strategize itself as a victim and thus taking no responsibility at all. Even though a company can pick a certain responding strategy which indicate to what extent the company takes responsibility, the public also has a view regarding taking responsibility for a crisis. For

example, a company apologize for a crisis, but the public can believe that the company is not responsible at all. In other words, the responsibility of a crisis depends the degree of responsibility. This degree of responsibility depends on the chosen responding strategy and the perception of the public. Additionally, Coombs (2007b) has concluded that an organization endure more reputational damage if held more responsible for the crisis. Coombs and Holladay (2005) note that the ratings of reputation decreases when the responsibility intensifies. Based on the aforementioned knowledge the following hypothesis has been formulated:

H1: The more a company is held responsible for the crisis, the more damage to its post-crisis reputation.

#### 2.4. EMOTIONS

In addition to crisis responsibility and responding strategies, emotion is of importance within the crisis communication context. The emotions of stakeholders towards a company can have an influence on the ability of an organization to thrive and/or survive in any given situation (Coombs and Holladay, 2005). Therefore, organization oftentimes employ lots of different communication devices in the hopes that a stakeholder will hold positive emotions regarding the company. It goes without saying that it is important to take the emotions of stakeholders into account in times of emergency. Kelley and Michela (1980) have concluded that people will experience more negative emotions in times of a crisis. If the emotions of the stakeholders are taken into account in times of crises, the crisis communication can be more effective.

Coombs and Holladay (2005) did research on the stakeholders' affection and reaction during crises. Within this study it is investigated to what extent emotions are visible in times of emergency. Consequently, it is concluded that the most common negative emotions are anger, sympathy and schadenfreude (Coombs and Holladay, 2005). Schadenfreude refers to the extent that customer enjoy the pain of the company. Coombs (2007b) notes that stakeholders will feel angry when the organization is responsible for the crisis. Moreover, strong perceptions with regards to the responsibility of a crisis strengthen negative emotions such as anger. (Coombs and Holladay, 2005). However, if the crisis is not the result of a companies' actions, stakeholders will feel sympathetic regarding the crisis.

Kim and Lennon (2013) investigated the relationship between the reputation of an online retailer and the consumers' emotion. The authors argue that the reputation of an online

retailer is a significant antecedent of the responses by consumers. In their study, Kim and Lennon (2013) investigated the following hypothesis: "the better the online retailer's reputation, the more positive consumers' emotions toward the online retailer". The results of their study show that reputation indeed has a significant positive effect on the responses. It can therefore be concluded that "if consumers perceive a retailer's reputation to be high, they will tend to experience more positive emotions" (Kim and Lennon, 2013, p. 46). Even though the authors investigated the opposite relationship (the influence of reputation on emotions) it still indicates the importance of emotions in studies that take reputation into account.

Moreover, Kemp, Bui and Chapa (2012) did research on consumer emotion management and the role of advertising on it. The authors argue that consumer emotions and thus feelings are important factors in decision making. In their study the authors conclude that "individuals experiencing negative emotions may make conscious efforts to 'down-regulate' negative affective states (Kemp, Bui and Chapa, 2012, p. 341). It can therefore be concluded that consumers who experience negative emotions with regards to a crisis are more likely to 'down-regulate' the company in their future decision-making. This is also noticeable in the reputation of a company seen in the eye of those consumers.

Dunn and Schweitzer (2005) did research on the influence of emotion on trust. Their study is a valuable addition since trust is a part of reputation. Within their study the authors investigated to what extent several emotional states have an influence on the level of trust. These emotional states exist out of negative as well as positive emotions. Examples of those emotions are anger and happiness. Dunn and Schweitzer (2005) conclude that positive emotions have a positive influence on trust and negative emotions have a negative influence on trust. In addition, the authors state that emotions that are in control by another person, such as anger and/or gratitude, have a significant influence on the level of trust. Moreover, within this research it is concluded that "emotions do not influence trust when individuals are aware of the source of their emotions or when individuals are very familiar with the trustee" (Dunn and Schweitzer, 2005, p. 736).

#### 2.5. INVOLVEMENT

Lastly, involvement is mentioned in the SSCT. Involvement is a concept that can be identified as another important determinant of crisis outcomes. Celsi and Olsen (1988) did research on involvement of customers with an organization and concluded that "consumers' attention and comprehension processes are strongly influenced by their motivations, abilities, and opportunities to process salient information in their environments" (p. 210). Therefore,

the level of involvement by consumers is also referred to as their willingness to process information. The level of involvement is determined by the degree to which a consumer finds a subject personally relevant. Celsi and Olsen (1988) argue that a subject is personally relevant when the subject is self-related or instrumental in achieving personal goals and beliefs. The authors introduced the term "felt involvement" which refers to "a consumer's overall subjective feeling of personal relevance" (Celsi and Olsen, 1988, p. 211). Felt involvement is the implication of the fact that the situational context of a customer is the determinant of the level of personal relevance. Involvement is seen as the stimulus on the personal needs, values and interest of a person. MacDonald and Hartel (2000) argue that the construct of involvement is one of the most important determents of the outcome of a corporate crisis. Therefore, the authors conclude that "involvement is proposed to determine the level of processing in the crisis event and company and media responses, and consumer anger intensity (MacDonald and Hartel, 2000, p. 799). In other words, customers tend to be angrier when there are personally more involved. In a crisis event, involvement would be expected to "determine whether the message is perceived and "tuned into" and the amount of attention paid to the message as a function of the strength of self-relevant values, goals, needs and beliefs" (MacDonald and Hartel, 2000, p. 801). It is therefore concluded that intrinsic sources of personal level are seen as determents of the willingness to attend to media messages.

Involvement is not addressed in the SCCT. However, Choi and Lin (2009) extended the SCCT through identifying the importance of involvement in crisis communication. The authors did research on the involvement of customers in the Mattel recall in 2007. Choi and Lin (2009) state that public relations professionals oftentimes pay much attention on how media reflect on a crisis and how the public will perceive the crisis through the media. However, some researchers (such as Greenwald and Leavitt, 1984) concluded that consumer involvement modifies media effects. This means that consumers with a higher level of involvement are more likely to analyze information about a crisis and are therefore more likely to come up with other arguments (Choi and Lin, 2009).

As mentioned before, Macdonald and Hartel (2000) have concluded that a consumer will experience more emotions when a specific crisis is personally more relevant to the consumer. In other words, it can be concluded that the public tends to be more emotional whenever they are more involved in a crisis. Within this study the focus lies on negative emotions since Coombs and Holladay (2005) indicated that certain negative emotions are

most common regarding crisis. Based on this aforementioned academic knowledge the following hypothesis has been formulated:

H2: A high level of involvement with a corporate crisis leads to more negative emotions.

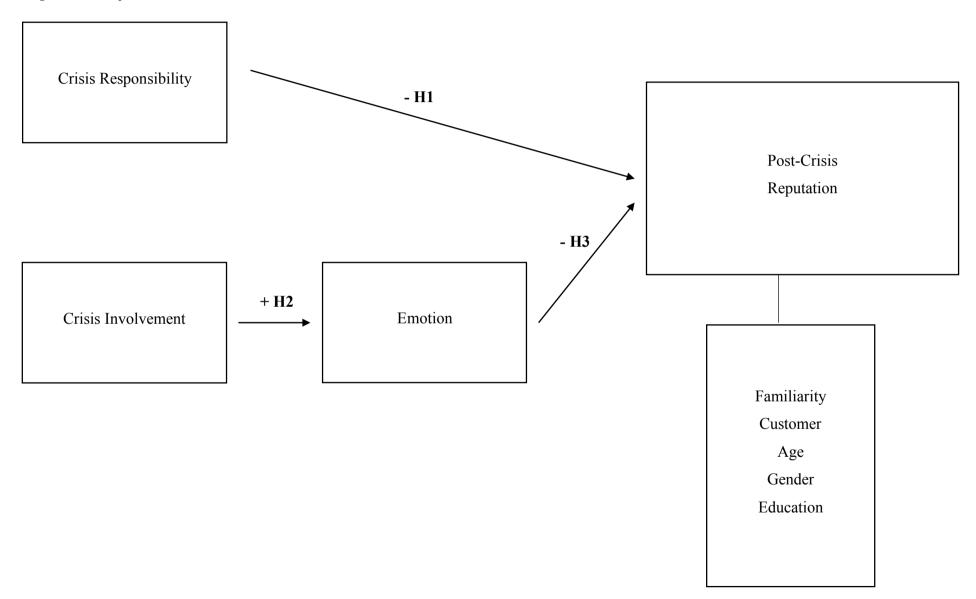
As abovementioned, is a customer experiences negative emotion it will ultimately lead to more reputational damage (Kemp, Bui and Chapa, 2012). In addition, Dunn and Schweitzer (2005) concluded that negative emotions have a negative influence on trust. Since trust can be seen as a part of reputation (Bennet and Gabriel, 2001) it can be concluded that negative emotions have a negative influence on reputation. Based on the obtained academic knowledge the following hypothesis is formulated:

H3: Experiencing negative emotions will lead to more post-crisis reputational damage.

#### 2.6. CONCEPTUAL MODEL

All in all, this chapter proposed three hypotheses that are formulated based on theoretical knowledge and academic background. Based on the three proposed hypotheses a conceptual model has been constructed. The conceptual model can be consulted in *Figure 1 – Conceptual Model*. As seen in the figure, the relationship between four concepts is tested in this study. In this model it is also indicated whether or not the hypothesis tests a negative or positive correlation. In addition, the control variables have been added as a box underneath the box for post-crisis reputation. These variables have been added because they are used while testing. More profound information regarding this topic can be consulted in the following chapter.

Figure 1: Conceptual Model



#### 3. Method

This chapter introduces the choice of method in order to test the hypotheses as proposed in the previous chapter. For this study it is chosen to make use of a survey and the choice of method is thoroughly explained. Hereafter, the validity of the sample is justified. An elaboration on how the data has been collected is also presented. This chapter also covers the operationalization of each variable including their reliability.

#### 3.1. CHOICE OF METHOD

In order to answer the research questions, a quantitative research has been conducted through survey method. Quantitative research is oftentimes used in order to test hypotheses (Babbie, 2011). This implies that the researcher established prior to data sampling hypotheses with regards to theory. The hypotheses are tested to find out whether they can be rejected or confirmed. In addition, quantitative research methods are also used to discover relationships between variables (Punch, 2014). Needless to say, this study aims to test hypotheses to discover relationships between variables in the crisis context. The relationship between variables will be specified in section 3.2.

Within this study a survey will be conducted to understand the perceptions among Dutch general public with respect to the Samsung Electronics crisis. Brosius, Haas and Koschel (2012) state that surveys aim to make statements with regards to persons that are indicated as relevant to a study. In addition, Neuman (2014) concludes that "a survey is often used to ask for the behavior, attitudes, expectations and characteristics of people". The survey will be first developed through Qualtrics and then distributed online. An online method has several advantages relative to an offline method. It goes without saying that an online method is inexpensive and location is irrelevant. As a matter of fact, respondents are able to answer the questions at a convenient time and location chosen by themselves (Evans and Mathur, 2005). Moreover, Illieva, Baron and Healy (2002) conclude that conducting paper surveys have some practical problems such as poor response rate, low response and the manual transcription of the data. On the other hand, online surveys minimize the time that is used to process the data since it is all processed online. Obviously, conducting an online survey also has disadvantages such as the impersonal aspect of the survey. There is no face-to-face contact and it is assumable that the respondents will never see the researcher. Another disadvantage of conducting an online survey is the fact that it is somewhat selection biased

towards the Internet population (Evans and Mathur, 2005). Though, 92% of the Dutch population has ever used Internet (CBS, 2016) and therefore the online approach will reach lots of Dutch respondents. Based on the abovementioned, it can be concluded that a quantitative online survey is the most suiting method for this research. Thus, this specific study covers the Dutch public. Therefore, the survey will be conducted in the Dutch language. Since the research and analysis is constructed and conducted in English, the survey needs to be translated. Both questionnaires can be consulted in the appendices whereas the Dutch survey is in Appendix A and the English one is in Appendix B. In addition, negative connotations are avoided in the questionnaire. The reason for this is the fact that negative connotations will give the respondents negative thoughts. Werzt (1998) has namely concluded that "emphasize the negative aspects will favor termination without suggesting it directly" (p. 498). As a result, words that have a negative connotation, such as "crisis" and "bad", are not used in the surveys.

#### 3.2. SAMPLE, SAMPLING METHOD AND DATA COLLECTION

As aforementioned, this study investigates the affection of the reputation of Samsung Electronics after the crisis among the Dutch public. At first, this study aimed to investigate the customers of Samsung Electronics. It goes without saying that not every customer of Samsung Electronics has an interest in the Galaxy Note 7. Additionally, a customer of the Galaxy Note 7 can refer to themselves as not a customers of Samsung Electronics since they do not have the intention of buying any other products. Thus, those people are not referred to as customers of Samsung Electronics. If the research question aimed to investigate the customers, those people who had an interest in the Galaxy Note 7 would have been excluded from the study. Though, those people are of high value for this study. Therefore, it has been decided to study the Dutch public. By doing so, no one will be excluded from the study beforehand.

Needless to say, not everyone in the Dutch public can be investigated and therefore a sampling technique has been used. A method of sampling is to select a subset of individuals from the chosen population. This chosen subset, also known as the sample of the study, has the same characteristics of the whole population. There are several sampling methods that can be used for this study. A common sampling method is random sampling. As the name suggests within this sampling methods each individual is randomly selected. Though, random sampling is expensive and time consuming and is therefore not used as the sampling method of this study. Another sampling method is snowball sampling. Snowball sampling, also

known as chain sampling (Noy, 2006), refers to a method that "yields a study sample through referrals made among people who share or know of others who possess some characteristics that are of research interest" (Biernacki and Waldorf, 1981, p. 141). In other words, respondents are reached through other respondents (Babbie, 2011). Though, this kind of technique has some disadvantages. For example, Magnani et al. (2005; in Baltar and Brunet) pointed that "the sample composition is influenced by the choice of initial seeds" (p. 60). In other words, the sample can be biased based on the people that have been approached first. Despite this disadvantage snowball sampling is an appropriate tool in order to expand the sample size and thus increased the scope of the study. In addition, this sampling method reduces costs and time (Benfield and Schlemko, 2006, in Baltar and Brunet, 2005). Since the time and cost reduction and the expansion of the sample is size is seen as a bigger advantage, it is chosen to make use of this sampling technique.

As mentioned before, the survey is conducted online and is also distributed online. In order to guarantee the quality of the survey the questionnaire was tested in a pretest. In a pretest the survey is tested in a small pilot study in order to find out whether or not the questionnaire works (Hunt et al., 1982). It is concluded that it is of high importance to pretest an instrument because "no amount of intellectual exercise can substitute for testing an instrument designed to communicate with ordinary people" (Backstrom and Hursch, 1963, in Hunt et al., 1982, p. 269). Within this pretest a total of four persons received a link to the online version of the questionnaire before the distribution. Through this, valuable feedback and suggestions for improvement was obtained. Consequently, the survey has been revised based on the obtained feedback and suggestions.

After the revision the researcher distributed the survey through her personal account on Facebook twice. The message has been shared 12 times. Three of the researcher's friends have posted the survey themselves. In addition, the survey has been shared among colleagues of the researcher. The data collection took place from April  $4^{th}$  until April  $20^{th}$ . Within this period of time, a total of 221 respondents participated in the survey. However, some respondents (n = 21) did not complete the survey and were therefore removed from the study.

Since this study covers the Dutch population all respondents who refer to themselves as "non-Dutch" will be excluded from the study. In total, six people state to originate from another country than the Netherlands (Filipinos, Poland, Bosnia, Afghanistan and Morocco). Besides, two respondents did not indicate fill in their nationality. Since it cannot be assumed those respondents are Dutch they have been excluded. All in all, a total of eight respondents (n = 8) have been excluded from the study with regards to nationality.

Moreover, this study investigates the affection of the reputation of Samsung Electronics in their recent smartphone crisis. It is therefore required that the respondent is familiar with the crisis in order to find out whether or not the reputation is affected in the eyes of that respondent. Needless to say, all respondents who indicated themselves as not familiar with the crisis (n = 9) has also been excluded from the study. In addition, two respondents (n = 2) did not fill in the questions with regards to demographics and control questions for the crisis and have also been excluded from the study. Based on the stated criteria 40 respondents have been excluded from this research. Therefore, the sample of this study consequently consisted of 181 respondents (N = 181).

#### 3.2.1. RESPONDENTS

Of the 181 respondents that were included in the data analysis, 45.3% are men (n = 82) and 54.7% are female (n = 99). In addition, the respondents were between 17 and 61 years old. However, the average age of the respondents is 26.97 years (Std. Dev. = 7.933) whereas the mode is 24 years. With regards to the educational level of the respondents it can be concluded that the respondents are divided. Most of the respondents have a degree, whereas 24.9% has finished HBO (n = 45) and 23.3% has finished MBO (n = 42). In comparison with the United States of America MBO can be compared with Tertiary Education whereas HBO is comparable with the Universities of Applied Sciences (Unevoc, n.d.). A rough 21% of the respondents has a university degree (n = 37) whereas 30.9% only finished high school (n = 55). The remaining 0.6 percent (n = 1) has indicated to have a degree on a level that was not provided as an option, namely MAVO. The latter can be compared with Theoretical Education which prepares students for middle management (Unevoc, n.d.).

Besides the demographic questions the respondents were also asked about their familiarity with Samsung Electronics as a brand. Most of the respondents indicated to be very familiar with the brand (48.1%; n = 87). Secondly, the respondents indicated to be extremely familiar with Samsung Electronics as a brand (46.4%; n = 84). The remaining 5.6% stated to be moderately familiar (n = 4), slightly familiar (n = 5) or not at all familiar (n = 1) with Samsung Electronics. The respondents were also asked whether or not they have owned a product manufactured by Samsung Electronics. Most of the respondents currently own a product manufactured by Samsung Electronics (58%; n = 105) whereas 34.8% of the respondents (n = 63) have owned a product in the past but currently do not own a product. The remaining 7.2% have never owned a product (n = 13).

#### 3.3. MEASUREMENT, OPERATIONALIZATION AND RELIABILITY

Within this study, statements have been proposed to the respondents with regards to the variables post-crisis reputation, involvement, responsibility and emotion. In order to test the variables, the Organizational Reputation Scale (Coombs and Holladay, 1996) will be used. Coombs and Holladay (1996) investigate responses to crisis communication. For the purpose of their study, respondents were provided with statements covering the view of the organization (thus reputation) and crisis communication. In order to indicate to what extent the respondents agree or disagree, a 5-points scale has been used. Originally, the scale contains a 10-point scale, but this study used a 5-points scale ranging from 1 (strongly disagree) to 5 (strongly agree). The 5-points scale of the study of Coombs and Holladay (1996) has a Cronbach's alpha value of  $\alpha = .87$ . Since their study covers reputation as well as this study, the use of a 5-points scale is therefore an appropriate scale to use in this study.

In addition, each sub-section will cover the operationalization of each variable including the reliability. The reliability of each variable will be tested through the Cronbach's alpha. Is it academically established that the Cronbach's alpha needs to be higher than .7 in order to be reliable (Kline, 1999, in Fields, 2009). Though, some studies (Cortina, 1993, in Fields, 2009) indicate a study with multiple items can result in an alpha ranging from .6 and .8 and are still viewed as reliable. Therefore, all scales that have an alpha of  $\alpha > .6$  is acceptable. An overview of the outcomes can be conducted in *Table 1 – Reliability Statistics*.

*Table 1 − Reliability Statistics* 

	Cronbach's Alpha	N of items	
Post-crisis Reputation	.629	4	
Negative Emotions	.747	4	
Involvement	.675	4	
Responsibility	.753	4	

#### 3.3.1. POST-CRISIS REPUTATION

Post-crisis reputation refers to the reputation in the eyes of the stakeholders after a crisis. Needless to say, every organization aims for a positive post-crisis reputation. In order to test the dependent variable of post-crisis reputation four statements were proposed to the respondents. Examples of used statements are "Samsung Electronics is not concerned with the well being of its publics" (Coombs and Holladay, 1996, p. 288). The following statements

"Samsung Electronics is basically dishonest concerning exploding batteries" and "With regards to the exploding batteries, Samsung Electronics is absolutely not concerned with the well-being of the investors, customers, employees" indicate a negative outcome compared to the statements "With regards to the exploding batteries, Samsung Electronics is concerned with the well-being of the investors, customers, employees" and "I believe what Samsung Electronics communicate regarding the battery explosions". Therefore, the first two statements have been reversed. As a result, the scale for post-crisis reputation has an Alpha of  $\alpha = .629$  and is thus acceptable. It can therefore be concluded that the scale indeed measures the post-crisis reputation.

Based on the data analysis the respondents have a neutral opinion regarding the statements. Whenever a respondent neither agrees or disagrees with a statement regarding reputation, no reputational damage has been done to the company. Though, the statement "I believe what Samsung Electronics communicate regarding the exploding batteries" roughly 48.9% (strongly) disagrees. In other words, most of the respondents do not believe Samsung Electronics which causes more reputational damage.

A principal component analysis, from now on referred to as PCA, is conducted for each variable. All the outcomes of the factor analyses can be conducted in *Table X – Item loadings on a four factor principal component solution*. The PCA analysis indicates that the four items for post-crisis reputation form a one dimensional scale. Though one component has an eigenvalue above 1 (eigenvalue of 1.879) and after this component there is a clear bend in the scree plot. As seen in Table X, all items positively correlate with the first component. The fact that Samsung Electronics takes the well-being of stakeholders into account has the highest correlation (component loading is .760). As seen in the original variables, a high score in the items indicate a more positive post-crisis reputation.

#### 3.3.2. NEGATIVE EMOTIONS

It has been concluded that the emotions of stakeholders towards a company can have an influence on the ability of an organization to thrive and/or survive (Coombs and Holladay, 2005). In addition, the post-crisis reputation is bad when the public feel negative emotions with regards to a crisis (Coombs and Holladay, 2005). The most common emotions are anger, sympathy and schadenfreude. For the means of this study, negative (angry, annoyed, disgusted and indignant) and positive (sympathy, empathy, joy and mournful) emotions are presented. The questionnaire thus contains eight questions regarding emotion whereas four

questions cover negative emotions. Those four questions have an Alpha of  $\alpha$  = .747 and are thus reliable as a scale.

Additionally, a PCA has been conducted and shown that the four items for negative emotions form a one dimensional scale. One component has an eigenvalue above 1 (eigenvalue of 2.311) and the scree plot shows a clear bend hereafter. As seen in Table X, all items positively correlate with the first component, whereas anger has the highest correlation (component loading is .808). As seen in the original variables, a high score in the items indicate more negative emotions.

#### 3.3.3. INVOLVEMENT

The variable involvement refers to the public's willingness to process information and to what extent the topic is personal relevant to the public (Celsi and Olsen, 1988). Moreover, the authors have stated that people tend to be more involved in a topic when the subject achieves the personal goals and beliefs. In addition, involvement is seen as the stimulus of personal needs, values and interest (MacDonald and Hartel, 2000). In order to test the variable involvement, statements are formulated based on the personal relevance, needs, values and interest. Therefore, involvement can be measured based on the beliefs, needs, goals and interests of a customer. As a result, the following statements are presented to the respondents: "I feel the need to spread news regarding the exploding batteries", "I believe that the norms and values of Samsung Electronics in this case of the exploding batteries are in line with my own norms and values", "I feel embarrassed when I think about Samsung Electronics and the exploding batteries" and "Critique on Samsung Electronics feels like personal criticism". Initially, the four questions had an Alpha of of  $\alpha = .290$  and were thus not acceptable as a scale altogether. The third statement indicate no connection with Samsung Electronics whereas the other statements do. Consequently, the third statement has been reversed. Together with the second statement, the third scale formed had an Alpha of  $\alpha = .455$ . In order to increase the reliability, the outliers were removed from statement one and four. As for the first statement the raw score of 5, z = 2.64085. In total five outliers were removed for this statements. Additionally, as for the fourth statement for the raw score of 5, z = -2.93666. In total one outlier has been removed for this statement. As those were excluded from the study, the reliability analysis resulted in an Alpha of  $\alpha = .675$  and thus reliable as a scale.

Based on the data analysis it can be concluded that the respondents are highly involved with this crisis. About 58.3% has the need to spread news regarding the crisis and 35.3% of the respondents believe they have the same norms and values as Samsung Electronics

regarding this crisis. Additionally, roughly 62% feel embarrassed while thinking about Samsung Electronics. The respondents feel most involved regarding the critique on Samsung Electronics. About 71.1% of the respondents feels personally criticized when Samsung Electronics is criticized in the media.

Moreover, a PCA has been conducted. This analysis has proven that the four items used for involvement form a one dimensional scale. One component has an eigenvalue above 1 (eigenvalue of 2.157). After this component a clear bend is seen in the scree plot. The outcome of the PCA can be conducted in Table 2. As seen in the table, all items positively correlate with the first component. As a matter of fact, the same norms and values has the highest correlation (component loading is .815). As seen in the original variables, a high score in the items indicate a higher involvement with the crisis.

#### 3.3.4. RESPONSIBILITY

As mentioned before, Coombs and Holladay (2002) identified eight different types of response strategies. Each type of response strategy indicates to what extent the company is held responsible for the crisis. Based on these types the statements for responsibility are formulated. Examples of such statements are "Samsung Electronics denies the crisis" and "Samsung Electronics is a victim of the crisis". In addition, Coombs and Holladay (2002) concluded that an organization is more responsible if it has control over the crisis. The different kinds of responsibilities have been used as statements in this survey. Altogether, the eight statements have an Alpha of  $\alpha = .211$  and is thus not reliable as a scale. Some statements leave the true responsibility of an organization up to discussion and were therefore removed from the study. As a results, the following four statements remained: "Samsung Electronics denies the fact that the batteries are exploding", "Samsung Electronics ignores the fact that the batteries explode", "Samsung Electronics acknowledge the fact that the batteries exploded and are making sure that it will never happen again" and "Samsung Electronics apologizes for the exploding crisis". The first two statements indicate no responsibility whereas the third and fourth statement indicate true responsibility. Consequently, the third and fourth statement have been reversed. All in all, the chosen four statements including the reversed ones resulted in a reliable scale ( $\alpha = .753$ ).

The data analysis has shown that the respondents hold Samsung Electronics responsible for the crisis. About 58.3% of the respondents believe that Samsung Electronics denies the fact that the crisis has happened. Additionally, 63.3% has the feeling that Samsung Electronics ignores the fact. Moreover, 52.2% of the respondents believe that Samsung

Electronics acknowledge the crisis and 58.4% even believes that the company apologizes for the exploding batteries.

Furthermore, a PCA has been performed. The PCA indicates that the four items used for responsibility indeed form a one dimensional scale. One component has an eigenvalue above 1 (eigenvalue of 2.313). The scree plot shows a clear bend after this component. As seen in Table 2, all items positively correlate with the first component. In fact, apology has the highest correlation (component loading is .804). As for this variable, the lack of responsibility is measured. Therefore, the higher the score, the less responsibility.

#### 3.3.5. CONTROL VARIABLES

According to Krieg (2012) the control variable itself is not of interest for a study. Several control variables are used in a study in order to assess or clarify the relationship between the chosen independent and dependent variable. As for this study, a total of five control variables have been used. Three out of those five variables (age, gender and education) are also used in order to obtain demographic information about the respondent. The variable for age is numeric whereas gender is coded 1 = Male and 2 = Female. Lastly, education is coded as 1 = VMBO, 2 = HAVO, 3 = VWO, 4 = MBO, 5 = HBO, 6 = University (Bachelor), 7 = University (Master) and 8 = Other.

Moreover, two other variables have been used as control variables. First, the respondents are asked to what extent they are familiar with Samsung Electronics as a brand. This variable has been coded as 1 = extremely familiar, 2 = very familiar, 3 = moderately familiar, 4 = slightly familiar and 5 = not familiar at all. In addition, respondents were asked whether or not they own a product of Samsung Electronics. This variable is coded as 1 = Yes, I currently own a product, 2 = No, but I have owned a product in the past and 3 = No, I have never owned a product.

#### 3.4. DESCRIPTIVE ANALYSIS

In order to find out what the relationship between abovementioned variables are a correlation matrix have been constructed. As seen in *Table 3 – Descriptive statistics*, all significant relationships between variables are indicated with a \* (significant at the .05 level) or a \*\* (significant at the .01 level). It can be concluded that owning a product of Samsung Electronics (r = -.190, p = .011), negative emotions (r = -.394, p = .000), involvement (r = -.530, p = .000) and responsibility (r = -.346, p = .000) have a significant relationship with post-crisis reputation. It can also be concluded that involvement (r = .567, p = .000) and

responsibility (r = .420, p = .000) have a significant relationship with negative emotions. However, a correlation matrix does not indicate what these significant relationships exactly holds (Field, 2009). Needless to say, profound information regarding these significant relationships can be consulted in the next chapter.

Table 2 – Item loadings on a four factor principal component solution

Post-Crisis	Negative		
Reputation	Emotions	Involvemen	t Responsibility
.760			
.611			
.639			
.734			
	.808		
	.852		
	.815		
	.519		
		.155	
		.864	
		.731	
		.102	
			.716
			.793
			.724
			.804
.629	.747	.675	.753
1.879	2.311	2.157	2.313
	.760 .611 .639 .734	.760 .611 .639 .734  .808 .852 .815 .519	.760 .611 .639 .734  .808 .852 .815 .519  .155 .864 .731 .102

#### 3.5. CHAPTER SUMMARY

In order to answer the research question: "How does the crisis with regards to the exploding batteries of the Galaxy Note 7 affect Samsung Electronics' reputation in the eye of the Dutch public?" it is chosen to conduct a quantitative survey. The survey has been distributed online for various reasons. Among one of those reasons is the fact that an online survey reduces

costs and time. In total 221 respondents fill in the questionnaire, but after excluding some of the non-useable questionnaires based on nationality and familiarity with the crisis, a total of 181 respondents were included in this study. The average age of the respondents is 26.97 years and most of them are familiar with Samsung Electronics as a brand.

For the means of this study a total of nine variables have been used. Five out of those nine variables (age, gender, education, familiarity with Samsung Electronics as a brand and own a product of Samsung Electronics) have been used as control variables. The remaining four variables are post-crisis reputation, negative emotions, involvement en responsibility. Each variable can be used as a reliable scale (see *Table 1 - Reliability Statistics*). For each variable a principal component analysis has been performed in order to obtain the factor loadings for each statement per used statement (see *Table 2 - Item loadings on a four factor principal component solution*). Consequently, each factor loading has been used in order to compute a new variable. Furthermore, as seen in *Table 3 - Descriptive Statistics*, it is proven that there are some significant relationships between variables. For example, responsibility (r = .420, p = .000) have a significant relationship with negative emotions. All the variables have been standardized for the use of the regression analysis.

Table 3 – Descriptive Statistics

			Correlation matrix								
	Mean	Std. dev.	Age	Gender	Education	Familiarity	Own a product		_	Involvement	Responsibility
Age	26.9	7.933	1								
Gender	1.55	.499	.153* .040	1							
Education	4.11	1.741	021 .774	.160* .031	1						
Familiarity	1.63	.716	.290** .000	.306**	003 .972	1					
Own a product	1.49	.629	026 .726	.147* .048	.077	.184* .013	1				
Post-crisis reputation	2.03	.427	.025	164* .028	056 .453	126 .091	190* .011	1			
Negative emotions	2.04	.555	048 .520	.142	.122	0.84	.272**	394** .000	1		
Involvement	1.51	.309	.041	.143	.133	.153*	.108	530** .000	.567** .000	1	
Responsibility	1.78	.474	.064	.137	.213**	.183*	.154*	346** .000	.420**	.458** .000	1

<sup>\*</sup> Correlation is significant at the .05 level (2-tailed)

<sup>\*\*</sup> Correlation significant at the .01 level (2-tailed)

#### 4. Results

This chapter of the study consist of all the results resulting from the data analyses. In order to analyze the data, the software IBM SPSS Statistics 24 has been used. All the results are analyzed with a confidence level of 95% (p < .05).

#### 4.1. MULTIPLE LINEAR REGRESSION ANALYSIS

As aforementioned, a multiple linear regression analysis has been conducted to test the proposed hypotheses. A multiple regression analysis is conducted when the researcher aims to measure the predicting variable "for which there are sound theoretical reasons for expecting them to predict the outcome" (Fields, 2009, p. 225). The relationships tested within this study are theoretically supported (see chapter 2). Additionally, Preacher, Curran and Bauer 2006) have concluded that a multiple linear regression analysis models the relationship between two or more variables. Therefore, conducting a multiple linear regression analysis is the obvious regression to run. Moreover, a standard multiple regression analysis has been conducted. By doing so, all independent variables are entered into the equation altogether. According to Fields (2009) this kind of multiple regression analysis will identify the strongest predictor of the dependent variable in the model. An overview of all outcomes of each multiple linear regression analysis can be consulted in *Table 4 – Regression model for predicting the affection of reputation during a crisis*. As for indicating the significant relationship between variables the standardized coefficients are displayed in this table.

Table 4 – Regression model for predicting the affection of reputation during a crisis (N = 181)

	The affection of reputation during a crisis					
	Model 1 <b>b</b> *	Model 2 <b>b</b> *	Model 3 <b>b</b> *			
Negative emotions	b	b	110			
Involvement	471***	.457***	421***			
Responsibility	101	.197**	079			
Familiarity	030	024	033			
Own a product	111	.177**	092			
Age	.045	082	.036			
Gender	049	.051	044			
Education	.070	.019	.072			
R2	.311	.400	.318			
F	10.375	15.224	9.271			

Dependent variable	Post-crisis reputation	Negative emotions	Post-crisis reputation			
Note: Significance levels: * pc 05 ** pc 01 *** pc 001						

Note: Significance levels: \* p < .05 \*\* p < .01 \*\*\* p < .001

#### 4.1.1. MODEL 1: POST-CRISIS REPUTATION PREDICTED BY RESPONSIBILITY

In order to test the first hypothesis "The more a company is held responsible for the crisis, the more damage to post-crisis reputation" a multiple linear regression analysis. This analysis was calculated to predict post-crisis reputation based on responsibility. The regression model of the respondent's view on post-crisis reputation as the dependent variable and responsibility, familiarity with Samsung Electronics, owning a product of Samsung Electronics, age, gender and education as independent variables, is indicated as a significant regression equation F(7, 161) = 10.375, p = .000. The regression model is thus useful for predicting the view on post-crisis reputation and the predictive power is moderate: 31.1% of the respondent's view on post-crisis reputation can be predicted by involvement, responsibility, familiarity with Samsung Electronics, owning a product of Samsung Electronics, age, gender and education ( $R^2 = .311$ ). Involvement,  $b^* = -.471$ , t = 6.358, p < .000, have a significant correlation with post-crisis reputation. It can be concluded that for each additional point (on a scale ranging from 1 to 5) in involvement, post-crisis reputation decreases with .471.

#### 4.1.2. MODEL 2: NEGATIVE EMOTIONS PREDICTED BY INVOLVEMENT

In order to test the second hypothesis "A high level of involvement with the crisis leads to more negative emotions" a multiple linear regression analysis has been conducted to predict negative emotions based on the level of involvement. The regression model of the respondent's negative emotions as the dependent variable and responsibility, familiarity with Samsung Electronics, owning a product of Samsung Electronics, age, gender and education as independent variables is significant F (7, 160) = 15.224, p < .000. The regression model is thus useful for predicting the negative emotions, though the predictive power is moderate: 40% of the negative emotions can be predicted by involvement, responsibility, familiarity with Samsung Electronics, owning a product of Samsung Electronics, age, gender and education ( $R^2 = .400$ ). Involvement,  $b^* = .457$ , t = -6.588, p = .000, responsibility,  $b^* = .197$ , t = 2.794, p = .006 and own a product of Samsung Electronics,  $b^* = .177$ , t = 2.798, p = .006 have a significant correlation with negative emotions. It can be concluded that for each

additional point (on a scale ranging from 1 to 5) in involvement, negative emotions increase with .457. Moreover, each additional point in responsibility (on a scale ranging from 1 to 5), negative emotions increase with .197. Lastly, negative emotions increase with .177 when the respondent owns a product of Samsung Electronics.

## 4.1.3. MODEL 3: POST-CRISIS REPUTATION PREDICTED BY NEGATIVE EMOTIONS

In order to test the third hypothesis "Experiencing negative emotions will lead to more post-crisis reputational damage" a multiple linear regression analysis was calculated to predict the respondent's view on post-crisis reputation based on negative emotions. The regression model of the respondent's view on post-crisis reputation as the dependent variable and negative emotions, involvement, responsibility, familiarity with Samsung Electronics, owning a product of Samsung Electronics, age, gender and education are independent variables, is significant, F(8, 1159) = 9.271, p < .000. The regression model is thus useful for predicting the view on post-crisis reputation, though the predictive power is moderate: 31.8% of the respondent's view on post-crisis reputation can be predicted by negative emotions, involvement, responsibility, familiarity with Samsung Electronics, owning a product of Samsung Electronics, age, gender and education ( $R^2 = .318$ ). Involvement,  $b^* = -.421$ , t = 5.030, p < .000 has a significant correlation with post-crisis reputation. It can be concluded that for each additional point (on a scale ranging from 1 to 5) in involvement, post-crisis reputation decreases with .421.

#### 4.2. CHAPTER SUMMARY

In order to test the three proposed hypothesis multiple linear regression analyses have been performed. As for the first hypothesis "The more a company is held responsible for the crisis, the more damage to post-crisis reputation, and thus model 1, the results show that involvement have a significant correlation with post-crisis reputation. As for the second hypothesis "A high level of involvement with the crisis leads to more negative emotions", and thus model 2, the results indicate that involvement, responsibility and owning a product of Samsung Electronics have a significant correlation with negative emotions. Lastly, for the third hypothesis "Experiencing negative emotions will lead to more post-crisis reputational damage" the results indicate that involvement has a significant relationship with post-crisis reputation.

### 5. Discussion

In this chapter, the results obtained in the data analysis will be interpreted and discussed based on the academic knowledge discussed in chapter 2. Hereafter, a profound and comprehensive answer will be provided to the proposed research question. Also, the managerial implications are provided in this chapter. Moreover, this chapter has a clear conclusion. In addition, the limitations of this study are provided as well as the recommendations for future research.

#### 5.1. INTERPRETATION OF RESULTS

The primary goal of this study is to test whether or not the reputation of Samsung Electronics has been affected in the eyes of the Dutch public after their crisis regarding the exploding batteries of their new announced flagship. The data analysis has indicated that most of the respondents feel neutral with regards to the reputation of Samsung Electronics after the crisis. However, about 48.9% of the respondents do not believe what Samsung Electronics communicates regarding the exploding batteries. This disbelieve indeed harms the reputation of the company. Though, this study aims to find out what has an effect on the post-crisis reputation by testing the following three models with corresponding hypotheses.

## 5.1.1. INTERPRETATION OF MODEL 1

In order to test the first hypothesis "The more a company is held responsible for the crisis, the more damage to post-crisis reputation" it has been tested to what extent responsibility is seen as a significant predictor for post-crisis reputation. As aforementioned, the multiple linear regression analysis has shown that responsibility is not seen as a significant predictor and therefore the first hypothesis needs to be rejected. In one of the many articles Coombs (2007b) has written covering the topic of the relationship between responsibility and post-crisis reputation he has concluded that a company has more reputational damage when held responsible for the crisis. Moreover, in an older study, Coombs and Holladay (2005) have concluded that the ratings of the reputation decreases when the responsibility intensifies. Dean (2004) confirms this conclusion in his study by stating that a crisis most of the times result in negative publicity. This negative publicity ultimately leads to more reputational damage. Though, the results of this study are quite the opposite of those previous conclusions drawn by Coombs and Holladay (2005) and Dean (2004). The explanation for the rejection of their theories lies in the fact that the crisis of the exploding batteries can be scales as a 'victim

crisis'. Coombs (2007c) has indicated three categories in crises whereas one of those are the accidental crises. The author has concluded that a crisis is seen as an accident when there is a failure of equipment and/or technology and this specific failure causes the product to be defective or even potentially harmful to the public (Coombs, 2007c). This type of crisis is also known as the technical error product harm. The exploding batteries of the Samsung Galaxy Note 7 can be seen as a technical error product harm. Samsung Electronics has stated that the batteries of the phone exploded because of the fact that the battery was too big for the phone (Dhapola, 2017). It goes without saying that Samsung Electronics never intended for the batteries to explode. This malfunction is the result of a technical failure and not of a human failure and is thus an accident. Even though it has been concluded that Samsung Electronics is held responsible for the crisis, the crisis itself has a low crisis responsibility. In other words, this kind of crisis does not harm the reputation as much as the preventable crises. Based on the aforementioned, it can be stated that not every form of responsibility has an influence on the post-crisis reputation which explains the rejection of the first hypothesis.

### 5.1.2. INTERPRETATION OF MODEL 2

In order to test the second hypothesis "A high level of involvement with the crisis leads to more negative emotions" it has been tested to what extent involvement is seen as a significant predictor for negative emotions. Within their study, the authors Macdonald and Hartel (2000) have concluded that highly involved consumers are experience more emotions. As aforementioned, the multiple linear regression analysis has shown that involvement indeed is a significant predictor for negative emotions. Therefore, the second hypothesis can can be accepted. However, the formulated indicated a positive influence, meaning that the more people are involved with the crisis will lead to more negative emotions. The results of the data analysis have indicated that the influence of involvement on negative emotion is negative. This means that for each additional point in involvement the negative emotions increases with .457. In other words, if the crisis is more relevant to the respondent which indicates that the respondents is more involved, the respondent will experience less emotions. The theory of Macdonald and Hartel (2000) is therefore confirmed.

Even though it has not been included in the hypothesis the results of the second model have indicated that responsibility as well owning a product of Samsung Electronics also have a significant influence on negative emotions. For each additional point in responsibility negative emotions increases with .197. Coombs (2007b) stated that stakeholders will indeed experience more negative emotions when the company is held responsible for the crisis.

Based on the results this conclusion by Coombs (2007b) can therefore be confirmed. In addition, negative emotions are strengthened whenever there are strong perceptions with regards to the responsibility of a crisis (Coombs and Holladay, 2005). This study confirms both aforementioned theories. It can therefore be concluded that people experience more negative emotions when they hold Samsung Electronics responsible.

As mentioned before, the control variables are not the interest of this study (Krieg, 2012) the analysis has shown that one control variable, namely owning a product of Samsung Electronics, has a significant influence on negative emotions. For each additional point in owning a product negative emotions increases with .177. The additional point does not indicate the amount of products owned, but it refers to whether or not the respondents have owned a product. Moreover, the first point indicates that the respondents currently owns a product, the second point indicates that the respondents has owned a product in the past and the third point indicates that the respondents has never owned a product at all. Each additional point in this variable therefore shows that the less they use products of Samsung Electronics the less negative emotions occur. Based on the aforementioned, it can be concluded that the more they are known with a product of Samsung Electronics the less negative emotions they experience.

#### 5.1.3. INTERPRETATION OF MODEL 3

In order to test the third hypothesis "Experiencing negative emotions will lead to more post-crisis reputational damage" it is tested to if negative emotions can be seen as a significant predictor for negative emotions. Kemp, Bui and Chapa (2012) concluded in their study that experiencing negative emotions down-regulate the future decision making. So, when a consumer experienced negative emotions because of a crisis they are likely to down-regulate the reputation of a company. As mentioned before, negative emotions are not seen as a significant predictor for post-crisis reputation and therefore the third hypothesis needs to be rejected as well as the first one. The findings of Kemp, Bui and Chapa (2012) can therefore not be confirmed for this study. Though, Dunn and Schweitzer (2005) concluded that trust, and thus reputation, is not negatively influenced when the trustee is familiar to the individual. As mentioned before, most of the respondents indicated themselves to be familiar with Samsung Electronics as a brand. About 48.1% are very familiar with the brand whereas 46.4% claimed to be extremely familiar with the brand. All in all, a total of nearly 95% of the respondents noted to be familiar with Samsung Electronics. Based on that, it can be concluded that the familiarity with the brand causes the negative emotions to not have a significant

influence on the post-crisis reputation. Moreover, Dunn and Schweitzer (2005) also concluded that the negative emotions do not have a negative influence on trust whenever the source of the negative emotions is known to the individual. This applies to all the respondents of this study. As aforementioned, those who did not know the case of the exploding batteries were excluded from the study. Therefore, all units of analysis of this study are aware of the crisis. The experienced negative emotions originate from this crisis. Since the source of the negative emotions is known to the individuals it is likely to assume that the negative emotions therefore did not have a significant influence on the post-crisis reputation. Based on this knowledge the rejection of the third hypothesis can be explained.

### 5.1.4. INTERPRETATION OF INVOLVEMENT ON POST-CRISIS REPUTATION

All conducted multiple linear regression analyses have indicated that involvement is seen as a significant predictor for the dependent variables used in this study. As for each additional point in involvement, negative emotions increased by .457. In other words, whenever a respondent is more involved in the crisis the will experience more negative emotions. Additionally, involvement is seen as a significant predictor for post-crisis reputation in two models. The first model did not include negative emotions. In this model it is proven that for each additional point in involvement, post-crisis reputation decreased with .471. However, in the third model where negative emotions are included, the effect of involvement is slightly less. Then for each additional point in involvement the post-crisis reputation decreases with .421. All in all, involvement is a significant predictor for post-crisis reputation.

An explanation for the fact that the post-crisis reputation of Samsung Electronics and experiencing negative emotions has been affected by involvement according to this study is the fact that the Galaxy Note 7 never released in the Netherlands. The new flagship of Samsung Electronics could be pre-ordered in different stores. Though considering the ongoing debate with regards to the exploding batteries the release date in the Netherlands have been postponed twice. Ultimately, it has been decided that the release of the new smartphone needed to be cancelled. As a consequence, not a single person in the Netherlands could have received the phone through Dutch sales channels. Therefore, people had to deal with a big disappointment since the long awaited new smartphone in the Note-line would never arrive. It goes without saying that the Dutch public has the possibility to have bought the phone abroad. But for the sake of this study it it assumed that the Dutch public were unable to buy the Galaxy Note 7. Assuming that the biggest part of the Dutch public did not have the smartphone the only "damage" they had to endure is fact that people who had pre-

ordered the phone never received it. In other words, none among the Dutch public had the actual risk of an exploding battery. Nevertheless, people felt highly involved in this crisis which led to damage to the post-crisis reputation. One can only imagine what could have happened to the reputation of Samsung Electronics in the eyes of the Dutch public if the phone had been released and recalled.

### 5.2. MANAGERIAL IMPLICATIONS

Based on the results of this study, some practical suggestions can be made. Therefore, corporations should understand involvement more. It was expected for responsibility to be a strong predictor when it comes to post-crisis reputation. Though, this study has proven that involvement is the strong predictor for post-crisis reputation and responsibility not. This study has shown that the involvement of the public is of high importance in determining the postcrisis reputation. Therefore, communication managers should take the involvement of the public into consideration when responding to a crisis. At first, communication manages should investigate to what extent people are involved with the subject. As for Samsung Electronics with the exploding batteries crisis this could have be done by reading through online forums or social media. For example, on Twitter the number of hashtags can be obtained. A high number of hashtags means that lots of Tweets have been published regarding the topic. This indicates that people have the need to spread news regarding to topic. As aforementioned, this needs indicated a high level of involvement. If this investigation indicates that the public are highly involved with the subject, the crisis communication strategy should be adjusted accordingly in order to prevent the post-crisis reputation to be strongly damaged.

## 6. Conclusion

The primary goal of this study is to find out whether or not the reputation of Samsung Electronics has been affected after the crisis regarding the exploding batteries of the newly announced Galaxy Note 7. The affection of reputation is tested based on responsibility, negative emotions and involvement. Even though Samsung Electronics is held responsible for the crisis (an average of 58.05%) the responsibility does not affect the post-crisis reputation. This is caused by the nature of the exploding batteries crisis, namely the fact that this crisis indicated as a technical error product harm. Such crises have a low responsibility harm and thus does not affect the post-crisis reputation of Samsung Electronics. It was to be expected that negative emotion led to more post-crisis reputation. Because of the fact that the respondents are highly familiar with Samsung Electronics as a brand and know the source of their negative emotions, the negative emotions did not have a significant effect on the post-crisis reputation. Even though responsibility and negative emotions are important determinants in the SCCT, this study cannot confirm that those aspects have an influence on the post-crisis reputation.

Moreover, this study has shown that involvement is of high importance. Even though involvement is not included in the SCCT results has indicated that the involvement of the Dutch public has a significant influence on negative emotions and post-crisis reputation of Samsung Electronics. Choi and Lin (2009) already indicated the importance of consumer involvement with regards to crises and crisis communication. This indication is confirmed by this study.

Even though it was not tested in the study, responsibility and owning a product of the brand seem to have a significant influence on negative emotions. Coombs and Holladay (2005) concluded that negative emotions are intensified when the responsibility of a company is high. That theory is confirmed in this study. It is shown that the ownership of a product also has a significant influence on negative emotions. Though, the ownership is seen as a control variable in this study and therefore not important for the final outcome.

All in all, the aim of this study is to answer the following research question: "How does the crisis with regards to the exploding battery of the Galaxy Note 7 affect the reputation of Samsung Electronics in the eye of the Dutch public?" The affection of reputation is tested with regards to involvement, responsibility and negative emotions. Based on the results of the data analysis and the profound interpretation of these results it can be concluded that the post-

crisis reputation of Samsung Electronics is positively effected because of the high involvement of the Dutch public. The degree of responsibility and experiencing negative emotions did not have any effect on the post-crisis reputation of Samsung Electronics.

#### 6.1. LIMITATIONS

Limitations are common to every study and needless to say also to this study. One of the biggest limitations of this study is the fact that the data collection took place months after the crisis was already over. As mentioned before, the first message regarding the exploding batteries was published on August 24<sup>th</sup>, 2016. As a results, Samsung Electronics decided on October 11<sup>th</sup>, 2016 to recall all phones. Though, on January 23<sup>rd</sup>, 2017 it was publicly announced that the reason for the exploding batteries was the fact that they were too big for the actual phone. Nevertheless, the heat of of this crisis was in the late-summer 2016 whereas the data collected regarding this crisis took place six months later, thus at the beginning of April 2017. Even though the data collection is still reliable and valid, it still can be assumed that this has had an effect on the perception of post-crisis reputation. Since several months had already passed the reputation could already be restored or the true emotions regarding the crisis already passed. Furthermore, the small sample of this study (N = 181) can be seen as a limitation for the generalization. For the means of this study the Dutch public is investigated. Since the Netherlands have over 17 inhabitants the number of 181 may be somewhat too small. Though, for the means of a master thesis the number is sufficient enough.

Another limitation of this study is the fact that the survey has been translated into another language. The theoretical knowledge is obtained in English whereas the survey has also been constructed in this languages. However, this study investigates the Dutch public and therefore the actual survey distributed has been translated from English into Dutch. It goes without saying that strong meanings in the English language can be lost while translated into another language which can be seen as a huge limitation.

Additionally, it can be seen as a limitation that the reputation of Samsung Electronics is only measured after the crisis and not before. If the reputation of Samsung Electronics was measured before the exploding battery crisis, it could be truly concluded whether or not the reputation of Samsung Electronics has been affected. Though, it is hard to measure the reputation before a crisis since crises oftentimes are not announced.

#### 6.2. RECOMMENDATIONS FOR FUTURE RESEARCH

The aforementioned limitation with regards to the late data collection can naturally be seen as a recommendation for future research. Whenever future research investigates the affection of reputation after a crisis is it recommended to collect the data regarding the research as soon as possible after the crisis has ended. Obviously, a crisis is an unexpected effect and therefore planning such kinds of research has limitations. Though, it is still recommended to conduct the research as soon as possible.

Another recommendation for future research is the fact that comparable research should first be conducted in the country where the crisis has started. The first messages regarding this crisis were published in the United States of America and some countries in Asia. This is also the place where the batteries exploded, since the Galaxy Note 7 had already been released in those countries. Since Samsung Electronics had planned a worldwide release the crisis soon evolved in an international one. Therefore, future research could replicate this study in the United States of America and Asia in order to find out whether or not the reputation has been affected in the countries in which the phone had already been released.

This study has indicated that experiencing negative emotions is an important factor as well. Even though, the negative emotions did not have a significant effect on the post-crisis reputation of Samsung Electronics, it is highly recommended to find out what effect it has. For example, future research could investigate negative emotions in combination with the willingness to buy products of the brand. Moreover, this study has shown that involvement is an important determinant for post-crisis reputation. Therefore, future research should obtain more academic knowledge on the influence of involvement on reputation. In that way, communication managers can implement the new theories in their crisis communication for better outcomes with regards to reputation.

Additionally, the relationship between responsibility and involvement has not been tested in this study. Future research should focus on this relationship in order to obtain more academic knowledge.

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## Appendix A – Dutch Survey

Beste respondent,

Bedankt voor het deelnemen aan deze enquête. Het invullen van de vragenlijst neemt ongeveer vijf minute in beslag. Indien u de resultaten graag wilt ontvangen, kunt u uw emailadres aan het einde van de enquête achterlaten.

Met vriendelijke groet,

Xaviera Huisman

Erasmus Universiteit Rotterdam

353143xh@eur.nl

## Allereerst zou ik graag wat algemene informatie over u noteren

Wat is uw geslacht?

- o Man
- o Vrouw

Wat is uw leeftij	d
-------------------	---

## Wat is uw hoogst afgeronde opleiding

- o Vmbo
- o Havo
- o Vwo
- o Mbo
- o Hbo
- o Universiteit (Bachelor)
- University (Master)
- o Anders, namelijk.....

#### Wat is uw nationaliteit?

- o Nederlands
- o Anders, namelijk

## Bent u bekend met het merk Samsung Electronics?

- o Heel erg mee bekend
- Mee bekend
- Wel/niet mee bekend
- Niet mee bekend
- o Totaal niet mee bekend

## Heeft u een product dat gemaakt is door Samsung Electronics?

- o Ja, momenteel bezit ik een product van Samsung Electronics
- o Nee, ik heb in het verleden een product gehad maar momenteel niet meer
- o Nee, ik heb nooit een product van Samsung Electronics in mijn bezit gehad

Enige tijd geleden werd wereldwijd bekend gemaakt dat de nieuwe Samsung Electronics Galaxy Note 7 exploderende batterijen bevat. Het is vanzelfsprekend dat dit veel mensen geraakt heft. Het probleem heeft ervoor gezorgd dat Samsung Electronics de productie van het nieuwe toestel wereldwijd heft stopgezet. Alle telefoon die reeds waren uitgeleverd, zijn teruggeroepen door het bedrijf.

De volgende vragen hebben betrekking op de exploderende batterijen.

Heeft u voor uw deelname aan deze enquête al gehoord van de exploderende batterijen?

- o Ja
- o Nee

## De volgende statements hebben betrekking op jouw indruk van de exploderende batterijen. Geef aan in hoeverre u het (on) eens bent met de statements

Met betrekking tot de exploderende batterijen heeft Samsung Electronics rekening gehouden met het welzijn van investeerders, klanten, medewerkers etc.

- o Zeer mee eens
- o Mee oneens
- o Neutraal
- o Mee eens
- o Zeer mee eens

Samsung Electronics is niet eerlijk geweest over de exploderende batterijen

- o Zeer mee eens
- Mee oneens
- o Neutraal
- o Mee eens
- o Zeer mee eens

Ik geloof alles wat Samsung Electronics zegt over de exploderende batterijen.

- o Zeer mee eens
- Mee oneens
- o Neutraal
- o Mee eens
- o Zeer mee eens

Met betrekking tot de exploderende batterijen heeft Samsung Electronics geen rekening gehouden met het welzijn van investeerders, klanten, medewerkers etc.

- o Zeer mee eens
- o Mee oneens
- o Neutraal
- o Mee eens
- o Zeer mee eens

# Hoe voelt u zich ten opzichte van Samsung Electronics na het voorval van de exploderende batterijen?

exploderende batterijen?							
Во	os	Walging					
0	Zeer mee eens	0	Zeer mee eens				
0	Mee oneens	0	Mee oneens				
0	Neutraal	0	Neutraal				
0	Mee eens	0	Mee eens				
0	Zeer mee eens	0	Zeer mee eens				
Sy	mpathisch	Ple	ezierig				
0	Zeer mee eens	0	Zeer mee eens				
0	Mee oneens	0	Mee oneens				
0	Neutraal	0	Neutraal				
0	Mee eens	0	Mee eens				
0	Zeer mee eens	0	Zeer mee eens				
Ge	rirriteerd	Ve	rontwaardigd				
0	Zeer mee eens	0	Zeer mee eens				
0	Mee oneens	0	Mee oneens				
0	Neutraal	0	Neutraal				
0	Mee eens	0	Mee eens				
0	Zeer mee eens	0	Zeer mee eens				

## Empathie

- o Zeer mee eens
- o Mee oneens
- o Neutraal
- o Mee eens
- o Zeer mee eens

## Droevig

- o Zeer mee eens
- o Mee oneens
- o Neutraal
- o Mee eens
- o Zeer mee eens

## Onderstaande statements hebben betrekking op uw betrokkenheid met Samsung Electronics. Geef hieronder aan in hoeverre u het (on)eens bent met de statements

Ik heb de behoefte om nieuws te verspreiden rondom de exploderende batterijen.

- o Zeer mee eens
- Mee oneens
- o Neutraal
- Mee eens
- o Zeer mee eens

Ik vind dat de normen en waarden van Samsung Electronics en de exploderende batterijen gelijk zijn aan mijn normen en waarden.

- o Zeer mee eens
- Mee oneens
- o Neutraal
- Mee eens
- o Zeer mee eens

Ik schaam me voor Samsung Electronics en het feit dat hun batterijen exploderen

- Zeer mee eens
- o Mee oneens
- Neutraal
- Mee eens
- Zeer mee eens

Als er in de media kritiek wordt geleverd op Samsung Electronics dan voelt dit als kritiek op mijzelf

- o Zeer mee eens
- Mee oneens
- o Neutraal
- Mee eens
- Zeer mee eens

### Geef voor onderstaande statements aan in hoeverre u er mee eens bent

		1 , .	.11 .	1 4	c	1 /	1	1 44 **		1 1	1
`	amsung E	lectronics	Ontkent	net :	te1t	dat	de	hattern	en ev	niac	leren
$\mathbf{\nu}$	anisung L	iccuonics	OHICKCHI	IICt .	ισιι	uai	uc	Dancin	CII CA	proc	

- o Zeer mee eens
- o Mee oneens
- o Neutraal
- o Mee eens
- o Zeer mee eens

## Samsung Electronics is een slachtoffer van de exploderende batterijen

- o Zeer mee eens
- o Mee oneens
- o Neutraal
- o Mee eens
- o Zeer mee eens

## Samsung Electronics heeft controle over de exploderende batterijen

- o Zeer mee eens
- o Mee oneens
- o Neutraal
- o Mee eens
- o Zeer mee eens

## Samsung Electronics heeft het publiek zelf geïnformeerd over de exploderende batterijen

- o Zeer mee eens
- Mee oneens
- o Neutraal
- o Mee eens
- o Zeer mee eens

Samsung Electronics probeert de geleden schade door de exploderende batterijen zoveel mogelijk te minimaliseren

- o Zeer mee eens
- o Mee oneens
- o Neutraal
- o Mee eens
- o Zeer mee eens

Samsung Electronics is net zo erg een slachtoffer van de exploderende batterijen als het publiek.

- o Zeer mee eens
- o Mee oneens
- o Neutraal
- o Mee eens
- o Zeer mee eens

Samsung Electronics claimt dat er geen geval van nood is met betrekking tot de exploderende batterijen

- o Zeer mee eens
- o Mee oneens
- o Neutraal
- o Mee eens
- o Zeer mee eens

Samsung Electronics negeert het feit dat de batterijen exploderen.

- o Zeer mee eens
- o Mee oneens
- o Neutraal
- o Mee eens
- o Zeer mee eens

Samsung Electronics erkent het feit dat de batterijen exploderen en verzekert iedereen ervan dat dit in de toekomst nooit meer zal gebeuren.

- o Zeer mee eens
- o Mee oneens
- o Neutraal
- o Mee eens
- o Zeer mee eens

Samsung Electronics verontschuldigt zich voor de exploderende batterijen.

- o Zeer mee eens
- o Mee oneens
- o Neutraal
- o Mee eens
- o Zeer mee eens

Dit waren alle vragen voor deze enquete. Indien u graag de resultaten van deze enquete wilt ontvangen, kunt u hieronder uw e-mailadres achterlaten.

Bedankt voor uw deelname aan deze enquete.

Met vriendelijke groet, Xaviera Huisman Erasmus Universiteit Rotterdam 353143xh@eur.nl

## Appendix B – English survey

Dear respondent,

Thank you for participating in this survey. Filling in this questionnaire will take about five minutes of your time. In case you would like to receive the results of this survey, you can leave your e-mail at the end of the survey.

Kind regards,

Xaviera Huisman

Erasmus University Rotterdam

353143xh@eur.nl

First, I would like to know some general information about you.

What is your gender?

- o Male
- o Female

Ho	w ol	d are	you?	1	
ſ					

## What is your highest education?

- o VMBO
- o HAVO
- o VWO
- o MBO
- о НВО
- University (Bachelor)
- o University (Master)
- o Other, namely.....

## What is your nationality?

- o Dutch
- o Other, namely.....

## Are you familiar with Samsung Electronics as a brand?

- o Extremely familiar
- o Very familiar
- o Moderately familiar
- o Slightly familiar
- Not familiar at all

## Do you own one of the products manufactured by Samsung Electronics?

- o Yes, I currently own a product
- o No, I have owned a product in the past but currently not
- o No, I have never owned a product.

Recently, it became worldwide news that the newly manufactured Samsung Electronics Galaxy Note 7 smartphones has exploding batteries. Needless to say, it could harm many people. The problem causes Samsung Electronics to stop the production of the Samsung Electronics Galaxy Note 7 and recalled all phones. As a result, it is prohibited to enter an airplane with a Samsung Electronics Galaxy Note 7.

The following questions will ask about your opinion with regards to the exploding batteries of the Samsung Electronics Galaxy Note 7.

Have you heard of the fact that the batteries of the Samsung Electronics Galaxy Note 7 explode?

- o Yes
- o No

# The following statements reflect your impressions with regards to the exploding batteries. Please indicate to what extent you (dis)agree

With regards to the exploding batteries, Samsung Electronics is concerned with the well-being of the investors, customers, employees etc.

- o Strongly agree
- o Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

Samsung Electronics is basically dishonest concerning exploding batteries.

- o Strongly agree
- o Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

I believe that Samsung Electronics communicate regarding the battery explosions.

- o Strongly agree
- o Somewhat agree
- o Neutral
- Somewhat disagree
- o Strongly disagree

With regards to the exploding batteries, Samsung Electronics is absolutely not concerned with the well-being of the investors, customers, employees etc.

- o Strongly agree
- Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

## How do you feel with regards to the exploding batteries?

## Please indicate to what extent you (dis)agree

## Angry

- Strongly agree
- Somewhat agree
- Neutral
- o Somewhat disagree
- Strongly disagree

## Sympathy

- Strongly agree
- Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

## Annoyed

- Strongly agree
- Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

## **Empathy**

- Strongly agree
- Somewhat agree
- Neutral
- o Somewhat disagree
- o Strongly disagree

## Disgusted

- o Strongly agree
- Somewhat agree
- o Neutral
- Somewhat disagree
- Strongly disagree

## Joy

- o Strongly agree
- Somewhat agree
- o Neutral
- o Somewhat disagree
- Strongly disagree

## Indignant

- Strongly agree
- Somewhat agree
- o Neutral
- o Somewhat disagree
- Strongly disagree

### Sad

- o Strongly agree
- Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

# The following statements are about your involvement regarding Samsung Electronics Please indicate to what extent you (dis)agree

I feel the need to spread news regarding the exploding batteries

- o Strongly agree
- Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

I believe that the norms and values of Samsung Electronics with regards to the case of the exploding batteries are in line with my own norms and values.

- o Strongly agree
- o Somewhat agree
- Neutral
- o Somewhat disagree
- o Strongly disagree

I feel embarrassed when I think about Samsung Electronics and the exploding batteries.

- o Strongly agree
- o Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

Critique on Samsung Electronics feels like personal criticism.

- Strongly agree
- Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

## Indicate for the following statements to what extent you (dis)agree

Samsung Electronics denies the fact that the batteries are exploding.

- Strongly agree
- Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

Samsung Electronics is a victim of the exploding batteries.

- o Strongly agree
- o Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

Samsung Electronics has control over the exploding batteries.

- Strongly agree
- Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

Samsung Electronics informed the public about the exploding batteries themselves.

- Strongly agree
- o Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

Samsung Electronics tries to minimize the damage done by the exploding batteries.

- o Strongly agree
- Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

Samsung Electronics claimed that there is no case of emergency with regards to the exploding batteries.

- o Strongly agree
- Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

Samsung Electronics is as much of a victim as the public.

- Strongly agree
- Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

Samsung Electronics ignores the fact that the batteries.

- o Strongly agree
- Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

Samsung Electronics acknowledge the fact that the batteries exploding and are making sure that it will never happen again.

- o Strongly agree
- o Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

Samsung Electronics apologizes for the exploding batteries.

- o Strongly agree
- o Somewhat agree
- o Neutral
- o Somewhat disagree
- o Strongly disagree

If you would like to receive the results of this survey, please leave your e-mail behind.

Thank you for participating in this survey.

Kind regards,
Xaviera Huisman
Erasmus University Rotterdam
353143xh@eur.nl