## Message vs Medium

# When Crisis and Social Media Collide: Managing Corporate Reputation in the Digital Age

A study on crisis response strategies and information richness.

Student Name: Hediyeh Djam Student Number: 454728hd Supervisor: dr. Y. Wang

Master Media Studies Erasmus School of History, Culture and Communication Erasmus University Rotterdam

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#### **ABSTRACT**

The increasing use of social media by the public during a crisis consequently rises the need for companies to incorporate an appropriate crisis management strategy to utilize these tools effectively in order to protect their corporate reputation. Given that social media platforms are public and visible, makes it very challenging for companies to manage online conversations. This combined with the unexpected nature of a crisis makes it relevant to explore this topic with new perspective. In this study, the focus was on using two crisis response strategies from Coombs' SCCT, namely apology and diminish, on social media platforms with high and low information richness during a preventable crisis. Although crisis response strategies on social media has been widely researched, little research is done where level of information richness played a central role combined with a response strategy during a preventable crisis. Moreover, there is no clear guidance in literature to create explicit managerial understanding and provide a selection of appropriate crisis response strategies. Traditional theories on crisis communication may not be sufficient in representing the social media context. Therefore, the results of this study provide good insight in which characteristics in a social media platform and which response strategy are most beneficial for companies to utilize. The following research question was posed in order to find out: "How do medium (low info richness vs high info richness) and the message (apology vs diminish) affect the effectiveness of corporate crisis management in a preventable crisis?". Based on this research question, four hypotheses were established. By means of an online experiment using online tool 'Qualtrics', the research question was answered. The online experiment is conducted using a 2 X 2 factorial between-subject design for a total four conditions. The experiment is based on 1 crisis type (preventable crisis) X 2 crisis response strategies (apology vs diminish) X 2 social media platforms (Facebook vs Twitter). A convenience sampling method was used and a total of 184 participants were collected. After cleaning the data, 168 respondents remained for the final dataset. For the experiment, a fictitious news article and coffee franchise were used called Coffee and Cream. Participants were randomly assigned to one of the four conditions. For each condition, the company description and the news article were the same. The stimuli

were the statements Coffee and Cream made after the incident. This was either an apology or diminish strategy on either Facebook (high info) or Twitter (low info). Several statistical tests were conducted after all the data was collected. The findings showed significant relationships between the independent variables 'Response strategy' and 'Level of information richness' and test variables 'Post-crisis reputation and 'Behaviour intentions. As a result, all four hypotheses were supported.

<u>KEYWORDS:</u> Crisis communication, Social Media, Crisis Response Strategies, Corporate Reputation, Information Richness

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## 1. Introduction

In a time where social media plays a fundamental part in people's' lives and a society that is used to a 24/7 news cycle, it has become increasingly important for companies to manage their reputational risks on social media (Utz, Schultz, & Glocka, 2013). Corporate reputation is an essential intangible asset for companies, yet with the rise of digitalization, it brings both beneficial effects as well as risks. A positive corporate reputation can bring a range of valuable contributions such as competitive differentiation. However, the everchanging digital landscape has made it more and more challenging for companies to manage their reputation, especially online (Dijkmans, Kerkhof & Beukeboom, 2015). Namely, the digital revolution has enabled a 24-hour online society which not only changed the way people interact with each other, but also with companies. Moreover, Gensler, Völckner, Liu-Thompkins, and Wiertz (2013) state that the advent of social media has also changed the role of consumers immensely. The authors argue that with the evolution of the internet and more importantly social media, a platform was created where people can share content globally, changing their role as stakeholders for companies. Online interaction has allowed consumers to engage actively online. This changing role of consumers is a vital element that companies need to take into consideration regarding their reputation management (Dijkmans et al., 2015). Whereas classic crisis and reputation communication practices used to treat consumers like passive receivers of firm-send crisis communication, they are now empowered to engage and voice their perceptions and opinions via social media (Zheng, Liu, & Davison, 2018). This development has made companies more vulnerable for reputational damage, specifically during a crisis.

With over 18 million views on YouTube, the United Breaks Guitar case between United Airlines and David Carroll, is a well-known example of how an incident can create a reputational treat for companies if not handled accordingly. David Carroll uploaded a video on YouTube to express his frustration about the way United handled his complaint after breaking his guitar during a flight (Sonsofmaxwell, 2009). The media picked it up and it created a PR-disaster for the airline. More recent examples are the racial bias incident at a Starbucks in Philadelphia where two African-American men were arrested because they asked to use the restroom before ordering drinks. The incident was filmed by a fellow customer and posted online. The video went viral almost immediately, causing a social

media frenzy and Starbucks in complete crisis management mode. In addition, given the high sensitivity of racial bias and the uproar that the arrest of the two men had created, The New York Times reports that Starbucks had to go to extreme measures in order to protect their corporate reputation. As a result, Starbucks announced to close eight thousand US stores for a racial bias training, costing them millions (Abrams, 2018). Another case of unintended racial bias that caused reputational damage, is the H&M campaign where an image of an African-American boy is pictured wearing a sweater with a monkey on it and the text 'monkey of the jungle'. The image was posted on H&M's Instagram, causing worldwide outrage. According to The Washington Post, the scandal lead to celebrities, such as rapper The Weeknd, distancing themselves from the brand and terminating their partnerships (West, 2018). These examples all have in common that social media in different ways played an essential role in how fast information is shared and incidents can become a crisis. These social networks are not only becoming increasingly important in social interaction but also in information exchange (Hughes, Rowe, Batey, & Lee, 2012). In addition, social platforms are more often used as tools for companies to address issues and make public statements (Smith, Fischer & Yongjian, 2012). To learn from the examples, a company should understand which response strategy to carry out in such a preventable crisis. This study intends to tackle this question by conducting an experiment with a fictious brand.

The focus for this research will be on crisis response strategies used during a preventable crisis on social media platforms with different characteristics. As previously mentioned, social media are an integral part in people's daily lives which brings a new set of challenges for companies, especially during a crisis. Kaul and Chaudhri (2017) claim that in the new media era, crises and incidents are more visible. In addition, the authors state that digitalization caused an environment in which a paracrisis, when not handled correctly, can enfold into a serious crisis with reputational damage. A paracrisis is a publicly visible crisis threat with association to irresponsible or unethical behaviour and displayed in a social media context (Coombs & Holladay, 2012). Subsequently, stakeholders urge the organization to change its behaviour to correct their wrongdoing. Given that a paracrisis is executed through social media and thus has a public nature, makes it a highly challenging and sensitive situation for companies to manage preventing reputational damage. Drawing on the Starbucks incident mentioned above, the company initially offered a more corporate toned apology two days after the incident, trying to diminish the incident. Starbucks issued

the statement on Twitter, without mentioning the heart of the incident: racial bias. "We apologize to the two individuals and our customers for what took place at our Philadelphia store on Thursday." The company only mentioned that there is still work to be done on how they handle incidents (Starbucks Coffee, 2018). This rather general apology was not well received and caused even more outrage and the urge for Starbucks to address the bigger issue (Stewart, 2018). Starbucks quickly recognized that their reputation was at stake and that they needed to handle this incident accordingly in order to avoid a complete reputational crisis. Starbucks CEO Kevin Johnson publishes an apology letter on the official Starbucks website later that day. He mentioned the issue of discrimination, apologized to the two arrested men and all others involved and promises that the company will learn from this (Starbucks, 2018). Also, several TV appearances were made in the following days such as ABC's Good Morning America to issue a public apology for the incident (Hutchinson & Stone, 2018). In addition, Johnson announced that they will close down all US stores for a racial bias training in the afternoon of May 29, 2018 (Starbucks, 2018).

Not only is the Starbucks case a clear example of Kaul and Chaudhri's (2017) statement that incidents and crises are more visible to the public in the social media era and need to be handled in an appropriate manner to protect the corporates reputation, it also shows the relevance of the right response strategy. Thus, it is at utmost importance for organizations to acknowledge the role of social media in crisis and reputation management. As a consequence, organizations often employ a crisis management strategy to minimize their corporate reputation being damaged during any crisis (Kaul & Chaudhri, 2017).

Regarding crisis response strategies, the type of crisis plays an essential role. According to Coombs (2007b), the crisis type determines which response will minimize reputational threat. Depending on whether the crisis was preventable or not, stakeholders determine the level of responsibility towards the company. Coombs (2007a; 2007b) distinguishes between three crisis types; the victim cluster, accidental cluster and the preventable cluster. Since a preventable crisis is perceived as potentially having the highest reputational consequences for companies, the focus in this study will be on the preventable cluster. Moreover, this type of crisis in a social media era makes companies even more vulnerable and as the United Airlines and Starbucks examples illustrate, causes the strongest stakeholder reactions (Kaul & Chaudhri, 2017). Given that a preventable crisis requires an appropriate response strategy in order to minimize reputational damage, the

following two responses were chosen for a comparison in this study; diminish strategy and apology strategy. Coombs (2007a; 2007b) states that a diminish strategy is used when a company acknowledges the crisis but want it to appear less negative in order to protect its reputation, opposed to the apology strategy where the company takes full responsibility for its actions, offers a public apology and tries to accommodate the victims. These two strategies are chosen since they both admit corporate responsibility of a crisis but have very different ways in execution. This study therefore investigates whether the choice of medium during a preventable crisis, more specifically information richness of social media platforms (low vs. high) and crisis response strategy (apology vs diminish) influences the reputation of a company during a preventable crisis. Utz et al., (2013) state that organizations that use social media quickly to inform stakeholders during a crisis imply that they are open to a dialogue with them. Taking into consideration that the role social media plays in people's everyday life has increased over the last years and the vulnerability of organizations because of social media, this study will provide new insight of how response strategies used on different social platforms have an effect on the reputation of organizations during a preventable crisis. By applying an experimental research design the following research question will be answered:

**RQ**: How do medium (low info richness vs high info richness) and the message (apology vs diminish) affect the effectiveness of corporate crisis management in a preventable crisis?

### 1.1 Scientific and societal relevance

An important incentive for this study is its scientific and social relevance. This study contributes to the literature of crisis and reputation management in a way that it identifies the role of different social media platform characteristics combined with response strategies in a preventable crisis. Although the topic of crisis and reputation management has been widely researched, the effects and possible implications of corporate communication through social media, specifically during a crisis, have only recently been studied (Schultz, Utz, & Göritz, 2011). Moreover, crisis communication research mostly focuses on effects of different response strategies on reputation, purchasing intention or negative word-of-

mouth. The effect of the social media platform that is used as the medium during a crisis, however, has only been studied recently and thus, needs more research (Schultz et al., 2011). Furthermore, the response strategies used in this study are suggested in Situational Crisis Communication Theory (SCCT) by Coombs (2007a; 2007b) as this theory is widely recognized as a guideline to help crisis managers to deploy the appropriate response strategy in order to minimize reputational threats during a corporate crisis. While SCCT is seen as one of the most frequently consulted theories in the crisis communication field, SCCT was developed before the rise of social media, as it does not consider the medium that is used during crisis communication to suggest the appropriate response strategy (Roshan, Warren & Carr, 2016). Traditional theories on crisis communication, such as SCCT, may not adequately represent the social media context. Hence, the scientific relevance to do more research on these theories with respects to the social media perspective.

This study contributes to the literature of crisis communication in a social media context by identifying the role of the medium, more specifically the level of information richness of the medium, and crisis response strategies during a preventable crisis. This is relevant since in today's society, in which social media plays an instrumental role in people's lives, it has become increasingly important for organizations to adapt their traditional crisis communication strategies to match the challenges these developments bring (Utz et al., 2013). In addition, social media is considered an important recent addition to crisis communication tools as it allows companies to reach their stakeholders in a fast and convenient matter. Not only are social media a low-cost tool, they also provide a platform for companies to get a better understanding of potential questions or concerns their stakeholders may have during a crisis (Roshan et al., 2016). In other words, by engaging with stakeholders and responding to their messages, companies can take away any uncertainties and minimize reputational damage. On the other hand, Roshan et al., (2016) also point out that while social media has enabled companies to be in direct communication with their stakeholders, it simultaneously has increased company's vulnerability as it facilitates the conversation about the crisis to continue and spread in a very public environment. More importantly, not reacting a in appropriate manner can cause an even bigger crisis as the previously mentioned examples display. The powerful role of social media might be an indicator that the crisis response strategies distinguished by Coombs (2007a; 2007b) need to be reevaluated.

The societal relevance for this study lies in the fact that an increasing number of crises are happening that are going viral on social media. From the publics' perspective, it is relevant to understand what factors determine how the crisis information is during a crisis and how to interpret the mechanism of a crisis. This addresses the question that can be generalized in different context. Potential factors will be discussed in this study.

### 2. Theoretical framework

## 2.1 Corporate reputation

Corporate reputation is the collective representation of perception, expectations and opinions about a company by its different stakeholders (Van Riel & Fombrun, 2007; Dijkmans et al., 2015). Van Riel and Fombrun (2007) state that a positive reputation has proved to have a beneficial impact on a company as it makes it more attractive, not only for consumers, but also to attract employees and new financial sources. A negative corporate reputation, however, can result in loss of business, lack of credibility or even boycott. The authors go on by pointing out that the importance of corporate reputation is therefore widely recognized by managers and consequently plays an increasingly important role in companies.

One of the key elements that contributed to the importance of corporate reputation in current times, is digitalization. As previously mentioned, social media plays a fundamental role in people's everyday lives and has immensely changed the way people and businesses communicate. Social media networks are interactive platforms that enable individuals to engage and share content globally (Kietzmann, Hermkens, McCarthy & Silvestre, 2011). Even though social media has been embraced by corporates as it has become an essential and effective tool for communication and marketing purposes, it has also created a communication landscape where managers cannot control or manage content regarding their company in advance, opposed to traditional channels such as tv or newspapers (Aula, 2010; Utz et al., 2013). Moreover, due to characteristics such as easy access, open participation and the rapid and broad spread of content, it has become nearly impossible for companies to control what is being said about them online. From a corporate perspective, these dynamic stakeholder liaisons have become reputational risks which cannot be ignored in order to protect a corporate reputation (Aula, 2010).

In support of this statement, the cases of United Airlines, H&M and Starbucks that are discussed in the introduction are good examples of corporate reputational risks in a social media era, especially during a crisis. The significance in these cases is how quickly

threats. Where previously releasing a statement or giving a press conference in times of crisis was considered the appropriate strategy for companies in times of crisis, the current 24-hour online news cycle has forced companies to react quickly and adequate (Byrd, 2012).

## 2.2 Role of social media during a corporate crisis

Social media has been considerate an important tool that is recently added to corporate crisis strategies. This section will provide more insight on how and why social media can be effective and successful in crisis communication management. During a corporate crisis, study shows that the public's social media use increases (Pew Internet & American Life, 2006). Moreover, the way people use social media also changes immensely in times of organizational crisis. This is due to the fact that in an online environment, issues are more unpredictable and can escalate increasingly faster than in offline events (Austin et al., 2012; Liu, Austin & Jin, 2011; Procopio & Procopio, 2007). An important reason for the public to turn to social media during such a crisis is because these online platforms are often considered to be more credible opposed to traditional media (Procopio & Procopio, 2007; Liu et al., 2011). More importantly, it provides unfiltered and unique information and allows for interactive conversation with other users and develop virtual bonds. This is particularly helpful for stakeholders in searching for emotional support and demanding actions from the company after experiencing the crisis (Choi & Lin, 2009; Stephens & Malone, 2009).

In particular, it is this shift from traditional media to social media being the main source for the public to get their information that is instrumental for companies when facing a crisis (Procopio & Procopio, 2007). In other words, companies need to have incorporated these new forms of media in their crisis communication strategy in order to minimize reputational damage during a crisis as this online environment is the primary place the conversation regarding their company takes place. As already briefly mentioned, this development offers both opportunities as well as challenges for companies. While social media has unique features that companies can use to their advantage such as reaching a vast audience and interacting with the public by responding to questions, it is also a place in which stakeholders can generate content and the online behavior of the company during a crisis lies under immense scrutiny (Roshan et al., 2016). That is to say, if companies fail to

live up to the expectation of key stakeholders to communicate transparently and in a timely manner, it can result in negative sentiment and content being spread online (Roshan et al., 2016). A lack of managerial understanding of the consequences of mishandling crisis communication in an online environment can result in severe reputational damage. Hence, the importance of a strategic crisis communication that is suitable in the social media landscape.

## 2.3 Corporate crisis types and response strategies

When a company is in crisis, this is considered a threat to the organization's reputation (Coombs & Holladay, 2006; Coombs, 2007). According to Coombs (2007), a crisis can be described as an unexpected event that has the potential to negatively affect the perception of important stakeholders and organizational performance. In order to protect the corporate reputation during a crisis, crisis management is applied with the aim to restore reputational damage and trust among its stakeholders (Ultz et al., 2013). A widely known theory that is used is the Situational Crisis Communication Theory (SCCT) developed by Coombs (2007a; 2007b) which offers a framework that helps crisis managers to choose the right strategy depending on the crisis type. The SCCT identifies three clusters of reputational crises that are attributed by the level of responsibility and ability to control the crisis. Namely, the victim cluster in which the organization is also a victim of the crisis such as a natural disaster, thus has low responsibility and a mild reputation threat is experienced. In case of the accidental cluster, company actions unintentionally caused a crisis, such as technical-error accident and therefore minimal attributions of responsibility can be made. Hence, this is considered a moderate threat. Lastly, the preventable cluster which attributes the highest responsibility and is a significant reputational threat since the company knowingly took inappropriate actions that led to the crisis, such as racial bias (Coombs & Holladay, 2004). For this study, the focus will be on companies in a preventable crisis as they acquire the highest level of corporate responsibility. From a social media perspective, this type of crisis will be most interesting since it has made organizations more vulnerable in times of crisis as the three examples previously showed.

To get a better understanding of SCCT, it is important to identify the key variables and relationships in the theory. SCCT is informed by Attribution Theory.

Attribution Theory explores the causal relationships between many of the variables used in SCCT (Coombs, 2007b). More specifically, Attribution Theory assumes that people will make judgments about the causes of events and search for causes, especially when it the outcome of an event has negative consequences (Weiner 1986, 2006). People attribute a level of responsibility for the cause of a crisis based on how they perceive and give meaning to the crisis. As mentioned above, crises that are perceived as preventable will consequently result in stakeholders holding the company fully responsible and expect the company to behave accordingly (Coombs & Holladay, 2004) By way of example, when an airline is delayed due to weather conditions, passengers will place little blame attribution to the airline company as the element that causes the crisis is out of their hands. In a like manner, stakeholders will experience an emotional reaction to a crisis. In Attribution Theory, anger and sympathy are mentioned as the core emotions. Again, increased attribution of crisis responsibility may potentially result in negative emotions towards the company whereas low attribution of responsibility will lead to a more sympathetic response. In addition, when stakeholders feel anger towards a company as they see them as responsible for the crisis, this can lead to negative word-of-mouth or behavior intentions (Coombs, 2007b).

In the preventable cluster, crises have a severe reputational threat for a company. In these crisis types, companies are recognized as knowingly placing people at risk, show inappropriate behavior or violate regulations. (Coombs, 2006; Coombs, 2007b). Social media allow consumers and other stakeholders to publicly voice their opinions and complaints about companies, potentially resulting in reputational damage. However, Einwiller and Steilen (2015) suggest that effectively handling complaints not only offers the possibility for a company to win back the complainants as a customer, it simultaneously wins over the observers of the interaction. The United Airlines case is a classic example of a preventable crisis that could have had a more positive outcome for United Airlines by using a different approach. Had the airline taken the complaint of David Carroll more seriously and tried to come up with an appropriate compensation, Carroll most likely would not have uploaded the YouTube video, that resulted in a reputational disaster and also hurting them financially (Wilde, n.d.).

After determining the type of crisis and level of responsibility, the crisis response strategy can be matched. Coombs (2007b) explains that crisis response strategies are the actions of the organization during and after a crisis and are aimed to protect and repair the corporate reputation while preventing a lasting negative aftermath. The author further states that these response strategies have three main objectives in order to protect corporates reputation, namely, shape attributions of the crisis, change perceptions of the organization in crisis and reduce the negative affect generated by the crisis. SCCT offers a theory-based foundation to crisis managers for their strategic crisis response. Furthermore, these crisis responses are based upon the assumption that the organization has accepted some level of responsibility for the crisis. From the stakeholder's perspective, the organization is perceived as taking greater responsibility when a crisis response has a more considerate approach towards the victims (Coombs & Holladay, 2004, 2005). The three primary crisis responses suggested in SCCT are identified as: deny, diminish and apologize. Deny crisis response strategies attempt to eliminate any connection between the occurred crisis and the company. More specifically, this response strategy aims to prove that either no crisis exists or that the company has no responsibility for the crisis. In doing so, the company seeks to remove any reputational threat that is caused by a crisis. Diminish response strategies intent to lessen the connection between the company and the crisis in order for stakeholders to view the crisis less negatively. Crisis managers will state that the crisis was out of the companies control or try to make the crisis look less severe to reduce any harmful reputational consequences. Lastly, apology response strategies, also referred to as rebuild strategies, seek to repair and improve the company's reputation. With this intention, crisis managers take positive actions to benefit the stakeholders by offering a sincere and full apology or offering compensation to the victims. This type of response strategy is mostly used in crises that bring the most reputational threat such as a preventable crisis (Coombs, 2006; Coombs, 2007b). In order to compare the impact of different response strategies on corporate reputation, this study employed two different types of crisis response strategies from SCCT, namely, apology and diminish. Although both response strategies have similarities such as accepting that the company is involved in a crisis, the level of responsibility taken by the company differs significantly. As mentioned above, in the case of the diminish strategy, the company tries to reduce reputational damage by making the crisis appear less negative (Coombs, 2006; Coombs, 2007b). The

initial apology from Starbucks in the racial bias incident is a good example of a diminish response strategy. Starbucks acknowledged that the incident occurred but did not want the focus to be on the highly sensitive topic of racial bias. They therefore kept the initial statement rather general. In addition, the diminish strategy implies that the company feels that the crisis is mostly a result of circumstances beyond company control and not intended (Coombs, 2006). In other words, the company wants stakeholders to think that the crisis is not as bad as they think in order to minimize the potential reputational damage. Coombs (2006; 2007a), emphasizes that in order for this response strategy to work, the company needs to provide substantial evidence to support their claim. A big threat in this case, is when people share and post messages online that contradicts or rejects the company's framing of the crisis. In this case, stakeholders not only hear the course of events from the company's perspective, but also from another source. This will lead to stakeholders believing the information provided from the source they find most credible. To go back to the example of Starbucks, another customer filmed the incident that occurred and shared it on Twitter. Consequently, causing outrage and pressure for Starbucks to come with a more appropriate apology, hence the importance and relevance of investigating crisis response strategies in the social media landscape.

As has been noted, stakeholders will assess the highest level of responsibility to a company when a crisis is perceived to be preventable. When a company does not take fully take responsibility, this can lead to angry and negative emotions towards the company. In context of behavior intentions, research done by Wetzer, Zeelenberg, and Pieters, (2007) suggests that anger has been found to predict negative behavior intention. Hence, an apology response strategy is expected to have a stronger impact on corporate reputation and behavior intentions on within the preventable cluster. Opposed to the diminish strategy, it not only acknowledges the crisis but also takes full responsibility. Managers aim to rebuild the company's reputation by trying to compensate the victims in an appropriate manner. According to Coombs (2007b), offering a full apology and offering compensation is found to have positive effects on rebuilding the reputation during a corporate crisis. This is also supported in a study conducted by Yang, Kang and Johnson (2010), who found that in order to minimize anger and get a supportive attitude from stakeholders, apology strategies are recognized as most effective. In line with literature, we expected an apology response strategy to have the most positive effect on the corporate reputation and the public's

behaviour intentions during a preventable crisis opposed to a diminish response strategy. In order to test whether an apology has the most favorable effect on perceived corporate reputation and future behavior intentions in a preventable crisis, the following hypotheses were established:

H1a: An apology response has a more favorable effect on the corporate's reputation in a preventable crisis than a diminish response.

H1b: An apology response strategy has a more favorable effect on the public's behavior intentions in a preventable crisis than a diminish response.

## 2.4 The medium: high vs. low information richness

The rise of the internet has influenced all aspects from communication among individuals to the way businesses operate. One of the most popular and fastest growing internet sites are social media (Hughes et al., 2012). Social media have not only become part of people's daily lives, but companies also increasingly use these platforms for marketing and advertising purposes as well as to engage with their audience. In addition, more often companies regard social media as efficient crisis communication tools to inform their stakeholders (Roshan et al., 2016). Given their dialogic and interactive nature, social media enables quick and direct communication with a vast audience. As a result, social media allows companies to respond to stakeholders' questions and concerns, which helps to provide a better understanding of the crisis on the stakeholder's part. Hence, rebuild and protect organizational reputation (Roshan et al., 2016). This is also supported by Schultz et al., (2011), who point out that companies increasingly rely on social media for repairing corporate reputation and prevent crisis situations to deteriorate. More importantly, the public uses social media to interact and get unfiltered and timely information during a crisis. This shows the importance of a companies' online presence during a crisis. Not only does the public consume crisis information via social media coming from the company, but they also produce it themselves (Zheng et al., 2018). In addition, organizations that quickly take social media to react on a crisis, show concern and commitment, which mostly results in less negative crisis reactions. Moreover, companies are perceived as more committed and

honest when using social media to inform their stakeholders about a crisis and indicate its willingness to engage in a dialog (Schultz et al., 2011).

Not only is the message the company decides to share important, but the medium of choice also plays an essential role. Although the range of social media sites is still growing, there is however, a considerable difference across social media types such as content communities, blogs and social network sites (Smith et al., 2012). For this study, the focus will be on social media platforms with high and low information richness. All communication tools have the attributes that lead to specific and objective richness capabilities. Daft and Lengel's' media richness theory (a.k.a. information richness theory, 1983, 1986) argues that media vary in its ability to deliver different types and amounts of information. Therefore, media platforms can be characterized by their capacity to deliver information. Media richness theory makes a distinction between rich and lean information (in this study referred to as high and low) (Daft & Lengel, 1983, 1986). Richer media has the ability to a greater language variety, multiplicity of cues, greater personalization and more rapid feedback. Media with rich information capacity are considered more effective when it comes to reducing equivocality and clarifying misinterpretation (Daft & Lengel, 1983, 1986; Dennis & Valacich, 1999). In other words, using channels with greater capacity allows more beneficial exchange of information to clarify any ambiguity. To illustrate, compared to Twitter, social networking site Facebook is a social platform with high information richness. It allows its users to create a profile where they can interact with other users and exchange messages on each other's profile. An important characteristic why Facebook is considered a high information platform, is because it doesn't have a maximum word count when it comes to posting messages. Thus, it offers its users to use as many words as they need to share the information that is preferred. In addition, users can post videos or pictures to make their post more personal. This is also supported by Carlson and Zmud, (1999) who state that media richness refers to the platforms' capability to transmit messages that communicate rich information. During a crisis, rich information platforms allow a company to provide more information which can be useful for crisis communication. Using lower information channels on the other hand, have more limitations, for instance a maximum word use and less opportunity for explanation. More importantly, in a more complex or urgent situation, such as a corporate crisis, companies use social media platforms to interact with their

stakeholders and resolve any ambiguity. For this reason, platforms with restricting characteristics can decrease the potential for information equivocality or the message being misinterpreted. Thus, these channels are expected to be less effective during complex and uncertain situations. In comparison, an example of a low information social platform is Twitter. Twitter is a microblogging site that allows user to publish messages with a maximum of 140 characters in length and only links of video's and pictures.

By way of contrast, Burke and Chidambaram (1996) also highlight that more information does not necessarily mean better communication. The authors argue that quantity does not guaranty communication effectiveness or quality. When in fact richer media platforms allow for greater information capacity, the authors point out that the other elements such as social factors and context in which the information is provided play a crucial role. Media richness theory explicitly states that different channels are suitable for different situations. The theory emphasizes that appropriate and sufficient information richness abilities should be used when companies communicate messages. If not, a medium-message mismatch can occur, consequently risking misinterpreted information or be ineffective with regard to the intended purpose (Carlson & Zmud, 1999). Looking from a corporate crisis perspective, in the social media era key stakeholders expect companies to address a crisis in a timely and clear manner via social media (Roshan et al., 2016). If companies fail to do so, this can trigger negative attitude among stakeholders and content being post online, affecting the corporates reputation as a result. Given the unpredictable and threatening nature of corporate crisis and the expectation from the public that the company reacts adequately, the choice of medium plays a vital role in preventing reputational damage.

All in all, in regards to the literature, it is expected that crisis communication via high information richness social platforms (in this study Facebook and Twitter), has a more positive effect on corporate reputation and the public's behavior intentions than crisis communication via low information richness social platforms during a preventable corporate crisis. Based on these findings the following hypotheses were tested:

H2a: Using high information social media platforms opposed to low information social media platforms during a preventable crisis will have a more favorable effect on a corporate's reputation.

H2b: Using high information social media platforms opposed to low information social media platforms during a preventable crisis will have a more favorable effect on the public's behavior intention.

## 3. Methodology

## 3.1 Research design

In this study, a quantitative approach was applied to answer the research question. Quantitative research attempts to use numerical data to look for specific correlations. Accordingly, quantitative research allows to investigate relationships between test variables and conditions (Brennen, 2012). Since this study is aimed to investigate the effect of different social media platforms and crisis response strategies, namely high information richness vs low information richness platforms and apology vs diminish strategies during an intentional company crisis, an experimental design in the form of an online survey is used. According to Avery, Lariscy, Kim, and Hocke (2010), experimental designs are an appropriate research method since it allows to study causality, in this specific study the effect of two crisis response strategies used on two different social media platforms. Moreover, using online participants to collect data is specifically applicable to studies who aim to examine perceptions of online content (Roh, 2017). This is particularly relevant for this study as the conditions are presented in fictitious online social media posts.

The online experiment is conducted using a 2 X 2 factorial between-subject design for a total four conditions. The experiment is based on **1 crisis type** (preventable crisis) **X 2 crisis response strategies** (apology vs diminish) **X 2 social media platforms** (Facebook vs Twitter). The factorial design compared between subjects, meaning that four conditions - message (apology vs diminish) and social media platforms (Facebook vs Twitter) - were assigned to the respondents randomly, and each respondent only receives one condition. In order to compare the outcome with confidence, an online experiment allows to gather more valid data due to randomization of conditions appointed to respondents (Roh, 2017). The data for this study is collected by means of an online experiment using online tool Qualtrics (see Appendix C1).

Table 3.1.1 Research conditions

	Apology response strategy	Diminish response strategy
High info richness (Facebook)	Condition 1	Condition 3
Low info richness (Twitter)	Condition 2	Condition 4

## 3.2 Social Media platforms

As previously mentioned, social media platforms can differ in certain characteristics such as information richness. This study focuses on platforms with high and low information richness. During the experiment, participants saw either one of the two response strategies on one of the two social platforms. Facebook was used as a proxy for high information richness and Twitter represents low information richness.

Facebook is a social networking site founded in 2004 where users can create personal profiles (Hughes et al., 2012). On these profiles' users can share personal information, photos, videos and their interest in any subject ranging from movies to politics. People can become friends with other users and 'like' and share each other's content. Posts can be shared on a public timeline, for all Facebook users to see, but also private for only friends. Users can write on each other's "wall", comment on posts or engage in forum discussions. There is no clear restriction when it comes to word count on Facebook messages. Besides the individual and personal pages, Facebook also offers business pages for companies to create profiles to share content and engage with customers, fan pages and groups with the same interest. Further, Facebook allows users to send each other private messages and engage real time instant messaging (Smith et al., 2012; Hughes et al., 2012). Smith et al., (2012) state that Facebook allows people to keep up with each other's lives, discover news, rumors and gossip and also build and maintain social capital. Given this wide range of activities for users to participate in, Facebook has become a broadly popular platform.

Twitter is a microblogging site that originated in 2006 and allows user to publish messages who they call "tweets". These statements have, opposed to Facebook, a maximum of 140 characters in length and can be only written messages or include links to news stories, pictures or blogs (Smith et al., 2012; Hughes et al., 2012). Posted tweets appear in the timeline of those who are following, and other users are able share or "retweet" them. Similarly, to Facebook, organizations often use the platform to make a company profile to share information and engage with their customers. According to Smith et al., (2012), Twitter is mostly used to share information, news, opinions, complaints or daily activities. From a corporate's perspective, it applies to both platforms that it is not only

about giving one sided information, but also about the interaction with their customers.

Such a function may not be sufficiently applicable on low information richness platforms.

Unlike Facebook, Twitter offers its users some anonymity since the platform is not designed to share personal information in order to find friends or followers. In other words, the site focuses more on what you have to say rather than who you are. Another obvious difference in platforms which will be an essential part of this study, is the difference in characters that can be used in messages. Whereas Facebook encourages its users to write and share messages with no maximum characters and thus, allows high information richness, Twitter restricts its users to use a maximum of 140 characters per post. Hence, tweets are often shorter and contain less content than Facebook messages and consequently, have less informational value (Tumasjan, Sprenger, Sandner, & Welpe, 2010).

## 3.3 Sampling and data collection

Prior to collecting the data, a pre-test was conducted in order to ensure that all elements in the experiment were clear to respondents and also to test if the data made the right distinction between the four conditions. This was done to avoid any confusion among respondents during the survey or having invalid data. The pre-test was conducted among 10 respondents which data was not included in the final dataset. It was explicitly asked to five of the pre-test respondents to fill in the survey via the link in WhatsApp and five to conduct the survey on a computer or laptop with a link shared via email. This way, any errors or unclear images could be adjusted in time. Some minor changes were made after the respondents completed the pre-test and the survey was distributed. In the initial survey, the news article reporting on the incident was placed on the same page as the questions measuring pre-crisis reputation. It was suggested by one of the pre-test respondents to put the news article on the next page to ensure people could not go back and change their initial response on pre-crisis reputation after reading the news article. As a result, respondents based their opinion about pre-crisis reputation solely on the company description that was presented. Further, some respondents mentioned that the news article in particular was difficult to read when conducting the survey on a computer or laptop. The

respondents that filled in the pre-test on a mobile phone did not have this issue. The picture of the news article was therefore adjusted in order to make it easier to read on laptops and computers. Lastly, it was noted that the wrong social media platform was mentioned in one of the conditions. After the news article, participants were presented with one of the four conditions, which were statements made by Coffee and Cream regarding the incident. These statements were placed on two different social media platform, Twitter and Facebook. Above the apology response strategy on Twitter, I accidently referred to the platform as Facebook. Luckily, this was noticed during the pre-test and adjusted in time for the data collection to avoid any confusion.

The data for this study was collected through convenience sampling. The participants were recruited through two different companies in the Netherlands, namely ING Bank¹ and RIFF Online². These companies are used since they are within the author's access. This study aimed to collect 200 respondents, 50 respondents for each condition. The final sample consists of 168 respondents. The following number of participants per condition were collected: low information richness \* apology = 66, low information richness \* diminish = 67, high information richness \* apology = 67, high information richness diminish = 67. The experiment was distributed via email and WhatsApp using online tool Qualtrics over a time period of five weeks, starting March 28th until May 2nd, 2019. At the beginning of the experiment, participants were presented with an informational text to get a better understanding of what they can expect during their participation. The research topic was discussed in a general manner to not give away the true purpose of the experiment. Also, the terms and conditions such as a contentment and an anonymity guarantee were shown. After agreeing to the terms, the survey started and respondents were randomly assigned to one of the four conditions.

First, two general questions were asked to ease the participants into the experiment. these questions were 'How often do you drink coffee a day' and 'How often do you drink coffee at a cafe'. Then, the experiment continued, and all participants received the same company description. The description consisted of a short introduction about the company

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<sup>&</sup>lt;sup>1</sup> https://www.ing.com/Home.htm

<sup>&</sup>lt;sup>2</sup> https://www.riffonline.com/en/

and their services. The fictional company will be a Dutch coffee company franchise. The reason to choose this type of company is because its relatable to a large group of people. The decision to choose a fictional company is to rule out any prior knowledge of the company and thus, potential bias. Subsequently, four questions based on RepTrak are presented in order to measure the companies' pre-crisis reputation. These questions aim to assess the public's opinion of a company and measure how much they like, trust and admire a company (Fombrun, Ponzi & Newburry, 2015; Ponzi, Fombrun & Gardberg, 2015).

When proceeding, respondents were presented with one of the four possible scenarios where the company uses one of the crisis response strategies (apology vs diminish) and one of the social media platforms representing a level of information richness (Facebook vs Twitter). These fictitious Facebook and Twitter posts will each contain a different crisis response strategy combined with the two platform. The apology strategy used on Facebook is an elaborate apology in which the company clearly addresses the incident and takes full responsibility as suggested by Coombs (2007b) to be most effective in order to minimize reputational damage. On Twitter, the apology also consisted of taking full responsibility, however due to the word restriction on the platform, it was more concise. In the diminish strategy post on Facebook, the company acknowledges the incident and states that there was no intention to hurt anyone but does not offer an apology nor discusses the issue in an explicit manner. The company states to be aware of the incident and will try its best to prevent it from happening again. As stated by Coombs (2006), the rather general statement implies that the company want the crisis to look less severe than it actually is. This response strategy used in a Tweet, was also stating that the company was aware of the incident and disappointed this occurred with a promise to look into steps to prevent this from happening again in the future. Then, participants proceed to answer the remaining questions which measures the following variables 'corporate crisis responsibility', 'message credibility', 'negative emotions', 'behaviour intentions' and 'post-crisis reputation'.

As a manipulation check, two questions are asked at the end of the survey regarding the response strategy and information richness. As for the strategy, the following questions were asked: What type of response did you observe in the text? As answers, participants could choose between 'the company apologized' and 'the company tried to downsize the

incident'. For information richness, the following questions were asked: To what extend do you think the information provided in the corporate response is sufficient? The answer is measured using a five-point Likert scale. The experiment was ended with a message thanking the participant for their time and participation. In order to prevent questions not being answered, and thus, data loss and decrease of validity, a mandatory response option will be used throughout the experiment. To compare the means of the four conditions, Independent Samples t-tests were run.

## 3.4 Experimental Scenarios

The stimuli in the online experiment consisted of a fictitious company named Coffee and Cream and a fictitious online news article. The intentional crisis used in this experiment, is inspired by the Starbucks incident that is mentioned in the introduction. Two African-American men were arrested in a Philadelphia Starbucks when wanting to use the bathroom before ordering any drinks. They explained that they had a business meeting and were waiting for the third party to arrive. The incident was filmed by a fellow customer and shared online. The reason for choosing a similar incident, is because drinking coffee in a coffeeshop is relatable to a majority of the general public. The sample for this experiment was collected at two different companies and by choosing a scenario that is relatable, it helps the respondents to answer the questions as it is a situation they can empathize with. A fictitious company was used to rule out any prior bias when measuring pre-crisis reputation. Therefore, a company introduction was incorporated to provide participants an idea of what the company entails. This introduction was written as if it came from the company website and is captioned 'Our Story' (see Appendix B2). The description explains that Coffee and Cream is a coffee franchise throughout the Netherlands, founded by two friends who had a great love for coffee. In doing so, participants get a better understanding and feeling of what the company stands for and can create their own image of the overall company. The questions measuring pre-crisis reputation are asked directly after reading the company introduction.

The experiment continues by showing a fictitious news article from online news platform DutchNews.nl (see Appendix B1). Both the company introduction as well as the news article are the same for each respondent in each condition. The article reports on an

incident that occurred in a Coffee and Cream shop in Rotterdam. It describes that an African-American woman walks in the store with her newborn baby and takes a seat while waiting on a friend to arrive. In the meantime, she feeds her baby and is approached by an employee that asks if she is going to order anything. The woman explains that she is waiting for her friend and that she will order after she arrives. Within minutes, the store manager gets involved and asks the woman to leave the store or she will call the police. She emphasizes that the facilities in Coffee and Cream are only for paying customers. Not wanting to cause a bigger scene having her baby with her, the woman leaves the store completely confused. The incident is filmed by a fellow customer and shared online, causing outrage and demanding a statement from Coffee and Cream.

The news article is followed by a statement from Coffee and Cream in one of the four conditions. The experiment incorporated stimuli to test the influence of response strategy and level of information richness. More precisely, apology and diminish for response strategy and Facebook and Twitter as platforms for high and low information richness. Meaning that respondents either see an apology on Twitter, apology on Facebook, diminish response on Twitter or diminish response on Facebook. Participants were randomly assigned to one of the four conditions.

Since level of information richness stands central in this study, it was important to compare between two platforms that represents low or high information richness. Twitter was chosen since it has a maximum word count of 140 characters. Facebook on the other hand, has no maximum when it comes to word count and is therefore selected as the platform to represent high information richness. The first condition (see Appendix A1) was an apology on Twitter, tweeted from the company profile. Here, Coffee and Cream gives a genuine apology for the incidents by stating to sincerely apologize for the incident and that they are disappointed that this happened. They will take steps to prevent this from happening again.

The second condition (see Appendix A2) is a diminish response strategy on Twitter, also tweeted from the company profile. In this statement, Coffee and Cream tries to downscale the incident by stating that they are aware of the incident and are disappointed it happened. They will take steps to prevent this from happening again.

An apology strategy on Facebook was implemented for the third condition (see Appendix A3). Given that Facebook allows users to use as many words as needed, the statements on this platform were more elaborate. On the company profile, Coffee and Cream starts by apologizing to all customers, especially the woman who was involved in the incident in their Rotterdam store. They continue by stating that Coffee and Cream takes these matters seriously and clearly has work to do when it comes to handling incidents in their stores. They emphasize that they are in the wrong and will take necessary steps to prevent this from happening again.

For the fourth condition (see Appendix A4), a diminish response strategy on Facebook was integrated into the experiment. Coffee and cream states to be aware of the incident that occurred in their Rotterdam store and are disappointed this happened. They then state that they take these matters seriously and have more work to do when it comes to handling incidents in their stores. The statement continues by saying that Coffee and Cream strives to treat each customer with respect and never intended to hurt anyone. Lastly, they promise to look into steps to prevent this from happening again.

## 3.5 Operationalization

The independent variables that were manipulated in the experiment are the two crisis response strategies and social media platforms representing two levels of information richness. Further, six different attributes were tested in the experiment: pre-crisis reputation, post-crisis reputation, corporate crisis responsibility, emotions measure, message credibility and behaviour intentions. All scales used were validated in previous research and are measured using a seven-point Likert scale with response options ranging from 'disagree' to 'agree'.

#### 3.5.1 Measurements

Pre-crisis reputation. In order to measure pre-crisis reputation, four questions were used from RepTrak. These questions aim to determine the public's opinion of a company and measure how much the public likes, trusts and admires a company (Fombrun, Ponzi & Newburry, 2015; Ponzi, Fombrun & Gardberg, 2015). The four questions are: 'I have a good feeling about the company', 'I trust the company', 'I admire and respect the company' and 'the company has a good overall reputation'. A Cronbach's alpha of 0.96 for these measures is reported based on four separate studies which indicates a high reliability (Ponzi, Fombrun

& Gardberg, 2015. According to Pallant (2014) a Cronbach's alpha above 0.7 is recommended. A reliability test was run in order to validate the scale. All items from RepTrak were included in the reliability test. The Reliability statistics table shows a Cronbach's alpha of 0.848 for the "Pre-crisis reputation scale". Since the scale proved to be reliable (Pallant, 2014), all items were combined into a mean scale "Pre-crisis reputation" (M = 4.87, SD = .98). The mean scale indicated the weighted average of the newly constructed factors.

The Factor analysis (i.e. principle component analysis with varimax rotation) on these four measures found that one component had an eigenvalue of 2.754 and explained 68.8% of the variance. The other components were negligible (eigenvalue<1). A new overarching measure was computed based on this analysis: *Pre-Crisis Reputation*. From the questions that make up this measure we can treat '*Pre-Crisis Reputation*' as a scale in which 1= most negative, 4= neutral and 7=most positive.

Table 3.5.1 Pre-crisis reputation Factor Loading

I have a good feeling about Coffee and Cream	.813
I trust Coffee and Cream	.835
I admire and respect Coffee and Cream	.844
Coffee and Cream has a good overall reputation	.827

Corporate Crisis responsibility. The level of perceived corporate crisis responsibility was measured using the "Blame scale" created by Griffin, Babin and Darden (1992) (Cronbach's  $\alpha$ = .92). The three components that made up the attribute of crisis responsibility were: "Circumstances, not the organization, are responsible for the crisis", "The blame for the crisis lies with the organization", "The blame for the crisis lies in the circumstances, not the organization. A reliability test was run in order to validate the scale. The second question was reversed in order to create a compatible scale. After this, all items belonging to the "Blame scale" were included in the reliability test. Looking at the Reliability statistics table, a Cronbach's alpha of 0.829 was found. This indicates that the scale is

reliable (Pallant, 2014). Since the scale proved to be reliable, all items were combined into a mean scale which was called "Crisis responsibility" (M = 2.50, SD = 1.22). The mean scale indicated the weighted average of the newly constructed factor.

The Factor analysis on these four measures found that one component had an eigenvalue of 2.238 and explained 74.59% of the variance. The other components were negligible (eigenvalue<1). A new overarching measure was computed based on this analysis: *Crisis Responsibility.* From the questions that make up this measure we can treat '*Crisis Responsibility*' as a scale in which 1= most negative, 4= neutral and 7=most positive.

Table 3.5.2 Crisis responsibility Factor Loading

<u> </u>	
Circumstances, not Coffee and Cream are responsible for the crisis	.846
The blame for the crisis lies with Coffee and Cream	.855
The blame for the crisis lies in the circumstances, not Coffee and Cream	.890

Message credibility. The measure message credibility was based on six components derived from the 'Corporate message credibility' scale also from a study by Kim and Cameron (2011) (Cronbach's  $\alpha$ = .94). Here, the following six components were measured; amount of bias, accuracy, believability, convincingness, trustworthiness and telling the whole story or not. In order to validate the scale, a reliability test was run. All items belonging to the "Corporate message credibility scale" were included in the reliability test. Looking at the Reliability statistics table, a Cronbach's alpha of 0.940 was found for the "Corporate message credibility scale", which indicates that the scale is highly reliable (Pallant, 2014). Therefore, all items were combined into a mean scale "Message credibility" (M = 3.68, SD = 1.55). The mean scale indicated the weighted average of the newly constructed factor.

The Factor analysis on these four measures found that one component had an eigenvalue of 4.624 and explained 77% of the variance. The other components were negligible (eigenvalue<1). A new overarching measure was computed based on this analysis:

Message Credibility. From the questions that make up this measure we can treat 'Message Credibility' as a scale in which 1= most negative, 4= neutral and 7=most positive.

Table 3.5.3 Message credibility Factor Loading

Unbiased	.755
Accurate	.875
Believable	.922
Convincing	.935
Trustworthy	.944
Telling the whole story	.821

Negative emotions. The "Negative emotions measure" scale was also extracted from a study conducted by Kim and Cameron (2011) and was used in order to measure the participants negative emotions after being exposed to the crisis (Cronbach's  $\alpha$ = .96). The original scale consists of 17 components of which three were selected for this study based on their negative connotation. The components that were extracted pose the statements "After i read the statement I feel very; angry, disgusted, sickened". All items belonging to the "Emotions measure" scale were included in the reliability test. Looking at the Reliability statistics table, a Cronbach's alpha of 0.935 was found for the "Emotions measure scale", which indicates that the scale is highly reliable (Pallant, 2014). Since the scale proved to be reliable, all items were combined into a mean scale which was named "Negative emotions" (M = 3.82, SD = 1.59). The mean scale indicated the weighted average of the newly constructed factor.

The Factor analysis on these four measures found that one component had an eigenvalue of 2.655 and explained 88.51% of the variance. The other components were negligible (eigenvalue<1). A new overarching measure was computed based on this analysis: *Negative emotions*. From the questions that make up this measure we can treat '*Negative emotions*' as a scale in which 1= most negative, 4= neutral and 7=most positive.

Table 3.5.4 Negative Emotions Factor Loading

Angry	.918
Disgusted	.958
Sickened	.945

Behaviour Intentions. In order to measure participant's behavior intentions regarding the company, the 'Future behavioural intentions' scale by Kim and Cameron (2011) was used (Cronbach's  $\alpha$ = .94). Participants were asked to rate three different statements; "I would be willing to purchase the products of the company in the future", "I would be willing to invest in the company in the future" and "I would recommend a product from this specific company to a friend if I could in the future". In order to validate the scale, a reliability test was run. All items belonging to the "Future behavioural intentions scale" were included in the reliability test. The Reliability statistics table shows a Cronbach's alpha of 0.880 was found, which indicates that the scale is reliable (Pallant, 2014). Since the scale proved to be reliable, all items were combined into a mean scale "Behaviour intentions" (M = 3.52, SD = 1.39). The mean scale indicated the weighted average of the newly constructed factor.

The Factor analysis on these four measures found that one component had an eigenvalue of 2.421 and explained 80.71% of the variance. The other components were negligible (eigenvalue<1). A new overarching measure was computed based on this analysis: *Behaviour Intentions*. From the questions that make up this measure we can treat *'Behaviour Intention'* as a scale in which 1= most negative, 4= neutral and 7=most positive.

Table 3.5.5 Behaviour intentions Factor Loading

I would purchase the products of Coffee and Cream if I have the opportunity in the future	.897
I would invest in Coffee and Cream if I have the opportunity	.866
I would recommend Coffee and Cream products to a friend if I have the opportunity in the future	.932

Post-crisis reputation. Coombs & Holladay (2002) offer five measures on corporate reputation aimed to assess the corporates reputation after the crisis (Cronbach's  $\alpha$ = .815). This measure is used to determine the different influences of the 4 stimuli. The five measures are: 'The organization is concerned with the well-being of its publics', 'The organization is basically dishonest', 'I do not trust the organization to tell the truth about the incident', 'Under most circumstances, I would be likely to believe what the organization says' and 'The organization is not concerned with the well-being of the publics'. Before the actual reliability test was conducted, the second, third and fifth item were reversed in order to create a compatible scale. After this, all items belonging to the "Post-crisis reputation" scale were included in the reliability test. Looking at the Reliability statistics table, a Cronbach's alpha of .0.865 was found. This indicates that the scale is reliable (Pallant, 2014). Since the scale proved to be reliable, all items were combined into a mean scale which was called "Post-crisis reputation" (M = 3.96, SD = 1.25). The mean scale indicated the weighted average of the newly constructed factor.

The factor analysis on these five measures found that one component had an eigenvalue of 3.257 and explained 65.139% of the variance. The other components were negligible (eigenvalue<1). A new overarching measure was computed based on this analysis: *Post-crisis reputation*. From the questions that make up this measure we can treat '*Post-crisis reputation*' as a scale in which 1= most negative, 4= neutral and 7=most positive.

Table 3.4.6 Post-crisis reputation Factor Loading

Coffee and Cream is concerned with the well-being of its consumers	.866
Coffee and Cream is basically being dishonest	.728
I do not trust Coffee and Cream to tell the truth about the situation	.793
Under most circumstances, I would be likely to believe what Coffee and Cream says	.723
Coffee and Cream is not concerned with the Well-being of its consumers	.909

Table 3.5.7: Statistical variable information (Mean and Standard deviation)

Variables	Mean	SD
Pre-crisis reputation	4.87	.98
Crisis responsibility	2.50	1.22
Message credibility	3.68	1.55
Negative emotions measure	3.82	1.59
Behaviour intentions	3.82	1.59
Post-crisis reputation	3.96	1.25

## 3.6 Description and demographics

The collected data consisted of 183 participants (N=183) of which 15 were filtered out due to either failing to complete the survey or comply to the privacy criteria. Therefore, the final and cleaned dataset was compiled out of N=168 participants who successfully completed the survey. Looking into the demographics, it shows that 93 respondents were male (55.5%) and 75 were female (44.6%) which concludes that in the distribution by gender, males were represented more frequently. Further, the dataset shows that the age of the participants ranged from 19 to 59 with mean age of M=35.38 and a standard deviation of SD=0.288. Looking at the highest level of education, 84 respondents (50%) obtained a bachelor's degree, meaning that the item HBO degree was the frequent highest obtained degree amongst the sample, followed by 53 participants who obtained a Master's Degree (31,5%) with a mean of M = 4.14 and a standard deviation of SD = .818.

Table 3.6.1 Correlation Matrix

Variables	Pre-crisis rep.	Corporate crisis resp.	Message cred.	Negative emotions	Behaviour intentions	Post-crisis rep.	Gender	Age
Pre-crisis rep.	1							
Corporate crisis resp.	136	1						
Message cred.	.170*	.292**	1					
Negative emotions	053	274**	718**	1				
Behaviour intentions	.150	.394**	.666**	625**	1			
Post-crisis rep.	.112	.300**	.803**	706**	.717**	1		
Gender	.193*	051	004	.060	093	023	1	
Age	231**	039	116	.070	007	052	380**	1

<sup>\*</sup> Correlation is significant at the 0.05 level (2-tailed).

The correlation matrix shows that there are multiple significant correlations between the main variables and that these are also correlated with gender and age. Because most of these are significant, only the most significant correlations will be reported. There is a strongly negative correlation between 'Negative Emotion' and 'Message Credibility' at the p<.01 level (r=-0.718). 'Post-Crisis Reputation' is correlated with 'Message Credibility' and 'Behaviour Intentions' at the p<.01 levels with a strong relation (r=0.803; r=0.717) and strongly negative correlated with 'Negative Emotions' (r=-0.706). Further, 'Behaviour Intentions' is positively correlated with 'Corporate Crisis Responsibility' with a weak relation (r=0.394), moderately with 'Message Credibility' (r=0.666) and a negatively moderate with 'Negative Emotions' (r=-0.625) at the p<.05 levels. 'Age' was found to be negatively correlated with 'Gender' at the p<.01 level with a weak relation (r=-0.380) and very weakly related to 'Pre-Crisis Reputation' (r=-0.231).

<sup>\*\*</sup> Correlation is significant at the 0.01 level (2-tailed).

## 4. Results

## 4.1 Manipulation check

In the experiment, two manipulation checks were conducted to determine whether the dependent variables were successfully manipulated. These questions were asked at the end of the survey and with the purpose that respondents that had an apology condition answered that that was the type of response they observed during the survey. Similarly, this applies for each of the four conditions.

Out of the complete dataset (N = 168), 85 respondents were assigned to an apology condition and 53 passed the manipulation check. As for the diminish condition, 83 respondents were assigned and 59 reported as such. Looking at the Pearson Chi-square value in the crosstab, the manipulation effect of response strategy variable was measured. The Pearson Chi-square test value in the results table showed a significant effect,  $\chi 2$  (1, N = 168) = 18.91, p <.001. Meaning, it can be stated that the response strategy variable was successfully manipulated with 95% certainty.

The second manipulation check that was conducted regarded the manipulation effect of the information richness. By means of a crosstab, the manipulation effect of the information richness variable was measured. The Pearson Chi-square test value in the results table showed a significant effect  $\chi 2$  (4, N = 168) = 19.39, p < .001. It can therefore be stated that by 95% certainty the information richness variable was successfully manipulated. As both variables proved to be significant, it can be concluded that the stimuli were manipulated successfully.

# 4.2 Hypothesis 1a: The impact of response type (apology vs diminish) on post-crisis reputation

Hypothesis H1a posited that using an apology response strategy during a preventable crisis will have a more favorable effect on a corporates post-crisis reputation. Levene's test proved no equal variance was assumed between response type and post-crisis reputation p = .132. Based on these assumptions, an Independent-Samples t-test that was conducted in order to compare post-crisis reputation in apology and diminish response strategy conditions. The results propose there is a significant relation in post-crisis reputation for apology (M = 4.35, SD = 1.25) and diminish response strategy (M = 3.55, SD = 1.25) and diminish response strategy (M = 3.55, SD = 1.25)

1.13) conditions; t (166) = 4.33, p = < 0.01. In other words, in support of H1a, in the case of a preventable crisis, the corporates' post-crisis reputation is more positive when an apology response strategy is used opposed to a diminish response strategy.

## 4.3 Hypothesis 1b: The impact of response type (apology vs diminish) on behaviour intention

Hypothesis 1b suggests that using an apology response strategy during a preventable crisis, will result in more positive future behaviour intentions among participants. Based on Levene's test, which provided a non-significant number of p=.200, an equal variance was assumed between response type and the continuous variable 'behaviour intention'. Therefore, an Independent-Samples t-test was conducted to compare behaviour intentions in apology and diminish response strategy conditions. When looking at the results, a significant difference in behaviour for apology (M=3.98, SD=1.40) and diminish response strategy (M=3.05, SD=1.21) conditions; t (166) = 4.57, p=<0.01 was shown. It can be stated that, consistent with H1b, companies that use an apology response strategy opposed to a diminish response strategy during a preventable crisis, will experience more favorable behaviour intention. H1b is therefore accepted.

## 4.4 Hypothesis 2a: The impact of information richness (high vs low) on postcrisis reputation

Hypothesis 2a assumes that the use of high information social media platforms during a preventable corporate crisis would result in a more favorable effect on the post crisis-reputation. In order to analyze if this statement is correct, an Independent-Samples t-test was conducted to compare post-crisis reputation in low information richness and high information richness conditions. First, a Levene's test was tested as a precondition of the Independent samples t-test. These results show p = .233 that there is no significant difference between the variance of the conditions. Based on these presumptions, an Independent-Samples t-test was conducted. Looking at the results, a significant difference in the relation between post crisis reputation for low Information richness (M = 3.61, SD = 1.14) and high information richness (M = 4.30 SD = 1.27) conditions; t = 3.71, t = 1.140 and high information richness (t = 1.271) conditions; t = 1.272 conditions; t = 1.273 conditions information

richness platforms instead of low information richness platforms during a preventable crisis, results in a more favorable post-crisis is experienced for companies. Thus, H2a is accepted.

# 4.5 Hypothesis 2b: The impact of information richness (high vs low) on behavior intention

Hypothesis 2b posits that the use of high information social media platforms during a preventable corporate crisis would result in more favorable future behaviour intentions among participants. An Independent-Samples t-test was conducted to test the statement. Based on Levene's test, which provided a non-significant number of p = .179, an equal variance was assumed between level of information richness and the continuous variable 'behaviour intention'.

Behaviour intentions was compared in low information richness and high information richness conditions. Again, results of the Independent-Samples t-test indicate a significant difference in behaviour intentions for low Information richness (M = 3.30, SD = 1.42) and high information richness (M = 3.73, SD = 1.33) conditions; t (166) = -2.06, p = 0.041. It can therefore be stated that, in support of H2b, a more positive future behavior intention is measured when a company uses social media platforms with high information richness instead of low information richness during a preventable crisis. Therefore, H2b is accepted.

#### 4.6 Additional results: Regression analysis

The results from the Independent-Samples t-test indicate that both the response strategy as well as the level of information richness show significant effect on a company's post-crisis reputation and behaviour intention. In order to explore whether other variables could predict post-crisis reputation, two different regression analysis were run.

First, a multiple regression was carried out to investigate whether pre-crisis reputation, response type, level of information richness, corporate crisis responsibility and negative emotions could significantly predict post-crisis reputation. All variables are standardized before conducting the regression analysis. The results of the regression show a R-Square value of .563 and indicate that the five different variables explained 56.3% of the

variance and that these variables statistically significantly predicted post-crisis reputation, F(5) = 41.72, p < .001. All 5 variables contributed significantly to the model p < .05.

In the model we observe that the following variables were statistically significant: pre-crisis reputation,  $b^* = 0.12$ , p = .021, response type,  $b^* = -.11$ , p = .047, level of information richness,  $b^* = -.19$ , p = .000, corporate crisis responsibility,  $b^* = .15$ , p = .008 and negative emotions,  $b^* = -.59$ , p = .000.

Table 4.6.1 Post-Crisis Reputation Influencers

IV	Standardized B	Sig.
Pre-crisis rep	.124*	.021
Information richness	.194***	.000
Response strategy	112*	.047
Emotions	588***	.000
Corporate crisis responsibility	.148**	.008
R-Square	.563	
F-Vale	41.72***	000

Significance: \*\*\*p<.001, \*\*p<.01, \*p<.05

## 4.7 Additional results: Regression analysis

A second multiple regression was performed in order to investigate whether precrisis reputation, response type, level of information richness, crisis responsibility and emotions could significantly predict behaviour intentions. Looking at the results, a R-Square value of .499 is found, meaning that the 5 variables explained 49.9% of the variance. These 5 variables statistically significantly predicted behaviour intention F(5) = 32.24, p < .001.

In the model we observe that when behavior intentions was predicted, it was found that pre-crisis reputation,  $b^*$  = .18, p = .002, response type,  $b^*$  = -.17, p = .006, corporate crisis responsibility,  $b^*$  = .28, p = .000 and negative emotions,  $b^*$  = -.46, p = .000 were significant predictors. Level of information richness was not a significant predictor,  $b^*$  = .10, p = .079

Table 4.7.1 Behaviour intention Influencers

IV	Standardized B	Sig.
Pre-crisis rep	.183**	.002**
Information richness	.101	.079
Response strategy	166**	.006**
Emotions	463***	.000***
Corporate crisis responsibility	.280***	.000***
R-Square	.499	
F-Vale	32.24***	.000

Significance: \*\*\*p<.001, \*\*p<.01, \*p<.05

## 5. Discussion

### 5.1 Theoretical implications

In recent years, the online media landscape has changed drastically, empowering consumers to share their opinion and complaints about companies online. This development can cause severe reputational damage, especially during a corporate crisis. Coombs (2007b) states that crises in which the company is attributed with the highest level of responsibility, the higher the reputational damage will be. The way for companies to repair or minimize the damage, is by employing a correct crisis communication strategy and responding in the right manner and time that is expected by the public. If a company fails to do so, the corporate reputation will be negatively affected as stakeholders will voice their opinion (Roshan et al., 2016). In addition, a crisis not only negatively affects corporate reputation, also the publics' behavior intentions will be affected. More specifically the more negative the corporate reputation, the less favorable the public's behavior intentions will be (Coombs 2007b). Research done by Coombs and Holladay (2001) has found that a company's post-crisis reputation is connected to behavior intentions like purchase intentions. Thus, a mishandled corporate crisis can have direct financial implications for a company.

Even though the strategic importance of using social media as an effective crisis communication tool has been emphasized by both academics and practitioners, only few studies have examined it as a tool for crisis communication (e.g., Ki, & Nekmat, 2014, Briones, Kuch, Liu, & Jin, 2011; Schultz et al., 2011; Smith, 2010; Sweetser & Metzgar, 2007). In particular, little is known about the use of crisis response strategies on social media platforms with specific characteristics such as high and low level of information richness. To address this gap in exciting literature, the present study focused on two crisis response strategies derived from Coombs' Situational Crisis Communication Theory (2007a; 2007b), namely an apology and diminish response strategy on social media platforms that represent high and low information richness, namely Facebook and Twitter.

The findings from this study contribute to existing literature in several ways. First, by incorporating an internal comparison between social media platforms with high and low information richness, conclusions can be drawn on which one to deploy as the platforms

that will result in a more favorable corporate reputation during a preventable crisis situation. The results of this study found that in general, social media platforms with high information richness will affect the corporate reputation more positively opposed to low information platforms. Therefore, it would be recommended to use social media platforms that allow high information richness opposed to low information richness in times of a preventable crisis in order to minimize reputational damage. This is particularly interesting since some already existing studies suggest that Twitter, the platform used in this study as a representative for a low information social media platform, has been found specifically effective for communicating with the public during a corporate crisis (Briones et al., 2011; Smith, 2010). While this present study shows that high information social media platforms are preferred when it comes to minimizing corporates' reputational damage, Gruber, Smerek, Thomas-Hunt and James (2015) emphasize that the power of Twitter as a source of real-time news is becoming an influential tool in a variety of industries outside the corporate environment such as politics, sports and entertainment. In the same way, a study done by Ki and Nekmat (2014), showed examples of case studies where the same social media platform with high information richness used in this study, namely Facebook, has caused crisis situations to escalate due to poor communication strategies. As an illustration, the authors refer to Nestlé Corporation who censored negative and critical comments on their Facebook page and verbally attacked commenters in response to accusations made by Greenpeace. As explained previously, high information platforms allow for greater ability to exchange information and have several ways to communicate and interact such as tone of voice. Nevertheless, these examples show that the use high information richness platforms, in this case Facebook, can also backfire during a corporate crisis situation. Thus, these contradicting outcomes highlight the importance of more research in this area to provide more insights for practitioners and any other stakeholders that are concerned with crisis management.

Further, contradicting literature was found regarding crisis response strategies. Although research in the field of crisis communication has been done extensively, Coombs and Holladay (2008) suggest that only recently scholars have been using experimental designs to systematically examine how the public perceive crisis response strategies. The authors emphasize on the importance of this development as they state that an excessive amount of research suggests that using an apology response strategy will have more

positive results. However, Coombs and Holladay (2008) state that in those studies, apology response strategies are often compared to response strategies that were less accommodating to the victims and therefore result in an unfair comparison. By way of example, comparing an apology response strategy to a denial response strategy, in which the concerns of the victims are hardly or not addressed at all, will most likely result in the apology having the preference. When in fact, these recommendations will provide an ambiguous foundation for crisis managers to consult when debating which response strategy to deploy during a crisis. Coombs and Holladay (2008) continue by pointing out the importance of more research in which an apology response strategy is compared to more equivalent crisis response strategies in order to create more pragmatic approach and give value to the field of crisis communication. This study adds to this gap in literature by focusing on an apology response strategy and a diminish response strategy which are more comparable as they have similarities such as accepting a level of responsibility for the crisis but differ in the execution.

As a final point, this study is conducted through the lens of SCCT as this is a dominant theory in the field of crisis communication. However, SCCT does not address how information source can affect crisis communications efforts. That is to say, the medium or the way the message is spread such as traditional media, social media or word-of-mouth is not taken into consideration (Austin, Fisher Liu, & Jin, 2012). That raises the question whether SCCT is applicable in an online context. Several studies suggest that the source where the information is provided is considerate just as important as the message itself in order to have effective crisis communication (Jin & Liu, 2010; Schultz et al., 2011; Utz et al.,2013). Therefore, other theories have been developed such as The Social Mediated Crisis Communication (SMCC) model that recognize the importance of the information form. This model is becoming an increasing important guideline for crisis managers to effectively integrate new media forms into their crisis management strategies (Austin et al., 2012). Where SCCT does not discuss the medium, SMCC displays the direct and indirect distribution of information across social media and also between traditional media and social media (Austin et al., 2012). Moreover, the model identifies characteristics of different audiences which allow for a more audience focused approach in crisis communications efforts. The significant shift in power towards customers that has been mentioned previously, makes the business community as a whole recognizes that focusing on customers is more

important today than any other strategic imperative. In a society more and more connected via social media, any exchange of information on these social platforms has the ability to reach a global audience and thus, potentially cause reputational damage in a corporate crisis situation. Hence, the SMCC is becoming an increasingly important guideline in the field of crisis communications.

## 5.2 Managerial implications

Digitalization has had an enormous effect on the way businesses communicate with their customers. In addition, the advent of social media has provided a platform for the public to voice their opinion, changing their role as passive receivers to active content creators and opinion generators. As a consequent, the power to control the online conversations about a company has shift from the business to consumers (Utz et al., 2013). One the one hand, social media allow companies to interact with their stakeholders in a fast and global manner, which can be effective especially during a crisis to provide any necessary information. More importantly, companies increasingly rely on social media for repairing corporate reputation and prevent crisis situations to deteriorate, as stated by Schultz et al., (2011). On the other hand, the increasing power of consumers voicing their opinion online is making a corporate's reputation more vulnerable and is also an important signal why companies need to incorporate a crisis management strategy that is appropriate in the social media era to provide minimal reputational damage. This study provides several managerial implications that need to be taken into account.

For a start, the best way for crisis manager to avoid being in a crisis is to prevent it. This is seen as a starting point when it comes to crisis communication (Coombs & Holladay, 2012). Managers need to be sensitive to issues that could potentially evolve into a crisis with reputational damage. A good example is the H&M case mentioned in the introduction. Had managers realized that dressing an African-American boy in a sweater with the text 'coolest monkey in the jungle' could have them associates with racism, the crisis that followed could have been prevented. The issue of race is sensitive on a global level, but especially in the USA which is a big market for H&M and where the backlash began and spread. Being unaware of racial insensitivity has had serious reputational consequences for the company. With this in mind, managers need to monitor developments and collect

information regarding issues that may affect their company and their relationship with stakeholders (Coombs, 2001). Moreover, when a company does not handle a paracrisis is an appropriate manner, it can become a becomes a crisis with severe reputational damage as a result (Kaul & Chaudhri, 2017). Therefore, it is at utmost importance for crisis managers to know how to identify and handle visible crisis threats before they escalate into a crisis. Not only do managers need to be proactive in their approach to prevent a crisis, they also need to be aware of developments and issues that are playing a role in their industry. In other words, even if their company is not the one at the center of a crisis, the risk of crisis contagion and being linked to that crisis just because you operate in the same industry, is something crisis managers need to take into account (Laufer & Wang, 2018).

If managers fail to detect potential threats or warning signs that a crisis is on hand and find themselves already in a corporate crisis, it is important to make the right tactical and strategical decisions to minimize reparational damage (Coombs & Holladay, 2012). First of all, crisis manager cannot afford to neglect the importance of choosing the right medium to communicate with their stakeholders during a corporate crisis situation. As previously stated, several studies have found that the choice of medium to exchange crisis information is equally as important as the message content if not more important, with social media increasingly becoming the preferred medium of choice (Jin & Liu, 2010; Schultz et al.,2011; Utz et al.,2013). In order to make the right decision as to which social media platform to use during a corporate crisis, first a greater understanding about the planforms is needed to effectively employ crisis communication efforts. In line with media richness theory, the findings from this study suggest that using a social media platform with high information richness will result in a more positive corporate reputation during a preventable crisis. However, crisis managers should take into consideration that each social media platform has its unique characteristics and culture. Users visit these social sites with different intentions, create content that matches the platform and interact in various ways (Smith et al., 2012). Having the appropriate knowledge on different social media platforms can give more insight on the variability between these platforms and provide managers with better judgement on how to employ the right crisis management strategy across platforms. In addition, the example of the Nestlé Corporation case study referred to earlier, also shows that not only choosing the right social media platform is crucial, but also having an appropriate crisis communication strategy is needed in order to handle a crisis situation in

the right manner. With this in mind, it is recommended for managers to consult alternatives crisis communication theories such as SMCC as they take the role of medium and audience into consideration.

Further, other implications need to be taken into account by crisis managers regarding deploying an apology response strategy. Coombs and Holladay (2008) state that several studies suggest that an apology strategy is considered to have a more positive effect during a corporate crisis. However, they authors argue that these studies compared an apology strategy to less accommodative response strategies, consequently leading the apology to have the preference. In the same way, Schultz et al., (2011) also mention that crisis communication often assumes that taking responsibility and offering an apology or a more accommodative response will lead to less reputational damage. However, research emphasizes that companies that explicitly offer an apology, open de possibility to lawsuits that can result in financial losses. (Claeys & Cauberghe, 2012; Coombs & Holladay, 2008). When companies find themselves in a crisis in which they have a level of responsibility, there are alternatives crisis manager can consider. A study conducted by Coombs and Holladay (2008) suggests that offering compensation to the victims has been found to be just as effective as an apology when it comes to stakeholders' perception of the company taking responsibility. Taken into account that offering an apology can result in bigger financial costs, managers could consider offering a compensation instead. However, when deciding to offer an apology, it is important to be sincere. In addition, it is important that a crisis manager addresses the incident and not only says to be sorry, but also take actions to benefit the stakeholders. These are important elements for a manager in order to rebuild and improve the corporate reputation.

### 6. Conclusion

### 6.1 Summary

The rise of social media immensely challenges the way companies protect their corporate reputation. Key features of this online media landscape that have a significant effect on corporate reputation are a shift in the role of consumers and companies' vulnerabilities since their actions, especially during a crisis, are very visible once shared online (Kaul & Chaudhri, 2017; Coombs & Holladay, 2012). In this experiment, a contribution to the crisis and reputation management field was made by investigating the effects of medium and crisis response strategies on corporate reputation and behaviour intentions. This research was set out to build understanding of how companies can protect their corporate reputation during a preventable crisis in a social media era. This study was conducted with the purpose to answer the following research question: How do medium (low info richness vs high info richness) and the message (apology vs diminish) affect the effectiveness of corporate crisis management in a preventable crisis? Based on academic literature, four hypotheses were established to answer the research question. An online experiment was conducted using online survey tool Qualtrics to test these four hypotheses. Out of a sample of N = 183 respondents, N = 168 valid cases remained after excluding participants that either failed to complete the survey or did not comply with the experiment criteria. The experiment revolved around a fictitious company in a fictitious preventable crisis situation. The company is a Dutch coffee franchise called Coffee and Cream who allegedly asked an African-American woman to leave their Rotterdam store because she was waiting on her friend to arrive before ordering drinks. To make matters worse, the woman was feeding her newborn when she was asked to leave, and the incident was filmed by a fellow customer and shared online. As a result, Coffee and Cream was accused of racial bias and forced to issue a statement regarding the incident. Participants were randomly assigned to one of the four research conditions. Each condition represented one of the two selected response strategies from Coombs' SCCT, namely apology and diminish strategy placed on a social platform that represents either high or low information richness.

Based on existing literature, a relation was expected between adopting an apology response strategy and the perceived post-crisis reputation and future behaviour intentions as stated in H1a and H1b. The results of this study support these relations as the dataset

showed that participants had a more positive perception of the company's post-crisis reputation as well as future behaviour intentions. Given that the fictitious crisis from this experiment can be categorized as a preventable crisis based on Coombs's SCCT (2007a; 2007b), it was expected that an apology response strategy would be received in a more positive manner.

Although the main tests proved to be significant, additional analysis was conducted to test whether the other independent variables addressed this study namely, pre-crisis reputation, response type, level of information richness, corporate crisis responsibility and negative emotions are confirmed to be affecting corporate reputation and behavioral intention. In regard to post-crisis reputation, all five variables proved to be significantly statistically significantly predictors. As far as behavior intentions, most predictors were significant, except for information richness.

In summary, there is considerable disagreement among researchers about which crisis response strategy or social media platform will result in the least reputational damage during a corporate crisis. Existing literature shows that the choice of medium alone is not a guarantee for an effective and successful crisis communication strategy. It can be concluded that the choice of the appropriate information form combined with the right response strategy can help crisis managers to protect their corporate reputation during a crisis in a social media context. As STTC neglects the role of the medium and audience and focus mainly on the match between crisis type and crisis communication strategy, alternative theories such as SMCC could be consulted with respects to online crisis communication.

### 6.2 Limitations and implications for future research

When evaluating this research, several limitations have to be acknowledged for future research. The first limitation is the scope and sample size of this study. Although a sample of 168 respondents is sufficient to meet the requirements for an experimental study of this nature, a larger sample size could increase the validity of this research and possibly affect the outcome of the results. In addition, the sampling for this research is done by convenience sampling at two different firms in the Netherlands, ING Bank and RIFF Online. As the dataset shows, most respondents have a higher education with either a bachelor's or master's degree. However, as the examples used in the beginning of this study show, during

such a preventable crisis all layers of the population voice their opinion when demanding a statement from a company. Especially given the nature of the crisis scenario in this specific research. This is a situation that is applicable in the lives of most people in the general public. For this reason, it is recommended that in future research a random sampling method is used to represent the population in a more diverse manner.

Furthermore, it has to be taken into consideration that this study is conducted in the Netherlands while the examples that are referred to took place in the USA. Even though the topic of crisis and reputation management in a social media era has a global relevance, certain topics play different roles in different societies. The topic of race for example that played a central part in this experiment, is a highly sensitive topic, especially in the USA given recent events regarding discrimination and racial bias by police. Therefore, the nature of the crisis also plays an important role when conducting similar experiments in the future. To illustrate, in the H&M case, the company only became under fire after the image was shared online and reached a global audience. The campaign was shot in the company's home country Sweden and shows a young, black Swedish boy wearing a sweater bearing the phrase 'coolest monkey in the jungle'. In Sweden, the image was not considerate controversial or racist. Even the models' parents spoke up and said they didn't associate the sweater with racism (Hosie, 2018). However, given that H&M is an international company with its products being sold globally, the image was posted on their Instagram and on online stores in various countries. It was then that the image was noticed and widely criticized. Especially in the USA and South Africa the company received a lot of backlash with high profile celebrities such as P. Diddy and Lebron James publicly criticizing H&M. Moreover, rapper The Weeknd stopped his collaboration with the company immediately while several H&M stores were trashed by protesters in South Africa. In this case, H&M lacked global responsibility and awareness of social issues that play important roles in different parts of the world by posting the racially insensitive photo. Shortly after, the company appointed its first ever global leader for diversity and inclusiveness (Blanchard, 2019). If the examples in this study have made one thing clear, it is that companies nowadays cannot afford to not take these societal matters into account in their overall branding. Thus, future research should attempt to conduct this research on a larger scale and perhaps even cross countries to fill this gap in existing literature.

Ideally, future research would also focus on different types of crisis. In this particular crisis, race and gender played an essential role as the crisis involved an African-American woman. For this reason, it could be that the women that participated in this research had a stronger reaction to the crisis then men. Similarly, this also applies for any African-American participants, which could not be identified since the survey was anonymous. In addition, in this study a fictional company is used to rule out any prior bias. Participants base their opinion about the company's pre-crisis reputation only on the company information that is provided in this experiment. However, in a real-life situation, these types of crisis occur at existing companies who already have a pre-crisis reputation based on previous incidents or actions. Therefore, the outcome of the results could be different when using an existing company in future research.

Next, another implication for future research would be to include all response strategies set out in SCCT. For this research, only two response strategies were used in the experiment. However, the SCCT model by Coombs suggests more response strategies which might have a significant relationship with post-crisis reputation.

As a final point, while SCCT is a widely consulted theory for crisis managers when it comes to guidelines to minimize reputational damage during a corporate crisis, it is suggested that for future research alternative theories will be used that are more considerate of the social media context, such as the SMCC model. As previously explained, this model provides guidelines that provide insight on the interaction between a company in crisis and stakeholders that produce content regarding the crisis via social media, traditional media and offline word-of-mouth. More importantly, it can help companies to achieve the desired outcome during a crisis by providing understating of how the public uses social media. This research is necessary as it contributes to the field of crisis communication of the present-day.

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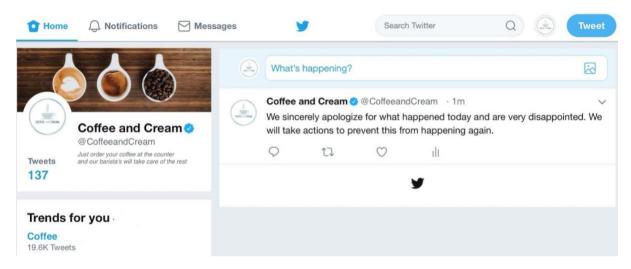
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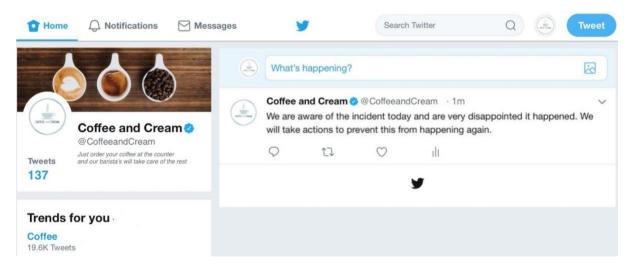
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## **APPENDIX A – Experimental conditions**

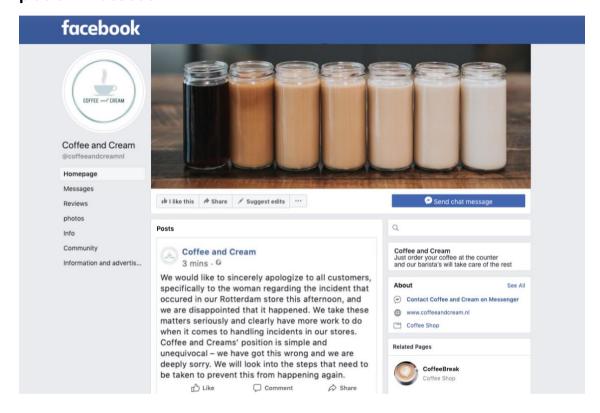
# A1 – Condition 1 - Apology response strategy on low information richness platform Twitter



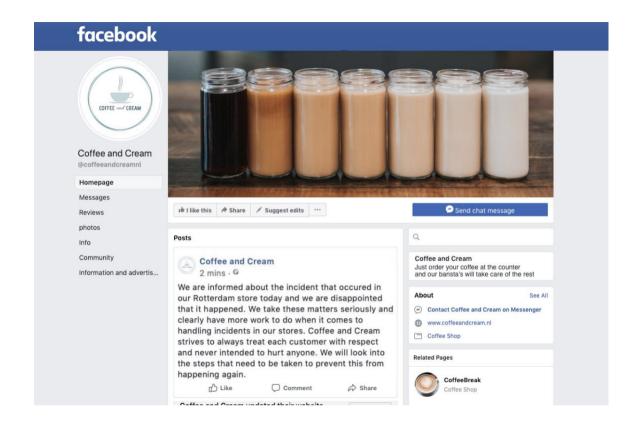
# A2 – Condition 2 Diminish response strategy on low information richness platform Twitter



# A3 – Condition 3 - Apology response strategy on high information richness platform Facebook

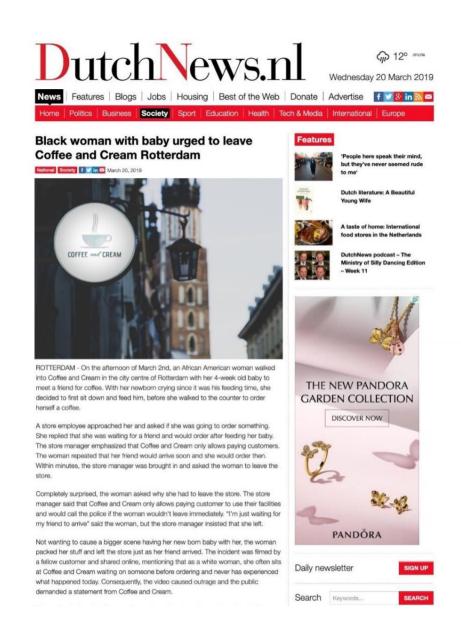


A4 – Condition 4 - Diminish response strategy on high information richness platform Facebook



## **APPENDIX B – Fictional Material**

### **B1 – Fictional News Article**



## **B2 – Fictional Company Information**



COFFEE AND CREAM - SUNDAY, MARCH 25, 2001

Coffee and Cream is a dutch coffee franchise with over 50 stores across the Netherlands. Founded in 2001 by two coffee addicted friends that wanted to share their love for coffee with others, they describe Coffee and Cream as 'your living room away from home'.

Our cozy, yet stylish design has a homey feel and is the perfect spot for every event from family outings to business meetings or just a coffee to go. Whether you need a work space with good wifi, enjoy some alone time or catch up with friends, Coffee and Cream welcomes everyone in their living room. Just place your order at the counter and our barista's will take care of the rest.

Besides coffee, Coffee and Cream also offers premium teas, pastries and sandwiches.

## **APPENDIX C – Experiment Survey**

Dear participant,

Thank you for taking the time to participate in this survey. The estimated time to finish this survey will be no longer than 10 minutes. Please complete the following questions by ticking the appropriate box.

Be assured that all your answers will be kept strictly confidential and anonymous.

If you have any questions or suggestions regarding this survey, please feel free to contact me at hediyeh@outlook.com.

First, you will see a company profile. After, an online news article and a post on social media. Then, the survey starts.

Is the introduction you just read clear to you?
○ Yes
○ No
Do you agree your personal data will be kept anonymous and only used for this project?
○ Yes
○ No

How many times do you drink coffee per day?

O 0			
O 1-3			
O 3-6			
O 6+			

How often do you drink coffee in a café?

○ Never
Once a week
2-3 times a week
○ More then 3 times a week



○ COFFEE AND CREAM - SUNDAY, MARCH 25, 2001

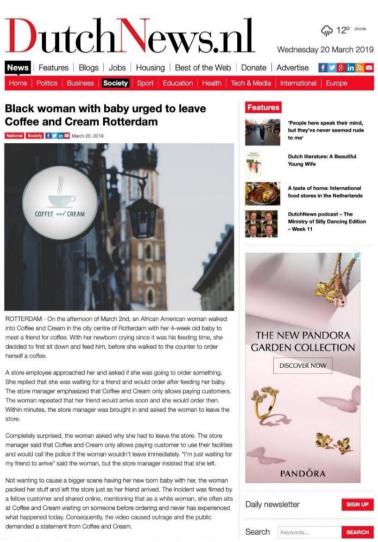
Coffee and Cream is a dutch coffee franchise with over 50 stores across the Netherlands. Founded in 2001 by two coffee addicted friends that wanted to share their love for coffee with others, they describe Coffee and Cream as 'your living room away from home'.

Our cozy, yet stylish design has a homey feel and is the perfect spot for every event from family outings to business meetings or just a coffee to go. Whether you need a work space with good wifi, enjoy some alone time or catch up with friends, Coffee and Cream welcomes everyone in their living room. Just place your order at the counter and our barista's will take care of the rest.

Besides coffee, Coffee and Cream also offers premium teas, pastries and sandwiches.

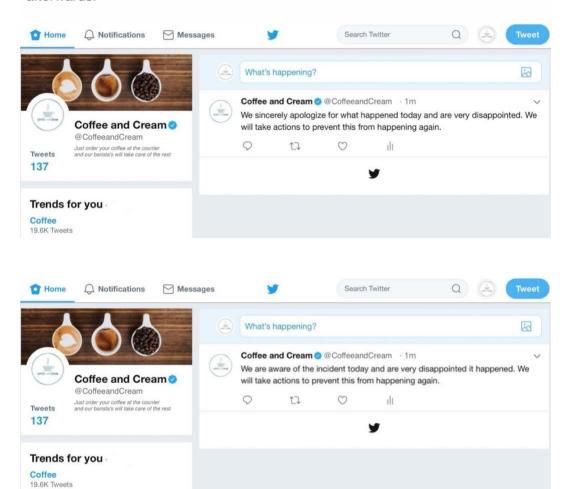
## Please answer the following questions

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I have a good feeling about Coffee and Cream	$\bigcirc$	$\bigcirc$	$\circ$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$
I trust Coffee and Cream	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$
I admire and respect Coffee and Cream	$\bigcirc$	$\bigcirc$	$\circ$	$\circ$	$\bigcirc$	$\bigcirc$	$\circ$
Coffee and Cream has a good overall reputation	$\circ$	$\circ$	0	$\circ$	$\circ$	$\bigcirc$	$\circ$

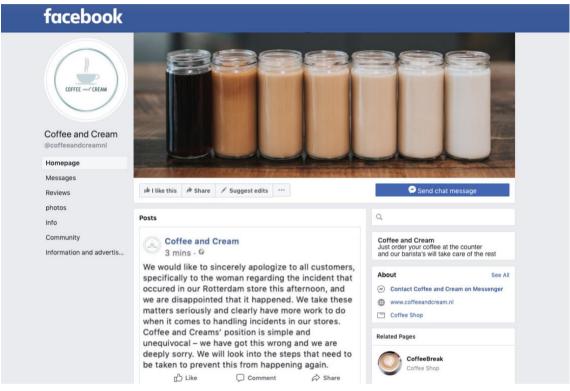


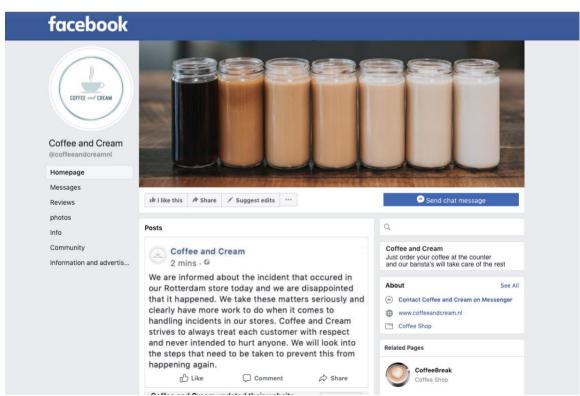
RANDOMELY ASSIGNED TO ONE OF THE FOUR CONDITIONS

Later that day, Coffee and Cream released a statement on Twitter regarding the incident. Please read the following statement carefully, and answer the questions afterwards.



Later that day, Coffee and Cream released a statement on Facebook regarding the incident. Please read the following statement carefully, and answer the questions afterwards





## Please answer the following questions

		Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
	Circumstances, not Coffee and Cream are responsible for the crisis	0	0	0	0	0	0	0
	The blame for the crisis lies with Coffee and Cream	0	$\circ$	0	0	0	0	0
	The blame for the crisis lies in the circumstances, not Coffee and Cream	0	0	0	0	0	0	0
Ι 1	found the statement post	ted by Coffe	ee and Cre	am to be				
		Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
	Unbiased	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$
	Accurate	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$
	Believable	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$
	Convincing	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$
	Trustworthy	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$
	Telling the whole story	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\circ$	$\bigcirc$	$\bigcirc$	$\bigcirc$
W	hen i read the statement	from Coffe	e and Crea	ım, I feel vei	у			
					No. 14 born			
		Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
	Angry	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$
	Disgusted	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$
	Sickened	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$

## Please answer the following questions

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I would purchase the products of Coffee and Cream if I have the opportunity in the future	0	0	0	0	$\circ$	0	0
I would invest in Coffee and Cream if I have the opportunity	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$	0	$\circ$
I would recommend Coffee and Cream products to a friend if I have the opportunity in the future	0	0	0	0	0	0	0
Please answer the following	g questions						
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
Coffee and Cream is concerned with the well-being of its consumers	$\circ$	$\circ$	0	$\circ$	0	$\circ$	$\circ$
Coffee and Cream is basically being dishonest	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$	$\bigcirc$	$\circ$
I do not trust Coffee and Cream to tell the truth about the situation	$\circ$	$\circ$	0	$\circ$	$\circ$	0	$\circ$
Under most circumstances, I would be likely to believe what Coffee and Cream says	0	0	0	0	$\circ$	0	0
Coffee and Cream is not concerned with the Wellbeing of its consumers	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
Which coffee brand did yo	u see in the	survey?					
O DE Café							
Coffee and Cream							
○ Starbucks							

Please answer the following question								
	1 (insufficient)	2	3	4	5 (sufficient)			
On a scale of 1-5, how sufficient did you find the information in the statement Coffee and Cream made regarding the incident?	0	0	0	0	0			
What type of response to the	ne incident did you	ı observe fror	m Coffee and Crea	ım?				
Apology, meaning to	he company apo	ologized in a	sincere way					
O Diminishing, meaning responsibility	ng the company	tried to dov	vngrade the situ	uation and av	oid their			
What is your gender?								
○ Male								
○ Female								
What is you age?								
What is your highest level o	of education?							
Below High School	Diploma							
○ High School Diplom	a							
○ MBO degree	○ MBO degree							
○ HBO degree								
Master's degree								
Above Master degree								

Thank you very much for your participation! - End of survey -