

# BRAND MISCONDUCT BY HIGH-AND LOW-STATUS BRANDS

A study of consumer behavior in the event of brand misconduct at high- and low-status brands.

Student name: Kevin de Graaff

Student number: 613167

Supervisor: Prof. Dr. Vardit Landsman - Schwartz

Master Marketing

Erasmus School of Economics, Erasmus University Rotterdam

August 2022

The views stated in this thesis are those of the author and not necessarily those of the supervisor, second assessor, Erasmus School of Economics or Erasmus University Rotterdam

# Acknowledgements

Consumer behavior in the event of brand misconduct by high- and low-status brands is what I studied over a period of six months. It was during this time that I learnt how to properly design a valid and reliable study and analyze, develop, and evaluate my work. I was not alone in my efforts. Therefore, I would like to express my gratitude to those who have provided me with excellent guidance, advice, and support throughout my studies.

Firstly, I would like to thank my thesis advisor, Vardit Landsman. She was helpful from the start, providing me with potential thesis topics to study. She assisted me not only with the thesis process, but also with making my research more challenging and interesting. I appreciate your assistance, patience, and quick responses anytime I was stuck throughout my study. It was a privilege working under your supervision.

Second, I would like to thank my classmates and friends. There were numerous occasions that I got stuck with the research, particularly when the experiment had to be formulated and analyzed. Due to my connections and network, I was able to receive a large response to my experiment. My fellow students helped me in the most difficult times when I had no clue how to move on or how to do a special analysis for the results of my experiment.

Lastly, I would like to thank everyone who participated in the experiment. They took the time to complete my questionnaire, which was essential for my research. They assisted me in gaining a deeper understanding of how brand misconduct impacts the brand image and purchase intention of high- and low-status brands.

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# 1. Introduction

Consider this scenario: You've been driving a Tesla Model S for two years because you believe it's a great, fast car that's also electric and thus very sustainable, and you've saved a lot of money by leasing it on a business basis. On a Wednesday evening you turn on the television and see that a spaceship belonging to Elon Musk, CEO of Tesla Motors, has blown up. As a result, harmful chemicals have been released into the surrounding towns. A day or two later, Elon Musk faced intense criticism on social media, people threatened to boycott him, and Tesla Motors' stock price plummeted. As a Tesla consumer, does this change your perspective on the brand? Is this type of misconduct sufficient enough for you to reconsider driving a Tesla? Would this discourage you from purchasing a Tesla if you were interested in buying a new vehicle?

Within the high-status market, a brand's symbolic qualities, the emotions elicited by the brand, and the degree of congruence between the brand user's self-image and the brand's image all play a significant role (Aron O'Cass, 2002). Porsche, GUCCI, Louis Vuitton, Rolex, and DIOR are all examples of high-status brands. With the increasing growth of the social economy and the rise of living standards, consumers currently desire to display their social status through the use of high-status brands (Ye et al., 2015). However, what if one of these high-status brands commits misconduct. Will this result in a shift in the consumer's perception of the brand? Will this effect be greater or smaller for a low-status brand following misconduct?

Typically, when a brand engages in brand misconduct, the brand suffers significant consequences. Consumers will lose interest in this manufacturer's products, the brand-customer connection will deteriorate, and consumers' repurchase intentions will decrease (Huber et al., 2009). The brand can be boycotted, sued, and public opinion turned against it. Profit losses tend to result in bankruptcy for small and medium-sized businesses (N. Wellalage, 2012).

Brand misconduct is when a brand's behavior disappoints its consumers (Huber et al., 2009). Consumers have developed an expectation of certain conduct from brands over time. The majority of these brand misconduct occurrences are the result of violations of ethical standards or product and service failures. It frequently causes customers to switch from a

positive to a negative response to a brand. Customers and brands have a relationship with one another, referred to as the customer relationship (Hsiao et al., 2014). Brand misconduct erodes the brand's relationship with the consumer and the customer's trust in the brand (Olmedo-Cifuentes, 2016). However, not every act of misconduct will have the same impact on the customer relationship. The impact on the customer relationship will be stronger in a competitive market than in a monopolistic market (Huber et al., 2009). Will this effect be more significant with high-status brands than with low-status brands? How much influence will brand misconduct have on low-status brands' customer relationships? Is brand misconduct more harmful to the consumer purchase intention for high-status brands?

The brand image is harmed by brand misconduct. The brand image can be viewed from two perspectives: that of the consumer and that of the company. Consumers' perspectives are largely concerned with consumers' attitudes toward brands and their opinions of brand equity. The company perspective is concerned with the activities that businesses undertake to maintain a positive image. Martineau (1957) asserts that a brand's image reflects the consumer's characteristics. Consumers make purchases or participate in brand-related activities to express themselves (Martineau, 1957). Thus, brand personality explains why consumers choose one brand's product over another when there are no functional or physical distinctions between the companies' products (Davis, 2000). To what extent do people value brand image and do they allow it to influence their purchasing decisions?

Changes in the brand image due to a form of misconduct will cause a shift in the customer's purchase intention. Purchase intention is defined as "consumers' willingness and ability to purchase a specified quantity of goods and services over a specified period of time or at a specified point in time" (Phan, 2013). The consumer's willingness to pay refers to their desire to spend money on a specific product or service. Before buying a product, consumers go through the decision-making process. The decision-making process is defined as "the method by which consumers identify their needs, gather information, evaluate alternatives, and make a purchase decision" (I. Szmigin, 2018). Apart from these consumer evaluations, research indicates that a substantial share of consumption is motivated by hedonic and utilitarian values. Triandis (1977) defines hedonic value as an outcome that a consumer enjoys and utilitarian value as an outcome that results in a more tangible reward (Triandis, 1977). How

much impact do hedonic values have over a consumer's purchase intentions? How influential is brand image in the decision-making process? Does a shift in the brand image have an effect on the purchase intention for these brands?

The conceptual framework continues with brand familiarity. Alba and Hutchison (1987) defined familiarity as the number of product- and service-related encounters a consumer has had. According to Johnson and Russo (1984), familiarity and knowledge are equivalent. Brand familiarity, according to Alba and Hutchison's (1987) definition, is the accumulation of related customer encounters with a brand (Tam, 2008). According to studies, familiarity influences the decision-making process of customers. In an experimental setting, Soderlund (2002) established that satisfaction and behavioral intentions differ between consumers with high and low familiarity under severe situations, i.e., high or low performance. Does brand familiarity influence consumers' expectations of a brand and have an impact on consumer's purchase intentions?

The purpose of this thesis is to ascertain the customer's reaction to a certain type of brand misconduct and to determine the effect this has on the brand's image and the following customer purchase intention. Brand familiarity is expected to have a moderating role between brand misconduct and purchase intention. The effect of brand misconduct will be explored in the market for high- and low-status brands. The thesis' empirical context is the clothing industry, namely the brand wrongdoing at NIKE, and the alleged use of child labor. In this study, however, the automotive market will be studied. Qualtrics will be used to create an experiment to analyze the effect of brand misconduct. Within the experiment, a between-subject design will be applied. With the implementation of four conditions, the change in consumer perspective with forms of brand misconduct at high- and low-status brands will be analyzed. An ANOVA analysis will be used to determine the direct impacts of brand misconduct on brand image and purchase intention. To quantify the mediating effect of brand image, a regression analysis based on Hayes' PROCESS model will be conducted. Using the same PROCESS linear regression technique, the moderating effect of brand familiarity will be measured. Based on these studies, the last two hypotheses will be tested.

Brand misconduct is still prevalent in the modern day. This might be the consequence of abuse of staff, poor publicity arising from fraud, or defective products. This is especially true for

automotive manufacturers, whose companies have been depicted badly in the media as a result of unexpected brake and seatbelt failures (Stewart, 2015). The unfavorable publicity surrounding clothing brands is worsened by the horrible working conditions in their factories (Kelly, 2021). This study has contributed to academic knowledge by shedding light on customer views of high- and low-status brands. In marketing, brand misconduct is a general concept. However, what has not been studied is the distinction between the effects of high-status and low-status brands.

The main findings of this study were that misconduct has no significant effect on purchase intention, but, as expected, the effects were greater for high-status brands. Due to the lacking of significance, the first hypothesis must be rejected. The effect of brand misconduct on brand image was likewise insignificant, and opposite to expectations, the impact of misconduct on the brand image of low-status brands was stronger. The second hypothesis is rejected too. Both the moderating effect of brand familiarity and the mediating effect of brand image were insignificant. The third and final hypotheses are therefore rejected.

# 2. Research Question

Brands are purchased by a diverse range of target groups, from the poor to the wealthy, well-known and unknown, young to old, and of many ethnic origins. Low-status brands are those that are purchased because they fulfil their function, and are therefore a more rational and functional consumption. Although high-status brands also live up to their functional aspects, consumers continue to pay extra for the goods due to the associated feeling and image towards the brand. This study will highlight the differences between low- and high-status brands concerning to forms of brand misconduct.

Brand misconduct is an instance of how a brand's reputation can be harmed. A brand can cause this problem itself by putting itself in an unfavorable light in the press. However, a brand's target audience and purchasers might also have a detrimental impact on the brand image as well. Thus, it is up to a brand to exert maximum control over the employees and purchasers of the brand to protect the brand from unwanted publicity. However, it is not always evident how the market would react to such events. Perhaps the brand that committed the misconduct operates in a monopoly market or has an unusually high original brand value in comparison to its competitors and will thus suffer little impact. However, what if the brand operates in a market with several equivalent competitors? What will the effect be on the consumer's brand image and purchase intention?

While brand misconduct will undoubtedly have an impact on the brand's image, what is even more significant is the impact on purchase intention for this brand. After all, consumers generate purchases, and purchases generate revenue, and without revenue, a business cannot survive. Finally, brands with a particular low or high status in the automotive sector will be analyzed. For this study, the aim to discover is whether high-status brands will suffer a greater degree of damage to the brand image and purchase intention than businesses without a certain status. The following research question has been developed in light of the foregoing information:

What is the difference in effect of brand misconduct on the brand image and purchase intention for high-status brands and low-status brands?

## 3. Literature Review

This chapter discusses academic literature that has previously been published. The primary subject for this thesis, brand misconduct by low- and high-status brands is related to several important topics like brand image, brand familiarity, and purchase intention.

#### 3.1. Brand misconduct

Brand misconduct is when a brand's behavior disappoints its consumers (Huber et al., 2009). Consumers have developed an expectation of certain conduct from brands over time. The majority of these brand misconduct occurrences will be the result of violations of ethical standards or product and service failures. Brand misconduct frequently causes customers to switch from a positive to a negative response to a brand. What constitutes brand misconduct in the eyes of the consumer will vary depending on the situation or the consumer. This will vary according to their cultural, social, and economic norms and values. Additionally, the media and other consumers affect this. Brand misbehavior manifests itself in the following four ways (Huber et al., 2009):

- Product quality falls short of expectations
- Inadequate customer service
- Concerns of a social or ethical nature
- Symbolic-psychological misconduct

Brand misconduct has a varying influence depending on the characteristics of the consumers in that industry. Culture, customer idealism, brand engagement, and dedication are all critical considerations (Huber et al., 2009).

Customers and brands have a relationship with one another, referred to as the customer relationship. Brand misconduct erodes the brand's relationship with the consumer and the customer's trust in the brand (Huber et al., 2009) (Hsiao et al., 2014) (Olmedo-Cifuentes, 2016). However, not every act of misconduct will have the same impact on the customer relationship. If a consumer relationship is developed over an extended length of time, it will deteriorate less (Huber et al., 2009). Additionally, advertising following brand wrongdoing or lowering product prices appears to aid raise customers' intention to repurchase the brand's product (Hsiao et al., 2014; Montgomery et al., 2021). Finally, there is the initial trust an

individual has in a brand. When beginning trust is high, the effect of brand misconduct on degrading the customer connection is less than when initial trust is low (Olmedo-Cifuentes, 2016).

The Corporate social performance also has a significant impact on the consequences of brand misconduct. Corporate social responsibility has two facets. The first is social responsibility on the part of businesses (CSR). CSR contributes to a positive brand personality, whereas brand misconduct contributes to a bad brand personality. Brand misbehavior alters consumers' perceptions of the brand. Brand personality is one of these perceptions. Brand personality is comprised of three components: dependability, attractiveness, and creativity. Brand personality will eventually translate into brand value. Social image, trustworthiness, attachment, performance, and value all contribute to the creation of brand value. Brand misconduct has a greater influence on brand personality than corporate social responsibility, according to studies. Thus, negative occurrences will have a greater impact on consumers' perceptions of the brand than favorable events (Huber et al., 2009). Prior studies on brand misconduct did not investigate the difference in its effect between high- and low-status brands, therefore, this will be studied in this research.

#### 3.2. Brand image

When reviewing the literature, brand image is examined from two perspectives: the consumers' and the company's. The consumers' perspective is primarily concerned with the consumers' attitude toward the brand and their perceptions of the brand's image and equity. The company's perspective is concerned with the activities that businesses engage in to foster a favorable image. Within this research, the focus is on the customer perspective to examine how consumers' impressions of a brand change when the brand misbehaves in public.

Roy and Banerjee (2007) define brand image as "the consumer's perceptions and emotions towards the brand." Herzog (1963) defined brand image as the broad view and perception of a brand by consumers (Martenson, 2007) (Herzog, 1963). According to Martineau (1957), a brand's image reflects the consumer's characteristics. Consumers purchase products or engage in brand-related activities in order to express themselves (Martineau, 1957).

Davis (2000) defined brand image by identifying the components that contribute to the brand's identity. The first component is the association with the brand. Consumers identify certain characteristics of products or services with the brand (Davis, 2000). Keller (1993) defined brand image as consumer views of a brand as exemplified by the brand association. The second component is brand personality, which is a collection of symbolic human traits generated by consumers. This is something consumers can relate to, as they view brands as living entities based on gender, education, and intelligence (Keller, 1993). Additionally, brand personality elucidates why consumers prefer a particular brand's product when there are no functional or physical differences between the brands' items (Davis, 2000). Hendon and Williams (1985) define brand personality as "the act of describing a product as if it were a human being (D.W. Hendon, 1985)."

Keller (1993) stated that a brand image is built from the elements that define the magical features of a product or service. These two categories of qualities are product-related and non-product-related (Keller, 1993). Product-related attributes are the characteristics that contribute to a product's performance. For instance, a service or a product's structure. Non-product-related features refer to the products' exterior characteristics. For instance, the design of the product and its packaging, but also the modes of communication and information shared by consumers, communities, and celebrities. Within this research, both categories will be looked at.

According to Low & Lamb (2000), brand image refers to customers' emotional and rational reactions to brands (G.S. Low, 2000). According to Biel (1992), product image, company image, and user image can also generate brand connections. According to Biel's research, the user image can be critical for customers' associations with a brand. However, the impact of user image on brand connections has not been thoroughly studied (Biel, 1992). According to Martenson (2007), a positive brand image will also have a positive effect on consumer behavior when factors such as brand loyalty and positive word-of-mouth are included (Martenson, 2007). This research does not demonstrate if having a negative brand image results in decreased brand loyalty or unfavorable word-of-mouth. This study will examine the impact of misconduct on brand image and the impact of an altered brand image on consumer purchase intention.

#### 3.3. Purchase intention

Consumer purchase intention is defined as "consumers' willingness and ability to purchase a specified quantity of goods and services over a specified period of time or at a specified point in time" (Phan, 2013). The ability to pay refers to the consumer's financial resources. On the other hand, willingness to pay refers to the consumer's desire to spend money on a particular product or service. In order to do so, a consumer has to make certain choices. This is referred to as the decision-making process.

The decision-making process is defined as "the method by which consumers identify their needs, gather information, evaluate alternatives, and make a purchase decision". Apart from these consumer evaluations, research has established that a significant portion of consumption activities are motivated by hedonic and utilitarian values. Triandis (1977) defines hedonic value as an outcome that a consumer enjoys and utilitarian value as an outcome that results in a more tangible reward (Triandis, 1977). Holbrook (1982) focuses his research on the more 'symbolic, hedonic nature of consumptions, which he defines as the result of fantasies, feelings, and enjoyment (M.B. Holbrook, 1982). Strahilevitz and Myers (1998) define utilitarian value as more rational and functional consumption (M.A. Strahilevitz, 1998). Dhar (2000) also asserts that hedonic consumptions are more enjoyable and exciting. Utilitarian is more functional and instrumental in nature (R. Dhar, 2000). Consumers consider hedonic and utilitarian consumption outcomes. Within this study, purchase intention serves as the dependent variable. Here, the willingness to buy from consumers following instances of misconduct is measured.

The decision-making process summarizes the steps preceding a purchase. Szmigin & Piacentini (2018) classified the process into six stages: problem recognition, information search, alternative evaluation, evaluation, decision-making outcomes, and product disposal (I. Szmigin, 2018). The next sections discuss the first four steps in greater detail.

#### 3.3.1. Problem recognition

The first level, problem recognition, requires the individual to distinguish between the actual and ideal states. As a result, either an issue or an improvement opportunity is recognized (Marriner, 1977). There are two primary categories of problems to be aware of. In the first

category, need recognition, transitioning from the actual to the ideal condition or vice versa occurs naturally as a result of a straightforward consuming decision. In the case of the second type, opportunity recognition, a more complicated scenario exists: an (external) influence creates the perception that the current state is no longer the optimal state. As a result, the individual was unaware of the potential for improvement. Thus, commercials and other marketing methods can influence opportunity recognition.

#### 3.3.2. Information search

After recognizing the problem, the process continues with the gathering of product information in order to make more informed purchasing selections. Internal and external information searches are two distinct types of information searches. The first type makes use of knowledge gleaned from previous experiences that individuals already have stored in their memory. External search, on the other hand, requires additional sources from the individual's environment to contribute to the information search. When it comes to purchasing a product from a particular brand, external search has the largest impact on brand image and purchase intention.

# 3.3.3. Evaluation of alternatives

Numerous alternatives are generated as a result of the information search, which initiates the next stage: product evaluation or alternative evaluation. The term "product evaluation" refers to the process of deciding between brands or items. Alternative evaluation is applicable to a broader set of choices, such as those involving make-or-buy selections (I. Szmigin, 2018). To ease the buying decision, the individual is about to make a selection based on the previously conducted information search.

## 3.3.4. Evaluation: product choice

After the first three stages, the generated options are evaluated, and thus a product is chosen. The distinction between active and passive decision-making is critical here. Active decision-making, on the other hand, is dependent on active learning: thorough information search in order to acquire knowledge before making a purchase. In that instance, the decision is significant to us, and hence the purchase's involvement and value are likely to be high. Passive

learning, on the other hand, refers to information acquisition without active learning. These are purchases that require less work and time in terms of information gathering and so are less significant for this research.

# 3.4. Brand familiarity

Alba and Hutchison (1987) defined familiarity as the quantity of product- and service-related experiences a consumer has acquired. These encounters include both direct and indirect exposures to advertising, contact with salespeople, word-of-mouth communications, and consumption. According to Johnson and Russo (1984), familiarity is identical with knowing. According to Alba and Hutchison's (1987) definition, brand familiarity is the accumulation of linked consumer interactions with a brand (Tam, 2008).

Studies have demonstrated that familiarity affects the decision-making process of customers (James R. Bettman, 1980). Söderlund (2002) demonstrated that satisfaction and behavioral intentions change between consumers with high and low familiarity under extreme conditions, i.e., high or poor performance, in an experimental context. However, neither the effects of familiarity on the perception of satisfaction nor the link between satisfaction and behavioral intentions have been investigated.

Johnson and Fornell (1991) predict that experience influences satisfaction ratings. From a dynamic standpoint, they claim that as experience grows, not only can expectations solidify, but they may also correspond with observed performance and are less likely to result in disconfirmation. This may imply that contentment is not affected by disconfirmation, but rather by collected experience. According to Zajonc and Markus (1982), familiarity may result in favorable ratings of a service or product. When a consumer encounters a familiar service or brand, he or she may experience a sense of warmth and familiarity (Robert B. Zajonc, 1982). This study will investigate if brand familiarity in the form of brand experiences influences consumer's expectations of a brand and whether this impacts the consumer's decision-making process (purchase intention).

## 3.5. High-status brands

There is no universally recognized definition of what constitutes a premium or high-status brand, which is unfortunate for research. For instance, neither "luxury" nor "luxury brand" are defined in the vocabulary of the American Marketing Association. Without a clear consensus, experts from a variety of fields have attempted to define what constitutes a luxury brand. Although some scholars have claimed that there are consistent "rules of luxury" across disciplines and eras, defining luxury brands has several obstacles, including the fact that luxury is a relative notion. Further, it has been asserted that the definition and assessment of luxury have been exceedingly subjective, despite the fact that luxury is not an intrinsically subjective concept (Eunju et al., 2017).

Aron O'Cass (2002), on the other hand, paints a more precise picture of how and when to speak of a high-status brand. That is, the symbolic attributes of a brand; the emotions elicited by the brand, and the degree of congruence between the brand user's self-image and the brand's image all influence the status-conscious market. Additionally, the findings indicate that the greater the symbolic qualities, the stronger the pleasant sensations, and the more congruent the consumer's image is with the brand, the more likely the brand would be viewed as having high-status elements (Aron O'Cass, 2002). This study will investigate whether and to what extent a degraded brand image of a high-status brand affects the consumer's perception of the brand.

#### 3.6. Low-status brands

If you search up the definition of low-status in the dictionary, you will discover that it means a position of inferior status; a position of low station, rank, fortune, or estimation' (vocabulary.com). Thus, low-status can refer to both a person's social standing and a brand's status in the eyes of the consumer. According to a study conducted by Lukasz Walasek (2017), income inequality has an effect on how high- and low-status brands are discussed on Twitter, with low-status brands being mentioned more frequently in locations with more equal income distribution. These findings support the social rank hypothesis, demonstrating that when the economic disparity between rich and poor is greater, more psychological resources are allocated to positional consumption (Walasek et al., 2017). This research demonstrates that

when a group of people experiences less inequity, they are less likely to glorify a certain image. When a group of low- and high-income individuals is compared, this can affect brand misconduct by a low-status company.

Anastasia Stathopoulou's (2016) study on the effects of loyalty programs on customer satisfaction, trust, and loyalty toward high- and low-end fashion stores demonstrates how devoted people are to brands and the extent to which their needs are fulfilled. The findings indicate that symbolic benefits are more important than material rewards when it comes to consumer satisfaction with a loyalty program at high-end fashion retailers. In comparison, utilitarian advantages boost consumer satisfaction with loyalty programs more in low-end fashion retailers, but hedonic benefits increase consumer satisfaction with loyalty programs in both types of retailers (Anastasia Stathopoulou, 2016). Utilitarian and hedonic benefits have been discussed previously in the context of purchase intention and decision-making. As a result, research on brand misconduct will focus on utilitarian values for low-status brands and hedonic and symbolic values for high-status brands.

#### 3.7. Automotive market

The automotive industry encompasses all businesses and activities involved in the construction of motor vehicles, including the majority of its components, such as engines and bodywork, but not tires, batteries, or gasoline (Britannica). Types of high-status brands in this industry are Tesla, Ferrari, Mercedes, and Porsche. Toyota, Peugeot, Fiat, and Renault are all examples of low-status brands in the automotive sector.

According to a study conducted by Yasser Mahfooz (2015), brand loyalty has the biggest impact on the entire brand value of vehicle manufacturers (Mahfooz, 2015). This requires implementing relevant techniques to boost customers' preference for and desire to purchase the respective brands. Ivan A. Guitart (2020) did research to ascertain the most effective solutions for this. It is about television commercials' content in relation to online search and purchases. Increased internet search occurs as a result of increased emotional content in advertisements, but not as a result of increased informational content. Both factual and emotional material has a beneficial effect on sales. Increased informational content, on the other hand, results in a greater increase in sales of low-priced, low-quality vehicles than it

does for high-priced, high-quality vehicles. On the other hand, increases in emotional content result in more additional sales of high-priced vehicles than of low-priced vehicles (Ivan A. Guitart, 2020).

However, what if this does not work out as planned and an automotive manufacturer violates the rules or is severely exposed? Mooweon Rhee (2006) discovered that two major aspects influence reputation effects in automotive companies: substitutability generalism/specialism (Mooweon Rhee, 2006). The findings indicate that having a small number of substitutes with an identical reputation or a focused product identity derived from specialization mitigates adverse market reactions to product recalls. Additionally, Yan Liu's (2015) study found that customers react more negatively to product recalls that receive more media publicity, have more severe effects, and are judged to be of higher quality (Yan Liu, 2015). Prior studies in the automotive sector are focused on product recalls. This study will focus on misconduct in the automotive industry and its effects on high- and low-status brands.

# 4. Theoretical framework

Four hypotheses about the influence of brand misconduct on brand image and customer purchase intention for brands are advanced and discussed within a theoretical framework. Additionally, this chapter illustrates the variables and a conceptual model.

According to the business dictionary, customer purchase intention is defined as "consumers' willingness and ability to purchase a certain amount of products and services over a particular period of time or at a specified moment." The consumer's ability to pay relates to their financial resources. In contrast, willingness to pay refers to a consumer's desire to spend money on a specific product or service. To do this, consumers must make specific decisions. This is called the decision-making process. Following instances of brand misconduct, a consumer's purchase intention could be altered. Brand misconduct is when a company's actions dissatisfy its customers. Over time, consumers have come to anticipate particular behavior from brands. The bulk of these instances of brand misbehavior will stem from ethical violations or product and service failures. Customers typically change their views of a brand from favorable to unfavorable in reaction to brand wrongdoing. The amount to which brand misconduct influences purchase intention relies on the intensity of the misconduct, the customers' emotional attachment to the brand, and whether the misconduct occurs with a high- or low-status brand. It is anticipated that high-status brand purchase intentions will be impacted more severely in the case of brand misconduct.

H1: The customer purchase intention for a high-status brand will be hurt more severely after a form of misconduct than the customer purchase intention for a low-status brand.

Martineau (1957) believes that the image of a brand reflects the attributes of its consumers. For self-expression, customers purchase items and participate in brand-related activities to associate themselves with the brand. Consequently, individuals can project a particular image to the outside world, for instance by the vehicle they drive. In addition, brand personality demonstrates why consumers choose one branded product over another when there are no functional or physical differences between the products (high-end vs mid-end). Hendon and Williams (1985) define brand personality as "the process of describing a product in the same

manner as a person." Because this research focuses on non-product-related characteristics, we are especially interested in customers' emotional responses to brands, as they constitute the foundation of brand image. Consequently, it is anticipated that incidences of brand misconduct will significantly impact consumers' perceptions of the brand. It is also believed that this effect will be more pronounced for high-status brands than for low-status brands, as research indicates that people who purchase high-status brands want to project a certain positive image to the outside world, and when the image of this brand changes, this will also have an effect on the brand's image in the consumers' perspective.

H2: The brand image from the consumers' perspective will be more severely affected after instances of brand misconduct for high-status brands than for low-status brands.

The hedonic and/or utilitarian value of a product determines whether a consumer purchases it. Triandis (1977) defines hedonic value as a consequence that the consumer likes, whereas utilitarian value is defined as a consequence that results in a more physical reward. Holbrook (1982) focused on the "symbolic, hedonic side of consuming," which he characterizes as the result of thoughts, sensations, and enjoyment. When a consumer's perception of a brand changes, it is logical to assume that the hedonic values of products offered under high-status brands will also differ wildly. The same holds for the practical worth of low-status brands. When a consumer's perspective changes, the consumer's decision-making process is affected. The decision-making process comprises the sequence of events before a purchase. The question today is whether a benefited brand image has a mediating effect on customers' purchase intentions, and if this has a higher effect on high-status brands than on low-status brands. However, this is to be expected, as purchases of high-status brands contain more hedonic values, and if the brand's image improves, so will consumers' emotional feelings towards the high-status brand.

H3: The positive effect of a benefited brand image and the resulting increase in purchase intention for these brands will be stronger for high-status brands than for low-status brands.

Alba and Hutchison (1987) defined familiarity as the number of product- and service-related encounters a consumer has had. Brand familiarity is the accumulation of related customer

experiences with a brand, according to Alba and Hutchison's (1987) definition. Studies have indicated that customer familiarity influences their decision-making. In an experimental setting, Soderlund (2002) established that satisfaction and behavioral intentions differ between consumers with high and low familiarity under severe situations, i.e., high or low performance. Neither the effects of familiarity on the feeling of satisfaction nor the relationship between satisfaction and behavioral intentions have been examined. Johnson and Fornell (1991) hypothesize that experience impacts evaluations of satisfaction. From a dynamic perspective, they assert that as experience increases, not only may expectations solidify, but they may also align with observed performance and are less likely to result in disappointment. When a consumer experiences a well-known product or service, he or she may feel a sense of comfort and familiarity. It is predicted that familiarity will moderate the relationship between brand misconduct and the ultimate intention to purchase. Thus, a higher level of brand familiarity will have a significant impact on the decline in purchase intention produced by brand misconduct.

# H4: Following brand misconduct, brand familiarity has a negative and significant moderating effect on purchase intention.

The independent variable within the conceptual framework is brand misconduct. This is a reference to unfavorable incidents that make the news. The dependent variable is the purchase intention for a brand, which reflects the output being researched. Forms of brand misconduct result in a shift in the brand's image, the brand image of a brand influences the strength of the relationship between the brand's misconduct and the resulting purchase intention, therefore the brand image is used as a mediator. The moderator is a variable that alters the type or significance of the relationship between an independent and a dependent variable. This study will examine brand familiarity as the moderator between brand misconduct and intention to purchase. The conceptual map of these variables is depicted in Figure 1.

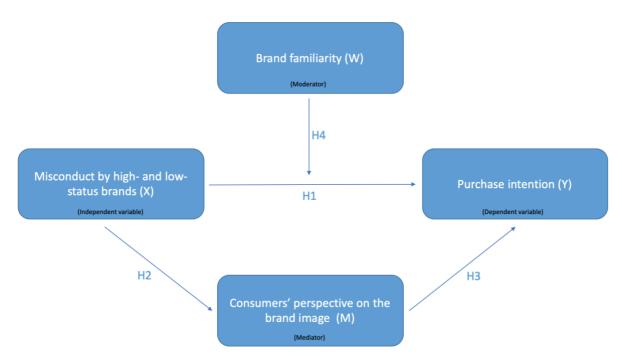


Figure 1: Conceptual framework

# 5. Methodology

This chapter describes the research and measurement methods that were used to investigate the research question posed.

#### 5.1. Research objectives

This thesis had several research objectives, each supported by a specific hypothesis. The main goal of this thesis was to investigate if brand misconduct has a greater effect on the brand image and purchase intention for high-status brands than for low-status brands. In today's environment, people place an increasing value on what others think of them. Many people aspire to a particular status or image. They attempt to project this image by the brands they use and buy. In this way, the brand's image is also the person's image. However, what if the brand's image changes? Is this a justification for the consumer to quit purchasing the brand? Will this effect be stronger for high-status brands than for low-status brands? These are the questions that will be attempted to answer within this research. A second objective of this study was to determine whether brand familiarity influences customers' purchase intentions following brand misconduct. This study aims to examine whether kinds of misconduct have a significant load when the consumer is familiar with the brand.

#### 5.2. Research method

In this research, an experiment was chosen to address the final research question. Alternatives to an experiment are surveys, interviews, focus groups but also smartphone data, and eye tracking (Murmuras, 2020). The advantage of an experiment is that you have a lot of control over the outcome of the results, which gives you the certainty that you can draw a conclusion from the results (Gaille, 2017). The experiment is created using the Qualtrics application. Qualtrics is capable of creating and administering complicated as well as simple questions. Additionally, there are numerous alternatives for the format and type of questions. Additionally, the responses might be easily exported to statistical software programs for analysis. SPPS was utilized to analyze and understand the raw data.

Numerous research techniques could be applied. Yin (1984) distinguished three types of research: exploratory, descriptive, and explanatory. The term "exploratory research" refers to the initial investigation of a theoretical or hypothetical concept. When a researcher observes

something or has an idea and wishes to learn more about it, this research method is used. Descriptive research is defined as an endeavor to investigate and explain a subject while also offering more information. Rather than using models to anticipate the outcome, this method of study gathers as much information as feasible. Explanatory study carefully investigates data at both a deep and a surface level to explain the observed occurrences (Yin, 1984).

Within this research, quantitative research is conducted to determine the effect of brand misconduct on purchase intention for brands, as this study explored the relationship between certain variables. Explanatory research has been conducted using an experiment design. This experiment featured a between-subjects design in which participants were divided into four distinct groups. High-status brand with misconduct (1), high-status brand without misconduct (2), low-status brand with misconduct (3), and low-status brand without misconduct (4) constitute the four conditions. This design is displayed once again in Table 1.

Table 1: Between subject design

	High-status brand	Low-status brand
With misconduct	Condition 1	Condition 3
Without misconduct	Condition 2	Condition 4

#### 5.3. Sampling Strategy

This study's sample strategy aimed to enroll as many participants as possible in the least amount of time. This was accomplished by sharing it on social media platforms like Facebook, LinkedIn, Instagram, and WhatsApp. The benefit of this study's approach to participant recruitment was that there were no explicit specific criteria for respondents. All ages of men and women were encouraged to participate in this experiment. Everyone, regardless of age, gender, or income level, has an opinion or sentiment regarding brands that are represented negatively in the news or engage in wrongdoing. Due to the fact that a distinction is made between high-status and low-status brands, it was unnecessary to examine a specific income category or educational level. However, there is a preference for individuals who are involved with automobiles. For this reason, the investigation was mainly targeted at participants older than 18 years.

By sending a personal message, the recruitment of respondents began within a personal circle of acquaintances and connections. The following step was to share the experiment on social media. This started with a Facebook post. Because elder family members also posted it on Facebook, a sizable number of 18-year-old or older respondents was reached. Additionally, it was decided to recruit respondents using LinkedIn. This experiment recruited a huge number of participants by utilizing hashtags and generating interest through connections.

#### 5.4. Sample Size

For a between-subjects design with four conditions, the minimum sample size required for a valid study is roughly 220 participants (CloudResearch, 2021). This minimum limit was substantially exceeded in this study. In fact, 959 participants took part in this experiment. However, it was anticipated in advance that some responders would provide responses without reading the questions. To eliminate this group, a control question was utilized. The question then points out how many valid respondents are left. This will be explained subsequently.

#### 5.5. Research Design

The experiment consisted of 17 questions in total. These seventeen questions assess customers' brand familiarity, brand image, and intention to purchase from high- and low-status brands. The experiment is provided in its entirety in Appendix C. Through the use of the control question, this study contains only data that were properly completed. Four conditions were assigned to the respondents. First, respondents were divided into groups of high-status and low-status brands. Within each of these two subgroups, respondents were further separated into groups with and without misconduct. The first question in the experiment asks participants to select the brand with which they are most familiar (Q1). Here, the respondent is presented with four options, and their response will affect the remainder of the experiment. Throughout the experiment, the respondent's most familiar brand will feature in the questions.

The following two questions ask about your familiarity with the brand (Q2) and the brand's reputation among your friends and colleagues (Q3). The goal of these questions was to

evaluate respondents' brand familiarity. In the conceptual framework, brand familiarity serves as a moderator and is anticipated to impact purchase intentions following misconduct. The next three questions in the experiment request your opinion on whether your preferred automobile brand is a superior brand (Q4), whether you perceive it to be a high-end brand (Q5), and whether you would be proud if others knew you use this brand (Q6). The initial purpose of these questions was to determine whether high-status brands are actually perceived as such. These three questions were eventually excluded from the study because they added no substantial value to it. The abovementioned five questions were measured using a 5-point Likert scale.

The second part of the experiment examines the consumer's brand image and purchase intention. When a respondent is assigned to a condition involving misconduct, the form of misconduct is displayed previous to these questions. The following five questions are related to the consumer's perception of the brand. In this model, brand image serves as a mediator. The subsequent questions concern how respondents feel about the brand they chose at question one. On a 5-point Likert scale, respondents were asked whether they agree with the following statements: This brand has a personality (Q7), this brand is interesting (Q8), I have a clear image of the type of person who would use this brand (Q9), this brand is a company I would trust (Q10), I admire this company (Q11) and the company associated with the brand has credibility (Q12).

The thirteenth question concerns the dependent variable of this study, namely the consumer's intention to purchase. On a 5-point Likert scale, respondents are asked whether they would likely purchase a vehicle from this brand if money would not be an issue (Q13). After this question the control question is utilized, where respondents get asked to fill in strongly agree (Q14). The final three questions in this experiment relate to the respondents' demographics. They inquire about their gender (Q15), age (Q16), and highest degree or educational level (Q17). Now that the experiment's method is clear, we shall elaborate on the analyses that will be conducted.

#### 5.5.1. Factor analysis

Using factor analysis, the data was reduced prior to the analysis. The purpose of factor analysis is to reduce a large number of variables into a smaller number of factors. This method pulls the largest common variance from all variables and converts it into a single score. We can use this score as an indicator of all variables for further investigation (StatisticsSolutions, 2022). Utilizing principal component analysis (PCA), the factor was extracted from the data set. There were two question groups included in the factor analysis. These are the questions on brand familiarity and brand image from the consumer's perspective. The questions on whether the brand is perceived as a high-end brand were removed from the factor analysis since, upon further review, they were irrelevant to this study. Both the independent and dependent variables are excluded from the factor analysis. The conclusion of the principal component analysis is the emergence of two components. The first component is brand familiarity, which is the moderator in the conceptual framework. The brand image, which serves as a mediator within the conceptual framework, is the second component that emerged. The strength of these factor loadings will be shown in the section on the results.

#### 5.5.2. Univariate ANOVA

ANOVA is a shorthand for Analysis of Variance. It is a statistical test created by Ronald Fisher in 1918 and in use ever since. Simply said, ANOVA indicates whether or not there are statistically significant differences between the means of three or more independent groups. Similar to the t-test, ANOVA determines if the differences between data groups are statistically significant. It operates by assessing the degrees of variation within the groupings by examining samples from each group (Qualtrics, 2022). A one-way ANOVA evaluates the effects of a variable independent on several variables dependent. This study will be referred to as Univariate ANOVA since just one dependent variable will be investigated.

Two ANOVA tests will be conducted for this study. The first hypothesis demonstrates the relationship between brand misconduct and the change in purchase intention that follows. Four conditions are included in the study, and the means of purchase intention are then compared to determine the difference between high-status and low-status brands. ANOVA is also utilized to test the second hypothesis of this study. This component measures the impact

of brand misconduct on the brand image from the consumers' perspective. Again, the means of the four conditions are compared to determine whether brand misconduct has a greater impact on the brand image for high-status brands than for low-status brands. For both hypotheses, a linear regression model is applied to determine whether the changes in means across the four conditions are significant. The significance of the difference will depend on the interaction effect between the brand's status (high-status or low-status) and the presence of misconduct.

#### 5.5.3. Mediation analysis

As the conceptual framework utilizes a mediation construct, it is determined to evaluate the hypotheses using Baron and Kenny's (1986) method. Baron and Kenny (1986) provided a four-stage procedure (shown in figure 2) in which several regression analyses are performed and the significance of the coefficients is evaluated at each step. In the first three steps, hypotheses are tested using a basic regression. The final phase in the model of mediation determines whether or not the mediation effect has happened. Regression analysis is one of the most common methods for evaluating multifactor data. Regression analysis is a modeling technique that utilizes one or more independent variables to predict the dependent variable (Montgomery et al., 2021; Eunju et al., 2017; Huber et al., 2009).

Figure 2: Regression model Baron and Kenny

	Analysis model	Visual Depiction
Step 1	A simple regression analysis with X (IV) predicting Y (DV) to test for path h alone, $Y = \alpha + \beta X + \epsilon$	h X Y
Step 2	A simple regression analysis with X predicting M to test for path f, $M=\alpha+\beta X+\epsilon$	$X \xrightarrow{f} M$
Step 3	A simple regression analysis with M predicting Y to test the significance of path g alone, $Y = \alpha + \beta_1 M + \epsilon$	$M \xrightarrow{g} Y$
Step 4	A multiple regression analysis with X and M predicting Y to test paths h and g respectively, $Y = \alpha + \beta_1 X + \beta_2 M + \epsilon$	$X \longrightarrow M \xrightarrow{g} Y$

Source: Baron and Kenny (1986).

To examine this impact, the PROCESS mediation test was employed (Hayes, 2009). The PROCESS macro is simply an unauthorized update to statistical applications such as SPSS that

computes regression analyses using various mediator, moderator, and covariate combinations. It is utilized extensively in the social, business, and health sciences to estimate direct and indirect effects in single and multiple mediator models (Processmacro.org, 2022). Model 4 will be used to analyze mediation inside Hayes's model. This is the typical model utilized for mediation. The mediator analysis measures the effect of brand image as a mediator between brand misconduct and purchase intention. For each step, the significance of the data will be evaluated (figure 2). Step 4 will finally reveal whether or not mediation occurred.

#### 5.5.4. Moderation analysis

In this study, brand familiarity acts as a moderator between brand misconduct and intentions to purchase. A moderator is a variable that indicates the circumstances under which a certain predictor is associated with an outcome. Incorporating a moderating variable modifies the direction or degree of the link between two variables. A moderation effect could be (a) enhancing, where increasing the moderator increases the effect of the predictor (IV) on the outcome (DV); (b) buffering, where increasing the moderator decreases the effect of the predictor on the outcome; or (c) antagonistic, where increasing the moderator reverses the effect of the predictor (Moderation , 2013). Using hierarchical multiple regression, the impacts of a moderating variable are evaluated. To examine moderation, we will focus on the interaction effect between X and M to see whether or not it is significant in predicting Y. To determine the impact of the moderator, Hayes's model will be utilized once more. Model 1 is the conventional model for moderation, and it will be used to determine the interaction effect.

#### 5.6. Validity

Firstly, this research was reliable since a large number of participants participated in the experiment. This also increases the external validity, allowing the results of this study to be generalized to the broader population. Using a control question, non-serious and inaccurate responses were eliminated. This just increases the research's trustworthiness. Internal validity has been achieved because the experiment is founded on previously conducted research on the subject of brand misconduct and its effects.

# 6. Results

In this chapter, analyses will be performed on the experiment's results. This will begin with general data about the respondents, followed by factor analyses, and then the hypotheses will be tested.

#### 6.1. Respondents

The survey had a total of 959 responses. Nonetheless, 264 respondents did not provide the correct response to the control question. In addition, there was a small group of responders (nine) who did not complete the questionnaire as a whole. These replies are disregarded during analysis. There was thus a total of 686 qualified respondents.

# 6.2. Descriptive analyses

The first question general question asked respondents about their gender. The majority of respondents are female, constituting 53.6% of the total. The percentage of men is 43.6, which is significantly lower than the percentage of women. In addition, a small number of respondents decided not to disclose their gender or identify as non-binary (as shown in table 2).

Table 2: Frequency table gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	299	43.6	43.6	43.6
	Female	368	53.6	53.6	97.2
	Non-binary / third gender	4	.6	.6	97.8
	Prefer not to say	15	2.2	2.2	100.0
	Total	686	100.0	100.0	

The age group of the respondent is the topic of the second general question. According to the results (table 3), all the age groups were represented in the survey participants. The majority of respondents (335 individuals) are between 25 and 34 years old. The second-largest age range (152 respondents) is between 35 and 44 years old. The third biggest proportion of respondents is aged 18 to 24. (119 responders). The remaining age groups are included in table 3.

Table 3: Frequency table age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 - 24	119	17.3	17.3	17.3
	25 - 34	335	48.8	48.8	66.2
	35 - 44	152	22.2	22.2	88.3
	45 - 54	59	8.6	8.6	96.9
	55 - 64	14	2.0	2.0	99.0
	65 - 74	5	.7	.7	99.7
	75 - 84	2	.3	.3	100.0
	Total	686	100.0	100.0	

The third question concerns the highest level of education attained by each participant. As indicated in table 4, the majority of respondents (259) have a bachelor's degree, followed by those with an MBO degree (174 respondents). Furthermore, 121 participants earned a master's degree, moreover, 77 respondents hold a Ph.D. These numbers are shown in table 4.

Table 4: Frequency table level of education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than high school	9	1.3	1.3	1.3
	High school graduate	46	6.7	6.7	8.0
	Some college / MBO	174	25.4	25.4	33.4
	Bachelor's degree / HBO/WO	259	37.8	37.8	71.1
	Master's degree / WO	121	17.6	17.6	88.8
	Phd or higher	77	11.2	11.2	100.0
	Total	686	100.0	100.0	

## 6.3. Factor analysis

The questions asked about the mediating and moderating effect during the experiment will be reduced to more decisive variables using factor analysis. By factor analysis, one can calculate the factor loadings and regroup variables to gain further understanding. Principal Component Analysis is utilized for factor loading extraction (Field, 2005). According to Kaiser's (1960) eigenvalues-larger-than-one rule, all factors with eigenvalues bigger than one will be kept. Let's start with the factor extraction of the questions concerning the mediating effect of Brand Image.

Table 5: Principal Component Analysis (PCA) brand image

Factor extraction brand image

		Initial Eigenva	lues	Extraction	Sums of Squar	ed Loadings	Component Matrix <sup>a</sup>	
		% of	Cumulative		% of	Cumulative		Component
Component	Total	Variance	%	Total	Variance	%		1
1	3.894	64.906	64.906	3.894	64.906	64.906	FeelingsPersonality	.818
2	.595	9.921	74.827				FeelingsInteresting	.810
3	.530	8.828	83.655				FeelingsClearImage	.705
4	.349	5.812	89.467				FeelingsTrust	.836
-							FeelingsAdmire	.836
5	.339	5.642	95.108				FeelingsCredibility	.821
6	.293	4.892	100.000				Extraction Method: P	rincipal
Extraction Me	ethod: Prin	cipal Compone	ent Analysis				Component Analysis	

Extraction Method: Principal Component Analysis.

Table 5's factor extraction indicates that, according to Kaiser's (1960) eigenvalues-greaterthan-one criteria, just one component remains. In addition, 64.9 percent of the total variance may be attributed to this factor. On the right you can see the rotated component matrix, with the questions containing the new component. All of these questions are evaluated to identify the Brand Image from the consumer's perspective. In this PCA, the questions regarding whether they Trust (0.836) and Admire (0.836) the brand score highly. Using the compute variable method, the six questions regarding brand image will be merged into a single variable. Then, the factor extraction related to the moderating effect of Brand Familiarity will be conducted.

Table 6: Principal Component Analysis (PCA) brand familiarity

Factor extract	tion brand	familiarity					Component I	Matrix <sup>a</sup>
	Initial Eigenvalues			Extraction	Sums of Squar	Compon		
-		% of	Cumulative		% of	Cumulative	-	1
Component	Total	Variance	%	Total	Variance	%	Familiarity	.855
1	1.462	73.089	73.089	1.462	73.089	73.089	Reputation	.855
2	.538	26.911	100.000				Extraction Method:	
Extraction Me	ethod: Prince	cipal Compone	ent Analysis.				Principal Co Analysis.	mponent

Table 6 indicates that according to Kaiser's (1960) eigenvalues-greater-than-one rule, one component remains out of the two questions asked. In addition, 73.1 percent of the total variance may be attributed to this factor. On the right side of table 6, you see the rotated component matrix. These are the questions that are evaluated to identify the Brand Familiarity of the consumers with the brand. Using the compute variable method, the two questions regarding Brand Familiarity will be merged into a single variable.

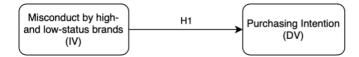
In the Principal Component Analysis, neither the dependent variable Purchase Intention nor the independent variable Brand Misconduct is considered. These variables are permanent. Within the experiment, questions were also asked to see whether the participants judged the brand they were shown to be premium. It was chosen not to include the variables SuperiorBrand, HighEndBrand, and ProudBrand in the further analysis because they have no substantial value to the study. This leaves four variables that will be utilized for further research.

#### 6.4. Hypotheses testing

#### 6.4.1. First ANOVA

The first hypothesis examines the relation between brand misconduct and purchase intention. Here, we investigate if there is a difference between the purchase intention of high- and low-status brands following instances of misconduct. This correlation is depicted in figure 3.

Figure 3: Hypothesis 1 model



This relationship can be examined using a univariate ANOVA because the mean of purchase intention ratings can be compared across the four conditions. A one-way ANOVA is conducted in SPSS, and the outcomes displayed in Table 7 are obtained. At least two groups had statistically significant differences in brand image, as measured by ANOVA, F(3, 682) = 7.75 p = .00. Tukey's HSD Test for multiple comparisons showed that the mean purchase intention value was significantly different across the four conditions (p = .00, 95% confidence interval = 4.16, 4.31).

Table 7: Univariate ANOVA-analysis purchase intention

#### ANOVA Purchase Intention

P Intent

_					95% Confidence Interval for Mean			
	N	Mean	Std. Deviation	Std. Error	Lower Bound	Upper Bound	Minimum	Maximum
High with misconduct	174	4.3161	.92372	.07003	4.1779	4.4543	1.00	5.00
High without misconduct	169	4.4793	.81714	.06286	4.3552	4.6034	1.00	5.00
Low with misconduct	174	4.0000	1.11739	.08471	3.8328	4.1672	1.00	5.00
Low without misconduct	169	4.1420	1.03104	.07931	3.9854	4.2986	1.00	5.00
Total	686	4.2332	.99391	.03795	4.1587	4.3077	1.00	5.00

ANOVA

P Intent

_	Sum of		Mean		
	Squares	df	Square	F	Sig.
Between Groups	22.298	3	7.433	7.746	.000
Within Groups	654.384	682	.960		
Total	676.682	685			

Now that it is evident that brand misconduct has a significant impact on purchase intention, it is vital to distinguish the difference between high-status and low-status brands. The mean of purchase intention for high-status brands is 4.4793 without misconduct and 4.3161 with misconduct. When these two figures are subtracted, the difference in brand image is 0.1632. For low-status brands, the mean brand image in the absence of misconduct is 4.1420, while the mean brand image in the presence of misconduct is 4.000. The difference between with and without misbehavior, in this case, is 0.1420. The conclusion that can be drawn from this is that the consumer purchase intention of high-status brands is more severely affected by misconduct. However, the question now is whether this difference in brand image is also significant. To determine this, a linear regression was conducted so that the interaction between the brands' status and the presence of misconduct could also be demonstrated. Table 8 provides the results.

Table 8: Linear regression purchase intention

Linear Regression<sup>a</sup>

Model		Unstandardized Coefficients		Standardize d Coefficients		
		В	Std. Error	Beta	t	Sig.
1	(Constant)	4.142	.075		54.971	.000
	Brand	.337	.107	.170	3.165	.002
	Misonduct	142	.106	071	-1.342	.180
	Brand_Misconduct	021	.150	009	142	.887

a. Dependent Variable: P Intent

According to the findings of the linear regression, the interaction between the brand's status and misconduct is not significant (p = .89). Therefore, one cannot assume that the differences in means given in the ANOVA-analysis are significant. For this reason, the first hypothesis will be rejected. When looking at the ANOVA results, the purchase intention of high-status brands is indeed more negatively influenced by incidents of brand misconduct than that of low-status brands. However, support cannot be found since the interaction in the linear regression model is not significant.

#### 6.4.2. Second ANOVA

The second hypothesis examines the relation between brand misconduct and brand image. Here, we investigate if there is a difference between the brand image of high- and low-status brands following instances of misconduct. This correlation is depicted in figure 4.

Figure 4: Hypothesis 2 model



This relationship can be examined using a univariate ANOVA-analysis because the mean of brand image ratings can be compared across the four conditions. A one-way ANOVA is conducted in SPSS, and the outcomes displayed in table 9 are obtained. At least two groups had statistically significant differences in brand image, as measured by ANOVA, F(3, 682) = 6.05 p = .00. Tukey's HSD Test for multiple comparisons showed that the mean brand image value was significantly different across the four conditions (p = 0.00, 95% confidence interval = 4.04, 4.16).

Table 9: Univariate ANOVA-analysis brand image

#### ANOVA Brand Image

B Image

					95% Confidence Interval for Mean			
	N	Mean	Std. Deviation	Std. Error	Lower Bound	Upper Bound	Minimum	Maximum
High with misconduct	174	4.1092	.75894	.05754	3.9956	4.2228	1.00	5.00
High without misconduct	169	4.2653	.66254	.05096	4.1647	4.3659	1.50	5.00
Low with misconduct	174	3.9243	.81207	.06156	3.8028	4.0458	1.67	5.00
Low without misconduct	169	4.1095	.72809	.05601	3.9989	4.2200	2.00	5.00
Total	686	4.1008	.75121	.02868	4.0445	4.1571	1.00	5.00

B_Image								
	Sum of		Mean					
	Squares	df	Square	F	Sig.			
Between Groups	10.016	3	3.339	6.047	.000			
Within Groups	376.538	682	.552					
Total	386.554	685						

Now that it is evident that brand misconduct has a significant impact on brand image, it is vital to distinguish the difference between high-status and low-status brands. The mean of brand image for high-status brands is 4.2653 without misconduct and 4.1092 with misconduct. When these two figures are subtracted, the difference in brand image is 0.1561. For low-status brands, the mean brand image in the absence of misconduct is 4.1095, while the mean brand image in the presence of misconduct is 3.9243. The difference between with and without misbehavior, in this case, is 0.1852. The conclusion that can be drawn from this is that the brand image of low-status brands is more severely affected by misconduct. However, the question that remains is whether or not this difference in brand image is also significant. To determine this, a linear regression was performed to establish the interaction between the status of the brands and the presence of misconduct. Table 10 contains the outcomes.

Table 10: Linear regression brand image

Linear Regressiona

Model		Unstand Coeffi	7.7	Standardize d Coefficients	- t	Sig.
		В	Std. Error	Beta		
1	(Constant)	4.109	.057		71.898	.000
	Brand	.156	.081	.104	1.928	.054
	Misonduct	185	.080	123	-2.307	.021
	Brand_Misconduct	.029	.113	.017	.256	.798

a. Dependent Variable: B\_Image

According to the findings of the linear regression model, the interaction between the brand's status and misconduct is not significant (p = .80). Therefore, one cannot assume that the differences in means given in the ANOVA-analysis are significant. For this reason, the second hypothesis will be rejected. In addition, the results of the ANOVA-analysis contradicted the expectations of the proposed hypothesis. Not the brand image of high-status brands, but the brand image of low-status brands was more vulnerable to kinds of misconduct. Therefore, there is no evidence to support this hypothesis.

### 6.4.3. Mediating effect

To test the third hypothesis and evaluate the mediating effect, a multi-categorical mediation PROCESS was conducted. The analyzed outcome variable was purchase intention. The independent variable for the analysis was the multi-categorical brand misconduct variable. This multi-categorical variable consists of the conditions high-status brand with misconduct (1), high-status brand without misconduct (2), low-status brand with misconduct (3) and low-status brand without misconduct (4). The mediator variable evaluated for the analysis was brand image from the consumers perspective. The independent variable in this specific model was coded using the indicator coding method with the first condition as a reference category (figure 6). Figure 5 illustrates the design of this model.

Figure 6: Hypothesis 3 model

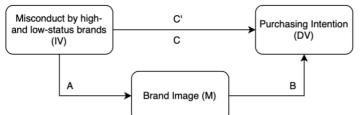


Figure 5: Coding IV

Coding of cat	lysis		
Conduct	X1	X2	X3
1.000	.000	.000	.000
2.000	1.000	.000	.000
3.000	.000	1.000	.000
4.000	.000	.000	1.000

Generally speaking, mediation can be said to occur when (1) the IV significantly affects the mediator (path A), (2) the IV significantly affects the DV in the absence of the mediator (path C), (3) the mediator has a significant unique effect on the DV (path B), and (4) the effect of the IV on the DV shrinks upon the addition of the mediator to the model (path C'). Let's begin by examining path A; table 11 exhibits this effect.

Table 11: PROCESS Linear Regression brand image

Dependent v	ariable: Branc	d Image					
Model Sumn	nary		-				
	R	R-sq	MSE	F	df1	df2	р
	.1610	.0259	.5521	60.471	3.0000	682.0000	.0005
Model	coeff	se	t	р	LLCI	ULCI	
constant	4.1092	.0563	72.9490	.0000	3.9986	4.2198	
X1	.1561	.0802	1.9451	.0522	0015	.3137	
X2	1859	.0797	-2.3206	.0206	3413	0285	
X3	.0003	.0802	.0034	.9973	1573	.1578	

Based on the output in table 11 the overall model was statistically significant  $[F(3,682) = 6.05, p < .05, R^2 = .03]$ . Looking at path A, X1 (difference conditions 1 and 2) and X3 (difference condition 1 and 4) were not significant. However, X2 (difference conditions 1 and 3) was significant (B = -.19, SE = .08, p < .05). Table 12 illustrates path B and C' of the third hypothesis model.

Table 12: PROCESS Linear Regression purchase intention with mediator brand image

Dependent v	ariable: Purch	ase Intention					
Model Sumn	nary						
	R	R-sq	MSE	F	df1	df2	р
	.6659	.4434	.5531	135.6102	4.0000	681.0000	.0000
Model	coeff	se	t	р	LLCI	ULCI	
constant	.7870	.1673	4.7049	.0000	.4586	1.1155	
X1	.0291	.0805	.3618	.7176	1290	.1873	
X2	1573	.0800	-1.9654	.0498	3145	0002	
X3	1743	.0803	-2.1702	.0303	3320	0166	
B_Image	.8588	.0383	22.4082	.0000	.7836	.9341	

Path B, which is brand image predicting purchase intention, is significant (B = .86, SE = .04, p < .05). for path C' X2 (B = -.16, SE = .08, p < .05) and X3 (B = -.17, SE = .08, p < .05) are significant. This suggests that only X2 (difference conditionss 1 and 3) has the potential to have a significant mediation effect, assuming path C is also significant. This is because just X2 was significant in path A. Table 13 refers to the path C output.

Table 13: Linear Regression purchase intention

Dependent v	ariable: Purch	ase Intention					
Model Sumn	nary						
	R	R-sq	MSE	F	df1	df2	р
	.1815	.0330	.9595	60.471	3.0000	682.0000	.0000
Model	coeff	se	t	р	LLCI	ULCI	
constant	4.3161	.0743	58.1221	.0000	4.1703	4.4619	
X1	.1632	.1058	1.5426	.1234	0445	.3709	
X2	3161	.1050	-3.0099	.0027	5223	1099	
X3	1741	.1058	-1.6455	.1003	3818	.0336	

When looking at path C, which is the IV affecting the DV in the absence of the mediator, only X2 is significant (B = -.32, SE = .11, p < .05). This means that X2 is significant for path A, B, and C'. In addition, when looking at path C', the effect of the IV on the DV shrinks upon the addition of the mediator to the model (C: B = -.32, C': B = -.16). If the relative indirect effects also indicate that X2 is significant, mediation has occurred for X2 (difference conditions 1 and 3). Table 14 illustrates the relative indirect effects.

Table 14: Relative indirect effects IV on DV

Relative indi							
Misconduct -							
	Effect BootSE BootLLCI						
X1	.1341	.0655	.0050	.2640			
X2	0191						
Х3	.0002	.0689	1340	.1377			

Looking at the relative indirect effects of misconduct on purchase intention. Just for X1 (B= .13, SE= .07, 95% CI[.01, .26]) and X2 (B= -.16, SE= .07, 95% CI[-.30, -.02]) it could be said that mediation has occurred, since the confidence interval does not include zero. In addition, a Sobel test was performed, which revealed a significant p-value (p =.02). Meaning there is a mediating effect for the difference between condition 1 (high-status brand with misconduct) and 3 (low-status brand with misconduct). This is due to the fact that all X2 paths, which are shown in figure 5, are significant.

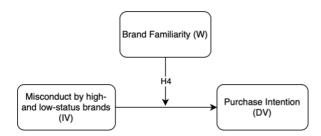
Concluding on the above data, there is a significant difference between high- and low-status brands after a form of misconduct with brand image as a mediator. However, a difference between with and without misconduct cannot be measured since the conditions without misconduct (2 and 4) are not significant. Therefore, brand image does not have a full

mediating effect between the IV and DV. Thus, the third hypothesis can be rejected, since support for the conditions without misconduct was not found.

#### 6.4.4. Moderation effect

To test the fourth hypothesis and assess the effect of moderation, a multi-categorical moderation PROCESS was carried out. The outcome variable analyzed was purchase intention. Multi-categorical brand misconduct variable was the independent variable for the analysis. This variable contains the conditions high-status brand with misconduct (1), high-status brand without misconduct (2), low-status brand with misconduct (3), and low-status brand without misconduct (4). For the analysis, brand familiarity served as the moderator variable. In this particular model, the independent variable was coded using indicator coding, with the first condition serving as the reference category (figure 6). This model's design is visualized in the figure below.

Figure 7: Hypothesis 4 model



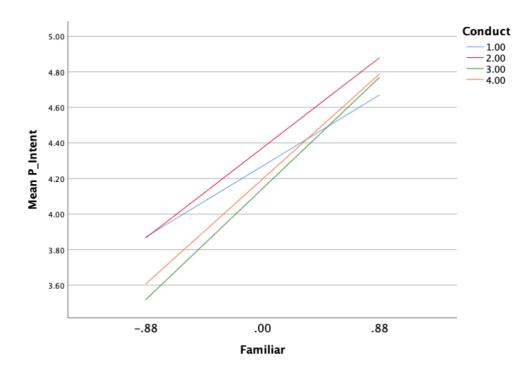
Based on the output shown in table 15 the overall model was statistically significant [F(7,678)] = 45.55, p < .05,  $R^2 = .32$ ]. The overall effect of brand familiarity on the other variables was positive and significant [B = .45, t(678) = 6.27, p < .05]. However, in relation to the multicategorical independent variable, all conditions were not significant. X1; difference condition 1 and 2 (B = .10, SE = .09, p = .26), X2: difference condition 1 and 3 (B = -.13, SE = .09, p = .16) X3; difference condition 1 and 4 (B = -.07, SE = .09, p = .41). Nevertheless, looking at the interaction between the treatment groups and the outcome variable just the interaction with X1 was non-significant; Int\_X1 (B = .12, SE = .11, P = .25), Int\_X2 (B = .26, SE = .10, P < .05), Int\_X3 (B = .22, SE = .10, P < .05).

Table 15: PROCESS Linear Regression brand familiarity with interactions

Dependent v	ariable: Purch	ase Intention					
Model Sumn	nary						
	R	R-sq	MSE	F	df1	df2	р
	.5656	.3199	.6788	45.5518	7.0000	78.0000	.0000
Model	coeff	se	t	р	LLCI	ULCI	
constant	4.2702	.0629	67.9015	.0000	4.1467	4.3937	
X1	.1021	.0905	1.1287	.2594	0755	.2798	
X2	1268	.0898	-1.4122	.1583	3030	.0495	
X3	0731	.0895	8168	.4144	2487	.1026	
Familiar	.4513	.0720	6.2654	.0000	.3098	.5927	
Int_1	.1217	.1067	1.1412	.2542	0877	.3312	
Int_2	.2557	.1003	2.5496	.0110	.0588	.4527	
Int_3	.2163	.1004	2.1547	.0315	.0192	.4134	

When looking at the simple slopes given a -1SD (-.8835) of brand familiarity X1 is not significant (B = .01, SE = .14, p = .97), X2 is significant (B = -.35, SE = .12, p < .05) and X3 is significant (B = -.26, SE = .13, p < .05). The simple slopes are given in figure 8 given a -1SD, the mean and the +1SD (Appendix B).

Figure 8: Slopes brand familiarity



To explain the abovementioned numbers, for condition 2 (high-status brand without misconduct), familiarity with the brand does not predict purchase intention. For all other situations, it is possible to assert that brand familiarity predicts purchase intent. So, for

conditions 3 (low-status brand with misconduct) and 4 (low-status brand without misconduct), a -1SD lower familiarity predicts a .35 (condition 3) and .26 (condition 4) decrease in purchase intention relative to condition 1 (High-status brand with misconduct).

To conclude, due to the lacking of statistical significance, brand familiarity does not have a full moderating effect on the DV purchase intention. As a result, it cannot be determined whether brand familiarity has a negative and significant moderating effect on purchase intention, following brand misconduct. Therefore, the fourth hypothesis is rejected, and support for the moderating effect of brand familiarity was not found.

## 7. Discussion

The outcomes of this study are interpreted and discussed in this section. Moreover, the managerial implications will be emphasized. Lastly, the study's limitations will be discussed.

# 7.1. Main findings

The following table provides an overview of all hypotheses. Furthermore, it shows which hypotheses are accepted and which are rejected. In this study, all hypotheses are rejected. The two hypotheses that had a direct effect within the conceptual framework were close to acceptance (Hypothesis 1 and 2). The hypotheses related to the mediating and moderating effects are both significantly rejected.

Table 16: Overview hypotheses

Hypothesis	Outcome
H1: The customer purchase intention for a high-status brand will be hurt more	Rejected
severely after a form of misconduct than the customer purchase intention for a	
low-status brand.	
H2: The brand image from the consumers' perspective will be more severely	Rejected
affected after instances of brand misconduct for high-status brands than for low-	
status brands.	
H3: The positive effect of a benefited brand image and the resulting increase in	Rejected
purchase intention for these brands will be stronger for high-status brands than	
for low-status brands.	
H4: Following brand misconduct, brand familiarity has a negative and significant	Rejected
moderating effect on purchase intention.	

According to the business dictionary, customer purchase intention is defined as "consumers' willingness and ability to acquire a certain quantity of products and services over a particular period of time or at a specified time." The willingness to pay refers to the consumer's desire to pay for a specific product or service. To do this, consumers must make specific decisions. For the first hypothesis, it was examined whether brand misconduct has a direct impact on the purchase intentions of customers and whether the consequences of this impact are greater for high-status brands than for low-status brands. This effect was indeed greater for high-status brands. However, it was not significant after looking at the interaction effect within the linear regression, hence this hypothesis is rejected.

Low and Lamb (2000) define brand image as customers' emotional and rational responses to brands (G.S. Low, 2000). According to Biel (1992), the user's image can play a crucial role in how consumers perceive a brand (Biel, 1992). Within the limits of this study, this can only be proven. According to the results, there is no significant evidence to indicate that brand misconduct affects consumers' perceptions of brand image. In addition, this effect is stronger for low-status brands, indicating that consumers are less likely to want to be associated with buying and utilizing low-status brands after the conducted misbehavior. Therefore, the second hypothesis is rejected.

According to Martenson (2007), a positive brand image has a beneficial impact on consumer behavior when brand loyalty and positive word-of-mouth are included. According to Martineau (1957), the image of a brand reflects the characteristics of the consumer. To express themselves, consumers purchase items or engage in brand-related activities (Martineau, 1957). This study confirms, to a certain extent, that without brand misconduct, the brand image benefits, which increases consumers' purchase intention. Due to a lack of significance, it is impossible to determine whether this affects high-status brands more than low-status brands. The third hypothesis is therefore rejected.

Studies have indicated that the customer's familiarity with a brand influences their decision-making (Bettman and Park, 1980; Park and Lessig, 1981). In an experimental context, Soderlund (2002) established that satisfaction and behavioral intentions vary between consumers with high and low familiarity under severe situations, i.e., high or low performance. However, this cannot be determined from this study whether brand familiarity influences consumer purchase intention following brand misconduct. Due to the lacking of significance, the fourth hypothesis needs to be rejected.

## 7.2. Managerial implications

Brand misconduct is still highly common nowadays. This may be the result of mistreatment of your employees, negative news resulting from fraud, or malfunctioning products. The last one is especially true for automobile manufacturers, whose brands have been portrayed negatively in the media due to the sudden failure of the car's brakes and seatbelts (Stewart, 2015). The negative press around clothing labels is amplified by the poor working conditions

of their factories (Kelly, 2021). Both high- and low-status brands occasionally receive negative attention due to the poor working conditions they impose on their workers (Zilber, 2018). This is expected to have a far greater influence on the brand image and purchase intention of prestige brands. But why does it continue to occur? Is this method of clothing production so inexpensive that negative publicity can be afforded?

This study examined the consequences of these types of brand misconduct. What are the consequences for brand image and consumer intentions to purchase? And does brand familiarity continue to affect outcomes? Based on this research, it is reasonable to urge that brand misconduct needs to be avoided at all costs. This should be a top priority for company CEOs. After all, brand misconduct has a direct impact on your brand image, which is something a company invests a considerable amount of money to acquire and retain. Furthermore, it also impacts consumer purchase intention, resulting in decreased sales, turnover, and profits.

### 7.3. Limitations and bias

There are certain aspects of this study that could have been executed differently or more effectively. These factors primarily relate to the experiment conducted. In general, the experiment designed for this study was relatively brief; the respondent completed it within three minutes. This method is effective for reaching a large number of responders. The downside is that it is challenging to differentiate between variables. In this experiment, the questions were pretty similar, as revealed by the factor analysis. In addition, the questions asked to find out whether expensive brands were perceived as high-status brands were taken out of the results because they were of no substantial value. The short list of questions, also made it more challenging to measure significance. A second noteworthy aspect of this experiment is that only one question was utilized to assess purchase intention. Next time, it would be preferable to add more questions so that purchase intention can be measured more precisely. In conclusion, I would add an additional control question to the next experiment. A control question was used to eliminate responders who did not read the questions and simply filled out the answers. This experiment was likely published on a website where users can win points for completing a survey. By implementing an extra control question, even more unusable responses are filtered out.

# 8. Conclusion

This study's objective was to analyze the effects of brand misconduct. What are the effects on brand image and consumer intention to purchase? In addition, the question was if brand familiarity had any influence on this. The purpose of this study was to compare high- and low-status brands. Quantitative research in the form of an experiment was utilized to measure this difference. This experiment utilized a between-subjects design in which participants were assigned to one of four conditions. Within these conditions, the distinctions were between brands with high and low status and with or without misconduct. The absence of misconduct served as a baseline for observing the difference. The automotive industry was used in this experiment to answer the main question.

The findings of this study reveal that brand misconduct does not have a significant impact on brand image and consumer purchase intention. Therefore, it cannot be determined if brand misconduct has a greater effect on high-status versus low-status brands. Therefore, the hypotheses regarding the direct effects of brand misconduct on purchase intention and brand image are rejected. The assumption that brand image mediates between misconduct and purchase intention and that brand familiarity moderates this story did not match expectations. Due to the absence of significance, it is impossible to demonstrate these links. Therefore, the hypotheses concerning the mediating and moderating effects have also been rejected.

### 8.1. Future research

Several recommendations for future research will be presented in this section. Firstly, it is interesting to assess and monitor the consequences of various types of misconduct. Using a between-subjects design, you can evaluate minor, moderate, and severe forms of misconduct. Product failure for automobile manufacturers that resulted in fatalities would be considered severe in this instance.

A second recommendation for future research is to determine the difference between highand low-status clothing brands. In this industry, inappropriate conduct is very prevalent. Furthermore, there is a significant difference between high-status and low-status brands within this market. I anticipate that the outcomes of such a study in the fashion industry can be measured more precisely.

In addition, it is interesting to undertake similar research in a country such as China. Moreover, prestigious brands have a significant role in this country, and it would be fascinating to assess the impact of brand misconduct in a market like this.

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# Appendix

# A. Mediation analysis PROCESS

## Descriptive Statistics condition 1<sup>a</sup>

	N	Minimum	Maximum	Mean	Std. Deviation
B_Image	174	1.00	5.00	4.1092	.75894
P_Intent	174	1.00	5.00	4.3161	.92372
Valid N (listwise)	174				

a. Conduct = High with misconduct

# Descriptive Statistics condition 2<sup>a</sup>

					Std.
	N	Minimum	Maximum	Mean	Deviation
B_Image	169	1.50	5.00	4.2653	.66254
P_Intent	169	1.00	5.00	4.4793	.81714
Valid N (listwise)	169				

a. Conduct = High without misconduct

#### Descriptive Statistics condition 3<sup>a</sup>

	N	Minimum	Maximum	Mean	Std. Deviation
B_Image	174	1.67	5.00	3.9243	.81207
P_Intent	174	1.00	5.00	4.0000	1.11739
Valid N (listwise)	174				

a. Conduct = Low with misconduct

### Descriptive Statistics condition 4<sup>a</sup>

	N	Minimum	Maximum	Mean	Std. Deviation
B_Image	169	2.00	5.00	4.1095	.72809
P_Intent	169	1.00	5.00	4.1420	1.03104
Valid N (listwise)	169				

a. Conduct = Low without misconduct

# Tests of Normality

	Kolmog	gorov-Smi	rnov <sup>a</sup>	Shapiro-Wilk			
	Statistic df Sig.			Statistic	df	Sig.	
Conduct	.175	686	.000	.856	686	.000	
B_Image	.116	686	.000	.926	686	.000	
P_Intent	.312	686	.000	.757	686	.000	

a. Lilliefors Significance Correction

#### Correlations

		Conduct	B_Image
Conduct	Pearson Correlation	1	051
	Sig. (2-tailed)		.184
	N	686	686
B_Image	Pearson Correlation	051	1
	Sig. (2-tailed)	.184	
	N	686	686

	Input:		Test statistic:	<i>p</i> -value:
ta	-2.32	Sobel test:	2.30766678	0.02101768
t <sub>b</sub>	22.41	Aroian test:	2.30539698	0.02114435
		Goodman test:	2.30994331	0.02089129
		Reset all	Calc	ulate

## Linear Regression brand image

OUTCOME VARIABLE:

B\_Image

Model Summa	ary					
1	R R–sq	MSE	F	df1	df2	
.161	0 .0259	.5521	6.0471	3.0000	682.0000	.000
Model						
	coeff	se	t	р	LLCI	ULCI
constant	4.1092	.0563	72.9490	.0000	3.9986	4.2198
X1	.1561	.0802	1.9451	.0522	0015	.3137
X2	1849	.0797	-2.3206	.0206	3413	0285
X3	.0003	.0802	.0034	.9973	1573	.1578

#### Path a's

X1: 1v2 b = 0.16, t(682) = 1.95, p = 0.05 -> difference in brand image group 1 and 2

X2: 1v3 b = -0.18, t(682) = -2.32, p < 0.05 -> difference in brand image group 1 and 3

X1: 1v4b = 0.0003, t(682) = 0.03, p = 0.997 -> difference in brand image group 1 and 4

# Linear Regression purchase intention with mediator brand image

OUTCOME VARIABLE:

P\_Intent

Model Summa F .6659	R R-sq	MSE .5531	F 135.6102	df1 4.0000	df2 681.0000	0000
Model						
	coeff	se	t	р	LLCI	ULCI
constant	.7870	.1673	4.7049	.0000	<b>.</b> 4586	1.1155
X1	.0291	.0805	.3618	.7176	1290	.1873
X2	- <b>.</b> 1573	.0800	-1.9654	.0498	3145	0002
X3	1743	.0803	-2.1702	.0303	3320	0166
B Image	.8588	.0383	22.4082	.0000	.7836	.9341

Path b: M predicting Y / Brand Image predicting Purchase Intention

b = 0.86, t(681) = 22.41, p < 0.05 ->as brand image goes up, purchase intention goes up too Patch c'

X1: 1v2 b = 0.03, t(681) = 0.36, p = 0.72 -> difference in purchase intention group 1 and 2

X2: 1v3 b = -0.16, t(681) = -1.97, p < 0.05 -> difference in purchase intention group 1 and 3

X3: 1v4b = -0.17, t(681) = -2.17, p < 0.05 -> difference in purchase intention group 1 and 4

#### <u>Linear Regression purchase intention</u>

OUTCOME VARIABLE:

P\_Intent

Model Summ	R R–sq	MSE .9595		df1 3.0000	df2 682.0000	, 0000
Model						
	coeff	se	t	р	LLCI	ULCI
constant	4.3161	.0743	58.1221	.0000	4.1703	4.4619
X1	.1632	.1058	1.5426	.1234	0445	.3709
X2	3161	.1050	-3.0099	.0027	5223	1099
X3	1741	.1058	-1.6455	.1003	3818	.0336

Path c: Total effect without mediator

X1: 1v2 b = 0.16, t(682) = 1.54, p = 0.12 -> difference in purchase intention group 1 and 2

X2: 1v3 b = -0.32, t(682) = -3.01, p < 0.05 -> difference in purchase intention group 1 and 3

X3: 1v4 b = -0.17, t(682) = -1.65, p = 0.1 -> difference in purchase intention group 1 and 4

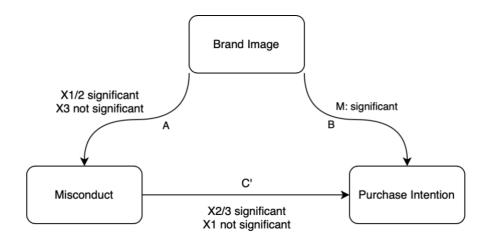
Relative indirect effects of X on Y

Con	duct ->	B_Image	->	P_Intent
	Effect	BootSE	BootLLCI	BootULCI
X1	.1341	.0655	.0050	.2640
X2	1588	.0730	3024	0191
X3	.0002	.0689	1340	.1377

X1 indirect: 0.13, SE = 0.07, 95% CI[0.01, 0.26]: Since it does not include zero, would say mediation has occurred for 1v2

X2 indirect: -0.16, SE = 0.07, 95% CI[-0.30, -0.02]: Since it does not include zero, would say mediation has occurred for 1v3

X3 indirect: 0.0002, SE = 0.07, 95% CI[-0.13, 0.13]: Since it does include zero, would say mediation has not occurred for 1v4



# B. Moderation analysis PROCESS

#### Simple mean purchase intention

	N	Minimum	Maximum	Mean	Std. Deviation
Familiar	686	1.40	5.00	4.0939	.74821
P_Intent	686	1.00	5.00	4.2332	.99391
Conduct	686	1.00	2.00	1.4927	.50031
Valid N (listwise)	686				

#### Tests of Normality

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Familiar	.113	686	.000	.930	686	.000
P_Intent	.312	686	.000	.757	686	.000
Conduct	.345	686	.000	.636	686	.000

a. Lilliefors Significance Correction

#### OUTCOME VARIABLE:

P\_Intent

Model	Summary	

,					
R-sq	MSE	F	df1	df2	р
.3199	.6788	45.5518	7.0000	678.0000	.0000
coeff	se	t	р	LLCI	ULCI
4.2702	.0629	67.9015	.0000	4.1467	4.3937
.1021	.0905	1.1287	.2594	0755	.2798
1268	.0898	-1.4122	.1583	3030	.0495
0731	.0895	8168	.4144	2487	.1026
.4513	.0720	6.2654	.0000	.3098	<b>.</b> 5927
.1217	.1067	1.1412	.2542	0877	.3312
<b>.</b> 2557	.1003	2.5496	.0110	.0588	<b>.</b> 4527
.2163	.1004	2.1547	.0315	.0192	.4134
	R-sq .3199 coeff 4.2702 .1021 1268 0731 .4513 .1217 .2557	R-sq MSE .3199 .6788 coeff se 4.2702 .0629 .1021 .0905 1268 .0898 0731 .0895 .4513 .0720 .1217 .1067 .2557 .1003	R-sq MSE F .3199 .6788 45.5518  coeff se t 4.2702 .0629 67.9015 .1021 .0905 1.12871268 .0898 -1.41220731 .08958168 .4513 .0720 6.2654 .1217 .1067 1.1412 .2557 .1003 2.5496	R-sq MSE F df1 .3199 .6788 45.5518 7.0000  coeff se t p 4.2702 .0629 67.9015 .0000 .1021 .0905 1.1287 .25941268 .0898 -1.4122 .15830731 .08958168 .4144 .4513 .0720 6.2654 .0000 .1217 .1067 1.1412 .2542 .2557 .1003 2.5496 .0110	R-sq MSE F df1 df2 .3199 .6788 45.5518 7.0000 678.0000  coeff se t p LLCI 4.2702 .0629 67.9015 .0000 4.1467 .1021 .0905 1.1287 .259407551268 .0898 -1.4122 .158330300731 .08958168 .41442487 .4513 .0720 6.2654 .0000 .3098 .1217 .1067 1.1412 .25420877 .2557 .1003 2.5496 .0110 .0588

Product terms key:

Conditional effects of the focal predictor at values of the moderator(s):

Moderator value(s): Familiar -.8835

Effect ULCI LLCI p .9694 se -.0054 -.3527 -.0383 X1 X2 X3 .1416 .2726 -.1115 -.2834 -2.8706 -.5939 .1229 .0042 -.2642 .1268 -2.0825 .0377 -.5132 -.0151

Test of equality of conditional means

F df1 df2 p 4.0567 3.0000 678.0000 .0071

 ${\bf Estimated} \ \ {\bf conditional} \ \ {\bf means} \ \ {\bf being} \ \ {\bf compared:}$ 

Conduct P\_Intent 1.0000 3.8715 2.0000 3.8661 3.0000 3.5188 4.0000 3.6074

# C. Experiment design

Standard: Introduction (1 Question) **BlockRandomizer: 1 - Evenly Present Elements Standard: High-status brand (1 Question)** Standard: Low-status brand (1 Question) **BlockRandomizer: 1 - Evenly Present Elements Branch: New Branch** If Choose the brand you are most familiar with. Audi Is Selected Standard: Audi with misconduct (7 Questions) **Branch: New Branch** If Choose the brand you are most familiar with. Audi Is Selected Standard: Audi without misconduct (6 Questions) **BlockRandomizer: 1 - Evenly Present Elements Branch: New Branch** If Choose the brand you are most familiar with. Mercedes Is Selected **Standard: Mercedes with misconduct (7 Questions) Branch: New Branch** If Choose the brand you are most familiar with. Mercedes Is Selected Standard: Mercedes without misconduct (6 Questions) **BlockRandomizer: 1 - Evenly Present Elements Branch: New Branch** If Choose the brand you are most familiar with. BMW Is Selected Standard: BMW with misconduct (7 Questions) **Branch: New Branch** If Choose the brand you are most familiar with. BMW Is Selected Standard: BMW without misconduct (6 Questions) **BlockRandomizer: 1 - Evenly Present Elements Branch: New Branch** 

If If Choose the brand you are most familiar with. Tesla Is Selected Standard: Tesla with misconduct (7 Questions) **Branch: New Branch** If Choose the brand you are most familiar with. Tesla Is Selected **Standard: Tesla without misconduct (6 Questions) BlockRandomizer: 1 - Evenly Present Elements Branch: New Branch** If Choose the brand you are most familiar with. Hyundai Is Selected Standard: Hyundai with misconduct (7 Questions) **Branch: New Branch** If If Choose the brand you are most familiar with. Hyundai Is Selected Standard: Hyundai without misconduct (6 Questions) **BlockRandomizer: 1 - Evenly Present Elements Branch: New Branch** If Choose the brand you are most familiar with. Nissan Is Selected **Standard: Nissan with misconduct (7 Questions) Branch: New Branch** If If Choose the brand you are most familiar with. Nissan Is Selected Standard: Nissan without misconduct (6 Questions) **BlockRandomizer: 1 - Evenly Present Elements Branch: New Branch** If Choose the brand you are most familiar with. Toyota Is Selected **Standard: Toyota with misconduct (7 Questions) Branch: New Branch** If Choose the brand you are most familiar with. Toyota Is Selected **Standard: Toyota without misconduct (6 Questions)** 

# **BlockRandomizer: 1 - Evenly Present Elements**

**Branch: New Branch** 

If

If Choose the brand you are most familiar with. Kia Is Selected

Standard: Kia with misconduct (7 Questions)

**Branch: New Branch** 

If

If Choose the brand you are most familiar with. Kia Is Selected

Standard: Kia without misconduct (6 Questions)

### **Standard: General (4 Questions)**

Page Break

Start of

Block

Introduction

## Q1.1 Dear participant,

I would like to thank you in advance for contributing to my Master thesis research at Erasmus University. The following experiment will require approximately 2 minutes to complete. Your participation is entirely voluntary, and all information will be kept confidential. Please be as honest as possible when answering all the questions. You have the opportunity to leave your email address at the end of the experiment for a chance to win a 25€ bol.com gift card.

For any questions regarding this experiment or research, you are welcome to contact me at 613167kg@student.eur.nl.

Once again, many thanks for your cooperation!

Kevin de Graaff

**End of Block: Introduction** 

Start of Block: High-status brand

Q2.1 Choose the brand you are most familiar with.
O Mercedes (1)
O Audi (2)
O BMW (3)
O Tesla (4)
End of Block: High-status brand
Start of Block: Low-status brand
Q3.1 Choose the brand you are most familiar with.
O Hyundai (1)
O Nissan (5)
O Toyota (6)
O Kia (7)
End of Block: Low-status brand
Start of Block: Audi with misconduct
Q4.1 How familiar are you with the brand Audi?
O Not familiar at all (1)
O Slightly familiar (2)
O Moderately familiar (3)
O Very familiar (4)
O Extremely familiar (5)

Q4.2 What repu	utation does this	brand have am	ong your colleag	ues/friends and	family?		
O Very ne	gative (1)						
O Slightly	negative (2)						
O Neither	negative nor po	sitive (3)					
O Slightly	positive (4)						
O Very po	esitive (5)						
Q4.3 Please rate	e your agreemer	nt with the follo	wing sentences a	about the brand somewhat	Audi. Strongly		
	disagree (1)	disagree (2)	nor disagree (3)	agree (4)	agree (5)		
This is a superior brand (1)	0	$\circ$	0	0	$\circ$		
This is a highend brand (2)	0	$\circ$	$\circ$	$\circ$	$\circ$		
I would be proud if others knew I use this brand (3)	0	0	0	0	0		
Q4.4 The following is what you see on the news:  Audi settled for corruption and bribery for more than a decade. The manufacturer of automobiles admitted that it was guilty of at least \$56 million in improper payments in more than 200 transactions in 22 countries. The SEC (Securities and Exchange Commissions) identified the company as having earned \$1.9 billion in revenue and \$90 million in illegal profits from the transactions.  (This scenario has happened in a certain case, but not for this company.)							

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This brand has a personality (1)	0	0	0	0	0
This brand is interesting (2)	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
I have a clear Image of the type of person who would use this brand (3)	0	0	0	0	0
This brand is a company I would trust (4)	0	0	0	0	$\circ$
I admire this company (5)	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
The company associated with the brand has credibility (6)		0	0		0
	y not (1)	ıy a car from A	udi (If money wa	us not an issue)?	,
O Might or	might not (3)				
O Probably	yes (4)				
O Definitel	y yes (5)				

Q4.7 This is a control question. Please fill in strongly agree.
O Strongly disagree (1)
O Somewhat disagree (2)
O Neither agree nor disagree (3)
O Somewhat agree (4)
O Strongly agree (5)
End of Block: Audi with misconduct
Start of Block: Audi without misconduct
Q5.1 How familiar are you with the brand Audi?
O Not familiar at all (1)
O Slightly familiar (2)
O Moderately familiar (3)
O Very familiar (4)
O Extremely familiar (5)
Q5.2 What reputation does this brand have among your colleagues/friends and family?
O Very negative (1)
O Slightly negative (2)
O Neither negative nor positive (3)
O Slightly positive (4)
O Very positive (5)

Q5.3 Please rate your agreement with the following sentences about the brand Audi
---

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This is a superior brand (1)	0	0	0	0	0
This is a highend brand (2)	0	$\circ$	$\circ$	0	$\circ$
I would be proud if others knew I use this brand (3)	0	0	0	0	0

# Q5.4 How do you feel about the brand Audi?

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This brand has a personality (1)	0	0	0	0	0
This brand is interesting (2)	0	$\circ$	$\circ$	$\circ$	$\circ$
I have a clear Image of the type of person who would use this brand (3)	0	0	0	0	0
This brand is a company I would trust (4)	0	0	0	0	0
I admire this company (5)	0	$\bigcirc$	$\circ$	$\circ$	$\circ$
The company associated with the brand has credibility (6)	0	0	0	0	0

Q5.5 Is it likely that you will buy a car from Audi (If money was not an issue)?
O Definitely not (1)
O Probably not (2)
○ Might or might not (3)
O Probably yes (4)
O Definitely yes (5)
Q5.6 This is a control question. Please fill in strongly agree.
O Strongly disagree (1)
O Somewhat disagree (2)
O Neither agree nor disagree (3)
O Somewhat agree (4)
O Strongly agree (5)
End of Block: Audi without misconduct
Start of Block: Mercedes with misconduct
Q6.1 How familiar are you with the brand Mercedes?
O Not familiar at all (1)
○ Slightly familiar (2)
O Moderately familiar (3)
O Very familiar (4)
O Extremely familiar (5)

Q6.2 What repu	itation does this	brand have am	ong your colleag	ues/friends and	family?					
O Very ne	gative (1)									
O Slightly negative (2)										
O Neither	negative nor pos	sitive (3)								
O Slightly	positive (4)									
O Very po	sitive (5)									
Q6.3 Please rate	e your agreemer	nt with the follo	wing sentences a	bout the brand	Mercedes.					
	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)					
This is a superior brand (1)	0	0	0	0	0					
This is a highend brand (2)	0	$\circ$	$\circ$	$\circ$	$\circ$					
I would be proud if others knew I use this brand (3)	0	0	0	$\circ$	$\circ$					
Q6.4 The following is what you see on the news:  Mercedes settled for corruption and bribery for more than a decade. The manufacturer of automobiles admitted that it was guilty of at least \$56 million in improper payments in more than 200 transactions in 22 countries. The SEC (Securities and Exchange Commissions) identified the company as having earned \$1.9 billion in revenue and \$90 million in illegal profits from the transactions.  (This scenario has happened in a certain case, but not for this company.)										

Q6.5 How	do you	feel	about	the	brand	Mercedes?
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	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This brand has a personality (1)	0	0	0	0	0
This brand is interesting (2)	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
I have a clear Image of the type of person who would use this brand (3)	0	0			0
This brand is a company I would trust (4)	0	0	0	$\circ$	0
I admire this company (5)	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
The company associated with the brand has credibility (6)	0	0	0	$\circ$	0
	that you will bu	y a car from M	ercedes (If mone	ey was not an is	sue)?
O Probably	not (2)				
O Might or	might not (3)				
O Probably	yes (4)				
O Definitel	v ves (5)				

Q6.7 This is a control question. Please fill in strongly agree.
O Strongly disagree (1)
O Somewhat disagree (2)
O Neither agree nor disagree (3)
O Somewhat agree (4)
O Strongly agree (5)
End of Block: Mercedes with misconduct
Start of Block: Mercedes without misconduct
Q7.1 How familiar are you with the brand Mercedes?
O Not familiar at all (1)
O Slightly familiar (2)
O Moderately familiar (3)
O Very familiar (4)
O Extremely familiar (5)
Q7.2 What reputation does this brand have among your colleagues/friends and family?
O Very negative (1)
O Slightly negative (2)
O Neither negative nor positive (3)
O Slightly positive (4)
O Very positive (5)

C	7.3	3 F	Please	e rate	your	agreement	with	the	fol	lowing	sentences	about	the	brand	M	ercede	s.

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This is a superior brand (1)	0	0	0	0	0
This is a highend brand (2)	0	$\circ$	$\circ$	$\circ$	$\circ$
I would be proud if others knew I use this brand (3)	0	0	0	0	

# Q7.4 How do you feel about the brand Mercedes?

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This brand has a personality (1)	0	0	0	0	0
This brand is interesting (2)	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
I have a clear Image of the type of person who would use this brand (3)	0	0	0	0	0
This brand is a company I would trust (4)	0	0	0	$\circ$	$\circ$
I admire this company (5)	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
The company associated with the brand has credibility (6)	0	0	0		

Q7.5 Is it likely that you will buy a car from Mercedes (If money was not an issue)?				
Operation Definitely not (1)				
O Probably not (2)				
○ Might or might not (3)				
O Probably yes (4)				
O Definitely yes (5)				
Q7.6 This is a control question. Please fill in strongly agree.				
O Strongly disagree (1)				
O Somewhat disagree (2)				
O Neither agree nor disagree (3)				
O Somewhat agree (4)				
O Strongly agree (5)				
End of Block: Mercedes without misconduct				
Start of Block: BMW with misconduct				
Q8.1 How familiar are you with the brand BMW?				
O Not familiar at all (1)				
O Slightly familiar (2)				
O Moderately familiar (3)				
O Very familiar (4)				
Extremely familiar (5)				

Q8.2 What repu	itation does this	brand have am	ong your colleag	ues/friends and	family?	
O Very ne	gative (1)					
O Slightly	negative (2)					
O Neither	negative nor po	sitive (3)				
O Slightly	positive (4)					
O Very positive (5)						
Q8.3 Please rate your agreement with the following sentences about the brand BMW.						
	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)	
This is a superior brand (1)	0	0	0	0	0	
This is a highend brand (2)	0	$\circ$	$\circ$	$\circ$	$\circ$	
I would be proud if others knew I use this brand (3)	0		0		0	
Q8.4 The following is what you see on the news:  BMW settled for corruption and bribery for more than a decade. The manufacturer of automobiles admitted that it was guilty of at least \$56 million in improper payments in more than 200 transactions in 22 countries. The SEC (Securities and Exchange Commissions) identified the company as having earned \$1.9 billion in revenue and \$90 million in illegal profits from the transactions.  (This scenario has happened in a certain case, but not for this company.)						

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)	
This brand has a personality (1)	0	0	0	0	0	
This brand is interesting (2)	$\circ$	$\circ$	$\circ$	$\circ$	0	
I have a clear Image of the type of person who would use this brand (3)	0	0	0	0	0	
This brand is a company I would trust (4)	0	0	0	$\circ$	0	
I admire this company (5)	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$	
The company associated with the brand has credibility (6)		0			0	
	y not (1)	y a car from Bl	MW (If money w	vas not an issue)	?	
O Might or	might not (3)					
O Probably yes (4)						
O Definitely yes (5)						

Q8.7 This is a control question. Please fill in strongly agree.
O Strongly disagree (1)
O Somewhat disagree (2)
O Neither agree nor disagree (3)
O Somewhat agree (4)
O Strongly agree (5)
End of Block: BMW with misconduct
Start of Block: BMW without misconduct
Q9.1 How familiar are you with the brand BMW?
O Not familiar at all (1)
O Slightly familiar (2)
O Moderately familiar (3)
O Very familiar (4)
O Extremely familiar (5)
Q9.2 What reputation does this brand have among your colleagues/friends and family?
O Very negative (1)
O Slightly negative (2)
O Neither negative nor positive (3)
O Slightly positive (4)
O Very positive (5)

Q'	9.	3	Pleas	e rate	your	agreement	with t	he fo	ollowing	sentences	about t	the	brand	BMV	W.

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This is a superior brand (1)	0	0	0	0	0
This is a highend brand (2)	0	$\circ$	$\circ$	0	$\circ$
I would be proud if others knew I use this brand (3)	0	0	0	0	0

# Q9.4 How do you feel about the brand BMW?

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This brand has a personality (1)	0	0	0	0	0
This brand is interesting (2)	0	$\circ$	$\circ$	$\circ$	$\circ$
I have a clear Image of the type of person who would use this brand (3)	0	0	0	0	0
This brand is a company I would trust (4)	0	0	0	0	$\circ$
I admire this company (5)	0	$\circ$	$\circ$	$\circ$	$\circ$
The company associated with the brand has credibility (6)	0	0	0	0	0

Q9.5 Is it likely that you will buy a car from BMW (If money was not an issue)?
O Definitely not (1)
O Probably not (2)
O Might or might not (3)
O Probably yes (4)
O Definitely yes (5)
Q9.6 This is a control question. Please fill in strongly agree.
O Strongly disagree (1)
O Somewhat disagree (2)
O Neither agree nor disagree (3)
O Somewhat agree (4)
O Strongly agree (5)
End of Block: BMW without misconduct
Start of Block: Tesla with misconduct
Q10.1 How familiar are you with the brand Tesla?
O Not familiar at all (1)
O Slightly familiar (2)
O Moderately familiar (3)
O Very familiar (4)
Extremely familiar (5)

Q10.2 What reputation does this brand have among your colleagues/friends and family?							
O Very negative (1)							
O Slightly	O Slightly negative (2)						
O Neither	negative nor pos	sitive (3)					
O Slightly	positive (4)						
O Very po	sitive (5)						
Q10.3 Please ra	te your agreeme	ent with the foll	owing sentences	about the brand	l Tesla.		
	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)		
This is a superior brand (1)	0	0	0	0	0		
This is a highend brand (2)	0	$\circ$	$\circ$	$\circ$	$\circ$		
I would be proud if others knew I use this brand (3)	0	0	0	0	0		
Q10.4 The following is what you see on the news:  Tesla settled for corruption and bribery for more than a decade. The manufacturer of automobiles admitted that it was guilty of at least \$56 million in improper payments in more than 200 transactions in 22 countries. The SEC (Securities and Exchange Commissions) identified the company as having earned \$1.9 billion in revenue and \$90 million in illegal profits from the transactions.  (This scenario has happened in a certain case, but not for this company.)							

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This brand has a personality (1)	0	0	0	0	0
This brand is interesting (2)	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
I have a clear Image of the type of person who would use this brand (3)	0	0	0	0	0
This brand is a company I would trust (4)	0	0	0	$\circ$	0
I admire this company (5)	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
The company associated with the brand has credibility (6)	0	0	0	0	0
	y that you will by not (1)	ouy a car from T	Γesla (If money v	vas not an issue	)?

O Definitely yes (5)

Q10.7 This is a control question. Please fill in strongly agree.
O Strongly disagree (1)
O Somewhat disagree (2)
O Neither agree nor disagree (3)
O Somewhat agree (4)
O Strongly agree (5)
End of Block: Tesla with misconduct
Start of Block: Tesla without misconduct
Q11.1 How familiar are you with the brand Tesla?
O Not familiar at all (1)
O Slightly familiar (2)
O Moderately familiar (3)
O Very familiar (4)
O Extremely familiar (5)
Q11.2 What reputation does this brand have among your colleagues/friends and family?
O Very negative (1)
O Slightly negative (2)
O Neither negative nor positive (3)
O Slightly positive (4)
O Very positive (5)

Q11.3 Please ra	e your agreement	with the following se	entences about the brand Tesla.
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	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This is a superior brand (1)	0	0	0	0	0
This is a highend brand (2)	0	$\circ$	0	$\circ$	$\circ$
I would be proud if others knew I use this brand (3)	0	0	0	0	0
(3)					

## Q11.4 How do you feel about the brand Tesla?

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This brand has a personality (1)	0	0	0	0	0
This brand is interesting (2)	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
I have a clear Image of the type of person who would use this brand (3)	0	0	0	0	0
This brand is a company I would trust (4)	0	0	0	$\circ$	$\circ$
I admire this company (5)	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
The company associated with the brand has credibility (6)	0	0	0		0

Q11.5 Is it likely that you will buy a car from Tesla (If money was not an issue)?
O Definitely not (1)
O Probably not (2)
○ Might or might not (3)
O Probably yes (4)
O Definitely yes (5)
Q11.6 This is a control question. Please fill in strongly agree.
O Strongly disagree (1)
O Somewhat disagree (2)
O Neither agree nor disagree (3)
O Somewhat agree (4)
O Strongly agree (5)
End of Block: Tesla without misconduct
Start of Block: Hyundai with misconduct
Q12.1 How familiar are you with the brand Hyundai?
O Not familiar at all (1)
O Slightly familiar (2)
O Moderately familiar (3)
O Very familiar (4)
O Extremely familiar (5)

Q12.2 What rep	outation does thi	s brand have ar	nong your collea	gues/friends and	d family?
O Very ne	gative (1)				
O Slightly	negative (2)				
O Neither	negative nor po	sitive (3)			
O Slightly	positive (4)				
O Very po	sitive (5)				
Q12.3 Please ra	ate your agreeme	ent with the foll	owing sentences	about the branc	l Hyundai.
	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This is a superior brand (1)	0	0	0	0	0
This is a highend brand (2)	0	$\circ$	$\circ$	$\circ$	$\circ$
I would be proud if others knew I use this brand (3)	0	$\circ$	0	0	$\circ$
automobiles ada	for corruption a	and bribery for as guilty of at le	more than a deca ast \$56 million in	n improper payı	ments in more
identified the co profits from the	ompany as having transactions.	ng earned \$1.9 t	C (Securities and billion in revenue	e and \$90 millio	
(This scenario h	nas happened in	a certain case, l	but not for this co	ompany.)	

Q12.5 How do you feel about the brand H	Iyundai?
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	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)			
This brand has a personality (1)	0	0	0	0	0			
This brand is interesting (2)	$\circ$	$\circ$	0		$\circ$			
I have a clear Image of the type of person who would use this brand (3)	0	0 0 0		0	0			
This brand is a company I would trust (4)	ompany I ould trust		0	0	$\circ$			
I admire this company (5)	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$			
The company associated with the brand has credibility (6)	$\circ$	0	0	$\circ$	0			
Q12.6 Is it likely O Definitel		ouy a car from I	Hyundai (If mone	ey was not an is	sue)?			
O Probably	not (2)							
O Might or might not (3)								
O Probably	yes (4)							
O Definitel	y yes (5)							

Q12.7 This is a control question. Please fill in strongly agree.
O Strongly disagree (1)
O Somewhat disagree (2)
O Neither agree nor disagree (3)
O Somewhat agree (4)
O Strongly agree (5)
End of Block: Hyundai with misconduct
Start of Block: Hyundai without misconduct
Q13.1 How familiar are you with the brand Hyundai?
O Not familiar at all (1)
O Slightly familiar (2)
O Moderately familiar (3)
O Very familiar (4)
O Extremely familiar (5)
Q13.2 What reputation does this brand have among your colleagues/friends and family?
O Very negative (1)
O Slightly negative (2)
O Neither negative nor positive (3)
O Slightly positive (4)
O Very positive (5)

Q13.3 Please rate your agreement with the following sentences about the brand Hyundai.

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This is a superior brand (1)	0	0	0	0	0
This is a highend brand (2)	0	$\circ$	$\circ$	$\circ$	$\circ$
I would be proud if others knew I use this brand (3)	0	0	0	0	0
	ı				

#### Q13.4 How do you feel about the brand Hyundai?

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)	
This brand has a personality (1)	0	0	0	0	0	
This brand is interesting (2)	0	$\circ$	$\circ$	$\circ$	$\circ$	
I have a clear Image of the type of person who would use this brand (3)	0	0	0		0	
This brand is a company I would trust (4)	0	0	0	$\circ$	0	
I admire this company (5)	0	$\bigcirc$	$\circ$	$\circ$	$\circ$	
The company associated with the brand has credibility (6)	0	0	0	0	0	

Q13.5 Is it likely that you will buy a car from Hyundai (If money was not an issue)?
O Definitely not (1)
O Probably not (2)
○ Might or might not (3)
O Probably yes (4)
O Definitely yes (5)
Q13.6 This is a control question. Please fill in strongly agree.
O Strongly disagree (1)
O Somewhat disagree (2)
O Neither agree nor disagree (3)
O Somewhat agree (4)
O Strongly agree (5)
End of Block: Hyundai without misconduct
Start of Block: Nissan with misconduct
Q14.1 How familiar are you with the brand Nissan?
O Not familiar at all (1)
O Slightly familiar (2)
O Moderately familiar (3)
O Very familiar (4)
O Extremely familiar (5)

Q14.2 What rep	outation does thi	s brand have ar	nong your collea	gues/friends and	d family?			
O Very ne	gative (1)							
O Slightly negative (2)								
O Neither	negative nor po	sitive (3)						
O Slightly	positive (4)							
O Very po	sitive (5)							
Q14.3 Please ra	ite your agreeme	ent with the foll	owing sentences	about the branc	l Nissan.			
	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)			
This is a superior brand (1)	0	0	0	0	0			
This is a highend brand (2)	0	$\circ$	$\circ$	$\circ$	$\circ$			
I would be proud if others knew I use this brand (3)	0		0	$\circ$	0			
Q14.4 The follo	owing is what yo	ou see on the ne	ews:					
Nissan settled for automobiles address than 200 transactions.	or corruption an mitted that it wa ctions in 22 coupmpany as having	nd bribery for m as guilty of at le ntries. The SEC	ore than a decade ast \$56 million in C (Securities and billion in revenue	n improper payr Exchange Com	ments in more missions)			
(This scenario h	nas happened in	a certain case,	but not for this co	ompany.)				

Q14.5 How do y	Q14.5 How do you feel about the brand Nissan?										
	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)						
This brand has a personality (1)	0	0	0	0	0						
This brand is interesting (2)	0	$\circ$	$\circ$	$\circ$	$\circ$						
I have a clear Image of the type of person who would use this brand (3)	0	0	0	0	0						
This brand is a											

company I would trust (4) I admire this company (5) The company associated with the brand has credibility (6) Q14.6 Is it likely that you will buy a car from Nissan (If money was not an issue)? O Definitely not (1) O Probably not (2) O Might or might not (3) O Probably yes (4) O Definitely yes (5)

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Q14.7 This is a control question. Please fill in strongly agree.
O Strongly disagree (1)
O Somewhat disagree (2)
O Neither agree nor disagree (3)
O Somewhat agree (4)
O Strongly agree (5)
End of Block: Nissan with misconduct
Start of Block: Nissan without misconduct
Q15.1 How familiar are you with the brand Nissan?
O Not familiar at all (1)
O Slightly familiar (2)
O Moderately familiar (3)
O Very familiar (4)
O Extremely familiar (5)
Q15.2 What reputation does this brand have among your colleagues/friends and family?
O Very negative (1)
O Slightly negative (2)
O Neither negative nor positive (3)
O Slightly positive (4)
O Very positive (5)

(	)15.	3 Please rat	e your	agreement	with	the f	following	sentences	about 1	the l	brand	Nissan.

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This is a superior brand (1)	0	0	0	0	0
This is a highend brand (2)	0	$\circ$	$\circ$	$\circ$	$\circ$
I would be proud if others knew I use this brand (3)	0	0	0	0	

### Q15.4 How do you feel about the brand Nissan?

<b>C</b>	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This brand has a personality (1)	0	0	0	0	0
This brand is interesting (2)	0	$\circ$	$\circ$	$\circ$	$\circ$
I have a clear Image of the type of person who would use this brand (3)	0	0	0	0	0
This brand is a company I would trust (4)	0	0	0	0	0
I admire this company (5)	0	$\bigcirc$	$\circ$	$\circ$	$\circ$
The company associated with the brand has credibility (6)	0	0	0	0	0

Q15.5 Is it likely that you will buy a car from Nissan (If money was not an issue)?
O Definitely not (1)
O Probably not (2)
○ Might or might not (3)
O Probably yes (4)
O Definitely yes (5)
Q15.6 This is a control question. Please fill in strongly agree.
O Strongly disagree (1)
O Somewhat disagree (2)
O Neither agree nor disagree (3)
O Somewhat agree (4)
O Strongly agree (5)
End of Block: Nissan without misconduct
Start of Block: Toyota with misconduct
Q16.1 How familiar are you with the brand Toyota?
O Not familiar at all (1)
○ Slightly familiar (2)
O Moderately familiar (3)
O Very familiar (4)
Extremely familiar (5)

Q16.2 What rep	outation does thi	s brand have ar	nong your collea	gues/friends and	d family?
O Very ne	gative (1)				
O Slightly	negative (2)				
O Neither	negative nor pos	sitive (3)			
O Slightly	positive (4)				
O Very po	sitive (5)				
Q16.3 Please ra	te your agreeme	ent with the foll	owing sentences	about the branc	l Toyota.
	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This is a superior brand (1)	0	0	0	0	0
This is a highend brand (2)	0	$\circ$	$\circ$	0	$\circ$
I would be proud if others knew I use this brand (3)	0	0	0	0	0
automobiles addithan 200 transactidentified the coprofits from the	For corruption an mitted that it was ctions in 22 coupompany as having transactions.	nd bribery for mass guilty of at lentries. The SEC age earned \$1.9 lentries.	ews: nore than a decad ast \$56 million in C (Securities and boillion in revenue but not for this co	n improper payr Exchange Com e and \$90 millio	ments in more missions)

Q16.5 How	do you fe	el about the	brand Toyota?
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	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)			
This brand has a personality (1)	0	0	0	0	0			
This brand is interesting (2)	0	$\circ$	$\circ$	$\circ$	$\circ$			
I have a clear Image of the type of person who would use this brand (3)	0	0	0	0	0			
This brand is a company I would trust (4)	0	0	0	0	$\circ$			
I admire this company (5)	0	$\circ$	$\circ$	$\circ$	$\circ$			
The company associated with the brand has credibility (6)	0	0	$\circ$	$\circ$	$\circ$			
	y that you will b	ouy a car from T	Γoyota (If money	was not an issu	ne)?			
O Probably	not (2)							
O Might or might not (3)								
O Probably	O Probably yes (4)							
O Definitel	y yes (5)							

Q16.7 This is a control question. Please fill in strongly agree.
O Strongly disagree (1)
O Somewhat disagree (2)
O Neither agree nor disagree (3)
O Somewhat agree (4)
O Strongly agree (5)
End of Block: Toyota with misconduct
Start of Block: Toyota without misconduct
Q17.1 How familiar are you with the brand Toyota?
O Not familiar at all (1)
O Slightly familiar (2)
O Moderately familiar (3)
O Very familiar (4)
O Extremely familiar (5)
Q17.2 What reputation does this brand have among your colleagues/friends and family?
O Very negative (1)
O Slightly negative (2)
O Neither negative nor positive (3)
O Slightly positive (4)
O Very positive (5)

Q17.3 Please rate your agreement with the following sentences about the brand Toyota.

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This is a superior brand (1)	0	0	0	0	0
This is a highend brand (2)	0	$\circ$	$\circ$	$\circ$	$\circ$
I would be proud if others knew I use this brand (3)	0	0	0	0	0
	ı				

### Q17.4 How do you feel about the brand Toyota?

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This brand has a personality (1)	0	0	0	0	0
This brand is interesting (2)	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
I have a clear Image of the type of person who would use this brand (3)	0	0	0	0	0
This brand is a company I would trust (4)	0	0	0	0	$\circ$
I admire this company (5)	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
The company associated with the brand has credibility (6)	0	0	0		0

Q17.5 Is it likely that you will buy a car from Toyota (If money was not an issue)?
O Definitely not (1)
O Probably not (2)
○ Might or might not (3)
O Probably yes (4)
O Definitely yes (5)
Q17.6 This is a control question. Please fill in strongly agree.
O Strongly disagree (1)
O Somewhat disagree (2)
O Neither agree nor disagree (3)
O Somewhat agree (4)
O Strongly agree (5)
End of Block: Toyota without misconduct
Start of Block: Kia with misconduct
Q18.1 How familiar are you with the brand Kia?
O Not familiar at all (1)
○ Slightly familiar (2)
O Moderately familiar (3)
O Very familiar (4)
O Extremely familiar (5)

Q18.2 What rep	outation does thi	s brand have ar	nong your collea	gues/friends and	d family?
O Very ne	gative (1)				
O Slightly	negative (2)				
O Neither	negative nor po	sitive (3)			
O Slightly	positive (4)				
O Very po	sitive (5)				
Q18.3 Please ra	te your agreeme	ent with the foll	owing sentences	about the branc	l Kia.
	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This is a superior brand (1)	0	0	0	0	0
This is a highend brand (2)	0	$\circ$	0	$\circ$	$\circ$
I would be proud if others knew I use this brand (3)	0	0	0	0	0
Q18.4 The follo	owing is what yo	ou see on the ne	ws:		
automobiles addithan 200 transactidentified the coprofits from the	mitted that it was ctions in 22 cou ompany as having transactions.	us guilty of at lean ntries. The SEC ng earned \$1.9 b	than a decade. T ast \$56 million in C (Securities and billion in revenue	n improper payr Exchange Com and \$90 millio	nents in more missions)
(This scenario h	nas happened in	a certain case, l	out not for this co	ompany.)	

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This brand has a personality (1)	0	0	0	0	0
This brand is interesting (2)	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
I have a clear Image of the type of person who would use this brand (3)	0	0	0	0	0
This brand is a company I would trust (4)	0	0	0	0	0
I admire this company (5)	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
The company associated with the brand has credibility (6)		0	0		0
18.6 Is it likely Operimitely	-	ouy a car from I	Kia (If money wa	s not an issue)?	
O Probably	not (2)				
O Might or	might not (3)				
O Probably	yes (4)				

Q18.7 This is a control question. Please fill in strongly agree.
O Strongly disagree (1)
O Somewhat disagree (2)
O Neither agree nor disagree (3)
O Somewhat agree (4)
O Strongly agree (5)
End of Block: Kia with misconduct
Start of Block: Kia without misconduct
Q19.1 How familiar are you with the brand Kia?
O Not familiar at all (1)
O Slightly familiar (2)
O Moderately familiar (3)
O Very familiar (4)
O Extremely familiar (5)
Q19.2 What reputation does this brand have among your colleagues/friends and family?
O Very negative (1)
O Slightly negative (2)
O Neither negative nor positive (3)
O Slightly positive (4)
O Very positive (5)

Q19.3 Please rate your agreement with the following sentences about the brand Kia.

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This is a superior brand (1)	0	0	0	0	0
This is a highend brand (2)	0	$\circ$	$\circ$	$\circ$	$\circ$
I would be proud if others knew I use this brand (3)	0	0	0	0	0
'					

Q19.4 How do you feel about the brand Kia?

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
This brand has a personality (1)	0	0	0	0	0
This brand is interesting (2)	0	$\circ$	$\circ$	$\circ$	$\circ$
I have a clear Image of the type of person who would use this brand (3)	0	0	0	0	0
This brand is a company I would trust (4)	0	0	0	0	0
I admire this company (5)	0	$\circ$	$\circ$	$\circ$	$\circ$
The company associated with the brand has credibility (6)	0	0	0	0	0

Q19.5 Is it likely that you will buy a car from Kia (If money was not an issue)?
O Definitely not (1)
O Probably not (2)
Might or might not (3)
O Probably yes (4)
Opefinitely yes (5)
Q19.6 This is a control question. Please fill in strongly agree.
O Strongly disagree (1)
O Somewhat disagree (2)
O Neither agree nor disagree (3)
O Somewhat agree (4)
O Strongly agree (5)
End of Block: Kia without misconduct
Start of Block: General
Q20.1 What is your gender?
O Male (1)
○ Female (2)
O Non-binary / third gender (3)
O Prefer not to say (4)

Q20.2 What is your age?
O Under 18 (1)
O 18 - 24 (2)
O 25 - 34 (3)
35 - 44 (4)
O 45 - 54 (5)
O 55 - 64 (6)
O 65 - 74 (7)
O 75 - 84 (8)
○ 85 or older (9)
Q20.3 What is the highest degree or level of education you have completed?  Less than high school (1)  High school graduate (2)  Some college / MBO (3)  Bachelor's degree / HBO/WO (4)
Master's degree / WO (5)
O Phd or higher (6)
Q20.4 Enter your email address for a chance to win a bol.com gift card worth 25€.

**End of Block: General**