

ERASMUS UNIVERSITY ROTTERDAM

Erasmus School of Economics

Master Thesis Marketing

Effect of Type of Brand Misconduct on Consumer  
Brand Loyalty: The Role of Product Involvement and  
Brand Affect

Name student: Bi Xuan Guo

Student ID number: 457178

Supervisor: Clément Bellet

Second assessor: Ana Scekic

Date: 20-04-2023

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.

## **Abstract**

The study uses quantitative research to investigate the effect of brand misconduct type on brand loyalty. In addition, the mechanisms underlying the relationship between brand misconduct type and brand loyalty are tested, introducing the mediating role of brand affect and the moderation of product involvement. A 2 (type of brand misconduct: performance- vs. values-related) x 2 (product involvement: low vs. high) between-subjects experimental design was conducted with a total of four conditions. Data from 206 respondents were analysed in SPSS using Hayes' PROCESS macro model 5. The findings show that the type of brand misconduct has no direct effect on brand loyalty, but it does have a significant indirect effect that is fully mediated by brand affect. Moreover, product involvement has no moderating effect on the relationship between type of brand misconduct and brand loyalty.

Keywords: brand misconduct, brand loyalty, brand affect, product involvement

## Executive summary

This master's thesis is about brand misconduct, brand loyalty, brand affect, and product involvement. The focus is on the effect of different types of brand misconduct on brand loyalty. Furthermore, it is investigated whether brand affect mediates this relationship and whether product involvement plays a moderating role. A distinction is made between performance- and values-related brand misconduct, and low and high product involvement. The following research question is central:

*What is the influence of performance-related vs. values-related brand misconduct on brand loyalty?*

To find an answer to this question, extensive literature research was carried out, after which the following four hypotheses were proposed:

H1: The type of brand misconduct has a significant effect on brand loyalty. In case of values-related brand misconduct, the decrease in brand loyalty will be greater than in the case of performance-related brand misconduct.

H2: The type of brand misconduct has a significant effect on brand affect. In case of values-related brand misconduct, the decrease in brand affect will be greater than in the case of performance-related brand misconduct.

H3: Brand affect mediates the effect of type of brand misconduct on brand loyalty. Brand affect is positively related to brand loyalty.

H4: Product involvement moderates the effect of performance-related vs. values-related brand misconduct on brand loyalty. The decrease in brand loyalty of products with high-involvement (low-involvement) will be greater (smaller) during a values-related brand misconduct than a performance-related brand misconduct.

After a pre-test, soft drink (low-involvement) and shoes (high-involvement) were chosen as products for the main study, and defective materials/foreign objects in products (performance-related) and racial discrimination (values-related) as scenarios. A 2 (type of brand misconduct: performance- vs. values-related) x 2 (product involvement: low vs. high) between-subjects factorial design has been performed by conducting a survey on Qualtrics.com. The sample

consisted of 206 participants ( $N = 206$ ). Results were analysed in SPSS using the PROCESS macro model 5 developed by Hayes.

Hypothesis 1 was accepted, showing that values-related brand misconduct is more detrimental to brand loyalty than performance-related brand misconduct through an indirect effect. Hypothesis 2 and 3 were also accepted, suggesting a fully mediating effect of brand affect on the relationship between type of brand misconduct and brand loyalty. Hypothesis 4, on the other hand, was not accepted. A moderating role of product involvement could not be proven.

This study contributes to existing literature by investigating brand misconduct and its negative consequences for companies. In more detail, it helps shed light on not-so-frequently explored aspects of the topic: the different effects of different types of brand misconduct, the mediating role of brand affect and the moderating role of product involvement. From the management perspective, managers should consider that brand affect does indeed have a mediating effect on the relationship between the type of brand misconduct and brand loyalty. Moreover, the study suggested an indirect effect, meaning that the effect of brand misconduct type on brand loyalty is entirely through brand affect. Furthermore, a values-related brand misconduct appeared to have a greater decrease in brand affect than a performance-related brand misconduct, resulting in a greater decrease in brand loyalty due to the mediating effect. Further research on the topic is recommended, examining more different types of brand misconducts, products or other moderators and independent variables.

## Table of Contents

1.	Introduction .....	6
2.	Literature review.....	8
2.1	<i>Brand misconduct</i> .....	8
2.2	<i>Brand loyalty</i> .....	9
2.3	<i>Brand affect</i> .....	10
2.4	<i>Product involvement</i> .....	10
2.5	<i>Negative publicity</i> .....	11
2.6	<i>Corporate Social Responsibility (CSR)</i> .....	11
3.	Theoretical framework .....	12
4.	Methodology.....	16
4.1	<i>Research design</i> .....	16
4.2	<i>Pre-test</i> .....	16
4.4	<i>Procedure</i> .....	21
4.5	<i>Participants</i> .....	21
4.6	<i>Ethical considerations</i> .....	22
4.7	<i>Data analysis</i> .....	22
5.	Results .....	24
5.1	<i>Randomization check</i> .....	24
5.2	<i>Manipulation check</i> .....	24
5.3	<i>Reliability measures</i> .....	24
5.4	<i>Descriptive statistics</i> .....	26
5.5	<i>Testing hypotheses</i> .....	27
6.	Conclusion and discussion.....	32
6.1	<i>General discussion</i> .....	32
6.2	<i>Limitations and future research</i> .....	33
	References .....	35
	Appendix A. Survey pre-test.....	43
	Appendix B. Main survey .....	51
	Appendix C. Results of the pre-test .....	63
	Appendix D. Results of the main survey.....	65

## 1. Introduction

Nowadays, corporate social responsibility (CSR) is becoming increasingly important and consumers are demanding this of companies. According to a 2015 survey, 91% of consumers from 9 different countries believe that companies should not only make a profit, but also work ethically to address social and environmental issues (*2015 Cone Communications/Ebiquity Global CSR Study – Cone, 2015*). CSR can increase brand loyalty, which is an important basis for a brand to engage and retain its customers. In 2017, 88% of Americans would be more loyal to a company if it supported a social or environmental issue (Cone Communications, n.d.). On the other hand, it can also happen that a brand misbehaves, which can have serious negative consequences for the brand. When a brand disappoints the consumer or the expectations of the brand by its behaviour or statements, this is considered brand misconduct (Hsiao et al. 2015). Brand misconduct is an issue that companies need to prevent and address carefully, especially with the huge influence of the internet and social media in this day and age, where news and incidents can easily go viral and cause a stir. Negative consequences that can result from brand misconduct are brand boycotts, damage to the brand's image and reputation (Huber, Vollhardt, Matthes & Vogel, 2010) or negative word-of-mouth (Baghi & Gabrielli, 2019). Although there is not much literature available that has explicitly examined the effect of misconduct on brand loyalty, findings on misconduct having a negative effect on brand consumer relationship and repurchase intention (Huber et al., 2010) suggest that it should also have a negative effect on brand loyalty.

Brand misconduct can take many forms, which may have different effects on consumer behaviour. Multiple activities are related to brand misconduct, ranging from product to service-related malfunctions, as well as social or ethical actions (Huber, Vogel & Meyer, 2009). Brand misconduct is often assumed to be product-related, while brand misconduct can also be, for example, theft, sexual harassment or abuse of power. The first stream of literature on brand misconduct investigated, among other things, how consumers react to product failure (Folkes, 1984) and what effects brand crises have on brands (Dawar & Lei, 2009). The second stream of literature on brand misconduct has conceptualized two types of brand crises: performance-related and values-related brand crises (Dutta & Pullig, 2011). My assumption is that consumers react differently to performance-related versus value-related brand misconduct. Therefore, this research examines the effects of these two different forms of misconduct on brand loyalty towards low- and high-involvement products using the moderator brand affect.

This paper contributes to the current literature in several ways. First, previous research examined the relationship between brand misconduct and consumer-brand relationship (Hsiao et al. 2015; Huber et al., 2010), however, the literature on the effect of different types of brand misconduct (performance-related vs. values-related) on brand loyalty is limited. Next, most of the literature focused on the effect of brand misconduct for only one type of product, whereas examining the effects of low- and high-involvement products on the relationship between brand misconduct and brand loyalty may lead to different outcomes. And finally, previous research on brand misconduct did not examine the moderating effect of brand affect on brand loyalty. Thus, this research aims to add value to previous literature by answering the following research question:

*What is the influence of performance-related vs. values-related brand misconduct on brand loyalty?*

Important findings from the empirical research are that brand affect has a positive influence on brand loyalty, while brand misconduct has a negative influence. Moreover, different types of products and product involvement may have different effects on the relationship between brand misconduct and brand loyalty. The practical relevance of this study is that it is worthwhile for companies to know whether performance- vs. values-related brand misconduct have different effects on brand loyalty. Moreover, the consequences for low- and high-involvement products may be different for the two types of brand misconduct, requiring managers to make different decisions to improve their customers' brand loyalty. This research provides important insights into the factors that determine consumer behaviour and has important implications for companies and policymakers. The findings help managers decide whether they should invest in brand affect to improve their brand loyalty and thus reduce the potential damage of brand misconduct. Furthermore, it provides knowledge on which type of misconduct causes more damage to the brand.

First, the thesis explores the literature review on this topic where various concepts are discussed. Next, the theoretical framework is presented, discussing the hypotheses analysed in this study. After that, the methodology section covers the research design, procedure, participants, measurements, and data analysis. The results of analyses are then discussed and finally, the conclusion and discussion are presented where limitations and recommendations for the future are offered.

## **2. Literature review**

This section presents the literature review. This is done by outlining and investigating the following concepts: brand misconduct, brand loyalty, brand affect, product type, product involvement, negative publicity, and corporate social responsibility (CSR).

### **2.1 Brand misconduct**

Brand misconduct is defined as a brand's act or behaviour that falls short of customers' expectations, has a significant public impact on the brand, and frequently results in negative consumer reactions (Huber et al., 2009). An example of misconduct by brands might be the reported exploitation of child labour in football factories engaged by major sport brands such as Adidas, Nike and Puma (Huber et al., 2010), as well as the Volkswagen emissions scandal in 2015 (Baghi & Gabrielli, 2019). According to academic research (Huber et al., 2009), there are four categories of brand misconduct: 1) product quality that falls short of expectations, 2) lack of service orientation, 3) symbolic-psychological misconduct, and 4) socially controversial acts. Brand misconduct can result in major negative effects for the company, such as a boycott (Klein et al., 2004) or a damage to the company's image and reputation (Davis et al., 2003; Klein et al., 2004). Furthermore, previous studies suggest that brand misconduct has negative consequences for the company and the brand-customer relationship which can hurt earnings (Hsiao et al., 2015; Huber et al., 2010). To illustrate, Hsiao et al. (2015) found that customers exposed to brand misconduct, scored lower on responses to brand marketing advertising. Even when quality of the brand relationship is high, this cannot reduce the negative consequences of brand misconduct (Huber et al., 2010). In fact, the damage caused by brand misconduct seems to be greater when the brand relationship quality is high. However, having a strong consumer-brand relationship can positively influence the repurchase intentions of customers (Huber et al., 2010).

Dutta and Pullig (2011) distinguish two types of brand misconduct: performance-related and values-related brand misconduct. In performance-related crises, the perceived ability of the brand to deliver functional advantages is reduced (Pullig, Netemeyer & Biswas, 2006, Roehm & Brady, 2007). The detection of defective or harmful products would be an example of such misconduct. A values-related crisis is not immediately connected to the product, but rather to social or ethical difficulties around the brand's values. Racial discrimination or sexual harassment are examples of such misconduct. This form of crisis is not about specific product



features that provide utilitarian advantages; rather, it is about the brand's capacity to provide symbolic and psychological benefits (Pullig et al., 2006). Most of literature review on brand misconduct is focused on the performance-related misbehaviour, such as product harm crises, which is not sufficient enough as it is becoming more expected from companies that they act socially responsibly and act ethically. Thus, this study aims to fill the gap in the academic literature on the effect of performance-related vs. value-related misbehaviour on brand loyalty for both low- and high-involvement products.

## **2.2 Brand loyalty**

Several definitions of brand loyalty can be found in the literature. Firstly, Jacoby and Kyner (1973) define brand loyalty as “(1) the biased (i.e., non-random), (2) behavioural response (i.e., purchase), (3) expressed over time, (4) by some decision-making unit, (5) with respect to one or more alternative brands out of a set of such brands, and (6) is a function of psychological (decision-making, evaluative) processes”. Secondly, Oliver (1999) defines loyalty as “a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour”. Following from this, customer loyalty can be divided in two broad categories: attitudinal and behavioural loyalty. The customer’s continued purchase of a brand, as well as his repeated desire to purchase it in the future, is referred to as behavioural loyalty. Attitudinal loyalty, on the other hand, relates to a customer’s level of dedication and attitude towards a brand and, as a result, there is an emotional element to it (Chaudhuri & Holbrook, 2001).

Four types of brand loyalty are identified by Dick & Basu (1994): 1) No loyalty: there is no purchase of the brand at all and no attachment to it, 2) Covetous loyalty: there has been no purchase, yet there is a strong commitment to the brand, 3) Inertia loyalty: purchase of the brand, but no attachment, and 4) Premium loyalty: high level of relative attachment to the brand and frequent purchases. Previous study has identified a number of antecedents of brand loyalty. According to Gounaris & Stathakopoulos (2004), brand loyalty is influenced by three factors: the consumer’s purchase behaviour, emotional attachment to the brand, and normative influences. Companies can profit from brand loyalty in a variety of ways, including gaining new customers, saving marketing expenses, and reinforcing their brand against competitors. Studies have proven that brand affect has an impact on brand loyalty (Halim, 2006; Kabadayi & Alan, 2012; Lin & Lee, 2012; Rajumesh, 2014).

### **2.3 Brand affect**

Chaudhuri & Holbrook (2001) define brand affect as the ability of a brand to evoke a favourable emotional response in the typical customer as a result of its use. This study is using brand affect as the moderator in the relationship between brand misconduct and brand loyalty. One of the most traditionally ignored areas in business is emotions, while customer loyalty can be increased by connecting customers emotionally (Shaw & Ivens, 2002). Brand affect has a positive impact on the brand loyalty of a consumer (Halim, 2006; Kabadayi & Alan, 2012; Lin & Lee, 2012; Rajumesh, 2014). Moreover, evidence is found that brand affect and brand trust together determine purchase loyalty and attitudinal loyalty, which can contribute to sales-related outcomes such as market share through purchase loyalty, and premium-related outcomes such as higher relative market prices through attitudinal loyalty (Chaudhuri & Holbrook, 2001). So far, academic literature on the role of brand affect in the relationship between brand misconduct and brand loyalty is scarce.

### **2.4 Product involvement**

Product involvement refers to the product's "relevance" to the customer's needs and values, as well as curiosity in learning more about it (Zaichkowsky, 1986). Prior literature has viewed product involvement in two somewhat distinct ways: as enduring involvement (Bloch, 1981) and as a measure of the relevance of the product (Hupfer & Gardner, 1971). As Mittal (1989) points out, products that are hedonic or express a self-image can evoke enduring involvement. Contrarily, solely practical or primarily utilitarian items may be important, but not enduringly involving. For instance, a heater may be important to you, but you are not permanently involved with it. Purchase involvement is different from product involvement. Purchase involvement can be defined as the degree of interest and concern of a consumer in a purchase decision (Mittal, 1989). Product involvement, on the other hand, demonstrates the ongoing relevance that an individual perceives for the product category.

Involvement towards products can be low or high, with high involvement indicating a consumer's long-term interest in the product, whilst low involvement indicates a lack of such interest (Richins & Bloch, 1986). Soap is an example of a low-involvement product, whereas a car is an example of a high-involvement product one. Literature has indicated that product involvement is linked to brand loyalty (Ferreira & Coelho, 2015; Hochgraeffe, Faulk & Vieregge, 2012; Suh & Youjjae, 2006). Three of the five dimensions of product involvement identified by Hanzaae, Khoshpanjeh & Rahnama (2011) have a direct effect on brand loyalty.

Furthermore, Ahluwalia et al. (2000) show evidence that commitment plays a crucial role in the relationship of consumer response to negative information as a moderator. In particular, low-commitment and high-commitment consumers react very differently: on the one hand, high-involvement consumers give a counterargument to the negative information processed about the brand, and on the other hand, low-commitment consumers counterargue to a lesser extent. It appears that low-commitment consumers give more weight to the negative information rather than the positive information. Extending study into the subject of low and high product involvement could thus aid in determining whether consumers react differently to brand misconduct with different sorts of products.

### **2.5 Negative publicity**

Negative publicity refers to the publication in the media which negatively affect the image of the person or company involved (Dean, 2004). A study examined the impact of two different types of negative publicity occurring for fashion brands: personnel-related and product-related incidents (Woo, Jung & Jin, 2020). Their findings suggest that negative publicity that is product-related is more difficult to recover than negative publicity that is personnel-related. It appears that the extent of consumer commitment can assist in resisting negative information about a company that could lead to switching behaviour (Ahluwalia, Burnkrant, & Unnava, 2000).

### **2.6 Corporate Social Responsibility (CSR)**

The concept of Corporate Social Responsibility (CSR) is that businesses have responsibilities to groups in society other than shareholders that go beyond what is required by law or a collective bargaining agreement (Jones, 1980). Business closures, employee relations, human rights, business ethics, community relations, and the environment are among the subjects covered by proponents of CSR (Moir, 2001). Socially involved companies are perceived as reliable by customers, which can lead to them developing a more emotional relationship with this brand (Huber, Meyer, Vogel & Vollmann, 2011). When a consumer has a positive perception of the ethicality of a corporate brand, this results in a favourable assessment of the product's brand affect (Singh, Iglesias & Batista-Foguet, 2012).

### **3. Theoretical framework**

This section outlines the theoretical framework of this study that sheds a light on multiple theories regarding the research question. Consequently, the theories form a foundation for the proposed hypotheses.

Huber et al. (2010) and Hsiao et al. (2015) have concluded that misconduct by brands can have negative consequences for companies. For example, brand misconduct may lead to negative profits, and hence, negative performance. Huber et al. (2010) examine the effect of brand misconduct on consumer-brand relationship. The findings suggest that brand misconduct has negative effects on the quality of the brand relationship. In particular, repurchase intention is vulnerable to the negative effects of brand misconduct (Huber et al., 2010). Brand relationship quality is found to affect brand loyalty positively (Jung & Soo, 2012), while brand loyalty is also seen as an indicator of repurchase intention (Singh et al., 2012). Furthermore, a study of product-harm crises showed that brand loyal customers experience a very significant decline in brand share (Cleeren, Van Heerde & Dekimpe, 2013). Building on this, I expect that brand misconduct has a negative impact on a company's brand loyalty.

According to research, customer emotions are linked to loyalty. Emotions have asymmetric consequences, with negative emotions affecting loyalty more than positive emotions (Rychalski & Hudson, 2017). Furthermore, the type of crisis has a significant impact on negative emotions, with a values-related crisis evoking more negative emotions than a performance-related crisis (Baghi & Gabrielli, 2019). Because loyalty is linked to emotions and values-related crises evoke more negative emotions, it is expected that a values-related crisis will generate a lower level of brand loyalty than a performance-related crisis. Hence, the following hypothesis is formulated:

H1: The type of brand misconduct has a significant effect on brand loyalty. In case of values-related brand misconduct, the decrease in brand loyalty will be greater than in the case of performance-related brand misconduct.

When a brand crisis happens, consumers who have developed an emotional bond with the brand are more hurt and feel betrayed by it (Park & Lee, 2013). Swan and Combs (1976) divide product performance into two groups, each of which influences consumer satisfaction. These performances can be instrumental (more physical or functional) or expressive (more psychological). Their results suggested that performance is hierarchical, in the sense that a

product must first offer sufficient instrumental benefits to satisfy customers (Swan & Combs, 1976). In that sense, it could be argued that product performance-related brand misconducts evoke more negative emotions and thus a lower brand affect than values-related brand misconducts.

However, another study found that consumers who felt strongly connected to a brand were not as forgiving when the brand's negative actions were of an ethical nature rather than product performance that was instrumentally related (Trump, 2014). Because brand affect involves the emotional responses that a brand can have on consumers, I assume that it can also be related to the bond between a brand and consumers. By extension, I expect brand affect to be influenced more by a brand's actions with social or ethical aspects than by the functional benefits of the brand's products. Also, as mentioned earlier, consumer perceived ethicality is positively related to brand affect (Singh et al., 2012). Based on these findings in the literature and the growing importance of CSR, I therefore propose the following hypothesis in the context of brand affect:

H2: The type of brand misconduct has a significant effect on brand affect. In case of values-related brand misconduct, the decrease in brand affect will be greater than in the case of performance-related brand misconduct.

Brand affect has a positive influence on a consumer's brand loyalty (Halim, 2006; Kabadayi & Alan, 2012; Lin & Lee, 2012; Rajumesh, 2014). It is hypothesized that positive affective reactions are linked to high levels of brand commitment (Chaudhuri & Holbrook, 2001). According to Gundlach, Achrol, and Mentzer (1995), commitment is related with positive affect, which may limit short-term examination of other choices. Furthermore, brand loyalty should be higher in the presence of a more favourable emotional state or affect (Dick & Basu, 1994). Brands that make customers "happy", "joyful", or "affectionate" should lead to increased sales and attitudinal loyalty (Chaudhuri & Holbrook, 2001). Therefore, the following is expected in this thesis:

H3: Brand affect mediates the effect of type of brand misconduct on brand loyalty. Brand affect is positively related to brand loyalty.

Although there is a growing body of research on brand misconduct, no studies have examined the role of product involvement. This study aims to fill that gap. Products with low involvement

are more focused on satisfying the practical needs of consumers. As mentioned earlier, a product must first offer sufficient instrumental benefits to satisfy customers (Swan & Combs, 1976), which may be truer for low-involvement products than for high-involvement products. Thus, it can be argued that products with low engagement will be more negatively affected by a performance-related brand misconduct than by a value-related type. Additionally, consumers who feel a strong attachment to the brand are less forgiving when it comes to the ethical misconduct of the brand (Trump, 2014). Because high-involved consumers feel a stronger attachment to the product they buy, high-involvement product classes are expected to experience stronger negative effects on their brand loyalty when facing crises that are more ethical in nature than product performance related crises. According to these assumptions, I expect the following:

H4: Product involvement moderates the effect of performance-related vs. values-related brand misconduct on brand loyalty. The decrease in brand loyalty of products with high-involvement (low-involvement) will be greater (smaller) during a values-related brand misconduct than a performance-related brand misconduct.

Figure 1 displays the conceptual model of this research.

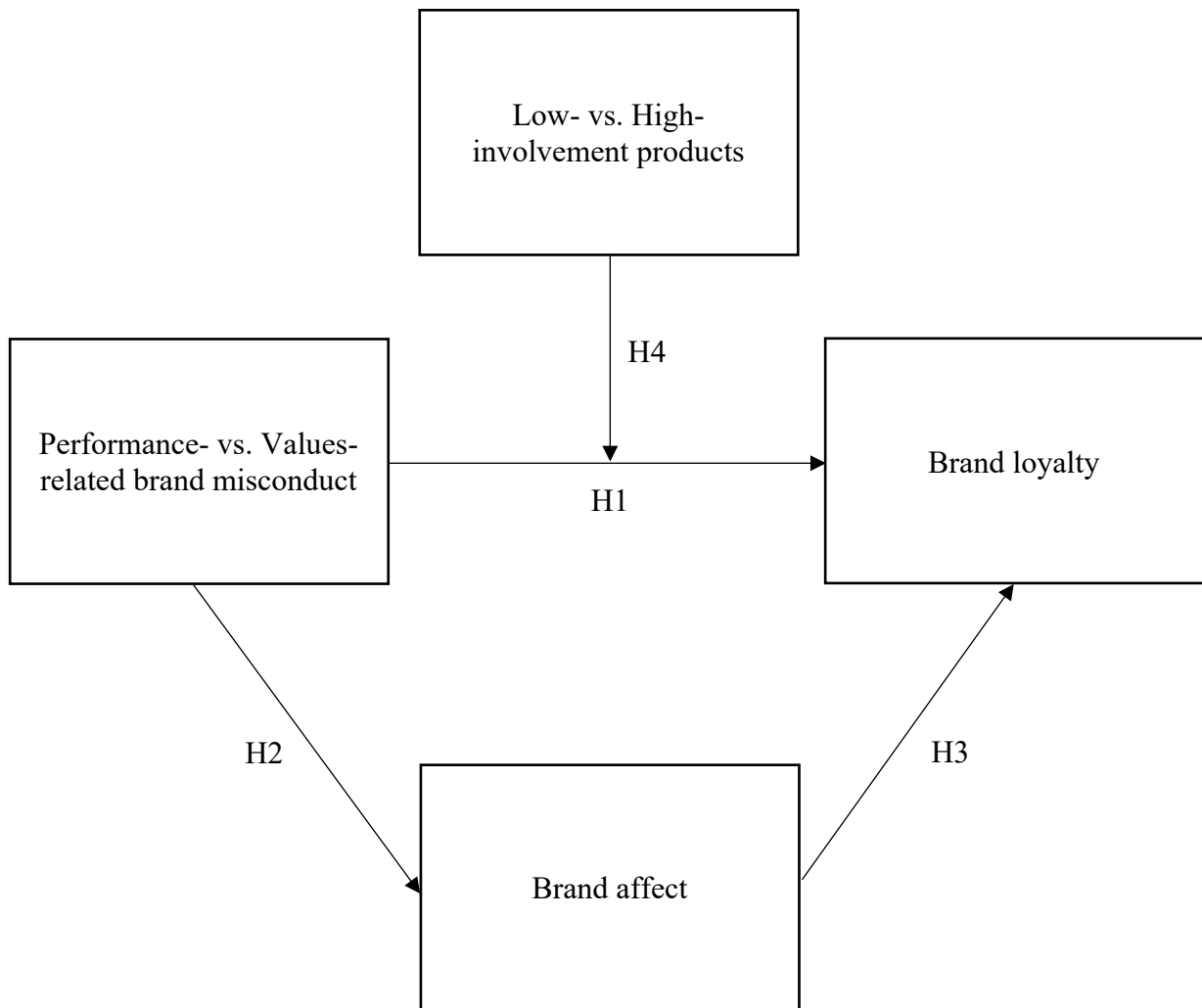


Figure 1. Conceptual model.

According to the theoretical framework of this study, the type of brand misconduct can have a significant effect on brand loyalty. Next, it appears that brand affect is positively related to brand loyalty, which could play a mediating role in the relationship between brand misconduct type and brand loyalty. Finally, product involvement could have a moderating effect on the relationship between brand misconduct type and brand loyalty.

## **4. Methodology**

This section presents the methodology of this research by first addressing the research design and pre-test. The pre-test determines the products and scenarios chosen for the main study. Later, I provide explanations of the stimulus material, procedure, participants and ethical considerations.

### **4.1 Research design**

To test the hypotheses, the experiment used a 2 (product involvement: low- vs. high) x 2 (type of brand misconduct: performance vs. values-related) between-subjects design, resulting in four between-subjects conditions. The use of a between-subjects design allows for comparison of respondents who have been exposed to various conditions. Additionally, a between-subjects design is ideal for preventing any carry-over effects, because each participant is randomly assigned to a distinct treatment condition. Carry-over effects are undesirable, because participants might change how they act in response to what they learned from earlier questions. The experiment was conducted using an online survey on Qualtrics.com.

### **4.2 Pre-test**

The types of products and brand misconducts that would be used in the research were determined through a pre-test before the main study. Based on these results, the main questionnaire was designed according to these products and brands misconducts.

The survey of the pre-test consisted of two parts. In the first part, respondents were asked to rate ten products on product involvement. Product involvement was measured using a 7-point semantic differential scale by Zaichkowsky (1994). These were the items: 'important/unimportant'; 'irrelevant/relevant'; 'means a lot to me/means nothing to me'; 'valuable/worthless'; 'boring/interesting'; 'unexciting/exciting'; 'appealing/unappealing'; 'mundane/fascinating'; 'not needed/needed'; and 'involving/uninvolving'. In the second part, respondents were asked to rate the severity and blame on the company of five different scenarios of brand misconduct (two were performance-related, three values-related) and to indicate to what extent the misconduct was related to the company's product performance and ethical values. Perceived severity was assessed on a three-items 7-point Likert scale as well as attribution of blame to the company. Perceived severity was assessed by the following items: '[The incident] is a major problem', '[The incident] is significant' and '[The incident] is a



severe’. Blame toward the company was assessed by the following items: ‘In my opinion, Company X is responsible for [the incident]’, ‘In my opinion, Company X should be held accountable for [the incident]’ and ‘This incident is the fault of Company X’. Besides that, one item measured to what extent the scenario was related to product performance and another item to what extent the scenario was related to the ethical values of the company, both on a 7-point Likert scale.

Ten products from previous studies were included, five with low involvement (ice cream, soft drink, chocolate, chewing gum and toothpaste) and five with high involvement (jeans, shoes, fragrance, mobile phone and watch) which can be seen in Table 1.

Table 1: The ten products used in the pre-test.

Type of product	Studies
Ice cream	Zaichkowsky (1994)
Soft drink	Simoes & Agante (2014), Zaichkowsky (1994)
Chocolate	Zaichkowsky (1987)
Chewing gum	Hanzaee & Taghipourian (2012)
Toothpaste	Cochrane & Quester (2005)
Jeans	Park & Moon (2003), Warrington & Shim (2000)
Shoes	Quester & Lim (2003), Simoes & Agante (2014)
Fragrance	Zaichkowsky (1987)
Mobile phone	Hanzaee & Taghipourian (2012)
Watch	Cochrane & Quester (2005)

Five scenarios were used that were classified as performance- or values-related misconduct (see Table 2). Two were performance-related (environmental pollution and defective materials) and three were values-related (child labour, racial discrimination, and sexual harassment).

Table 2: The five brand misconducts used in the pre-test.

Type of brand misconducts	Studies
Environmental pollution	Baghi & Gabrielli (2019), Cissé-Depardon & N'Goala (2009)
Defective materials	Baghi & Gabrielli (2019), Dutta & Pullig (2011)
Child labour	Baghi & Gabrielli (2019), Beldad, van Laar & Hegner (2018), Cissé-Depardon & N'Goala (2009), Dutta & Pullig (2011)
Racial discrimination	Beldad, van Laar & Hegner (2018), Dutta & Pullig (2011)
Sexual harassment	Beldad, van Laar & Hegner (2018)

30 respondents filled in the questionnaire, of which one was not completed and therefore omitted from the analysis ( $N = 29$ ). The results of the product involvement per product are presented in Table 3. Here, it follows that the product with the lowest involvement is the soft drink and the product with the highest involvement is the mobile phone ( $M = 3.13$ ,  $SD = 1.22$  vs.  $M = 5.46$ ,  $SD = 0.85$ ). However, after reflecting these products, I came to the conclusion that mobile phones are highly reliant on their ecosystem as opposed to soft drinks. This is an external factor that I did not consider beforehand. Therefore, not mobile phones, but shoes were chosen as the high-involvement product. A soft drink was chosen as the low-involvement product.

Table 3. Descriptive statistics product involvement per product ( $N = 29$ ).

Product	$M$	$SD$
Soft drink	3.13	1.22
Chewing gum	3.36	1.18
Chocolate	4.02	1.35
Ice cream	4.09	1.29
Watch	4.11	1.33
Toothpaste	4.87	0.98
Jeans	4.95	0.97
Fragrance	5.15	1.30
Shoes	5.46	0.85
Mobile phone	5.96	0.83

Based on the results, the defective materials incident was chosen as the performance-related brand misconduct and racial discrimination as the values-related brand misconduct. Table 4

shows that the severity of racism is perceived as more severe than the defective materials ( $M = 6.44, SD = 0.83$  vs.  $M = 5.36, SD = 0.93$ ). The degree to which blame is placed on the company is perceived to be similar ( $M = 5.79, SD = 0.82$  vs.  $M = 5.66, SD = 1.34$ ).

Table 4. Descriptive statistics severity and blame attribution per scenario ( $N = 29$ ).

Scenario	Severity			Scenario	Blame attribution		
	<i>M</i>	<i>SD</i>	<i>P</i>		<i>M</i>	<i>SD</i>	<i>P</i>
Defective materials	5.36	0.93	<.001	Sexual harassment	5.63	1.01	<.001
Racism	6.44	0.83	<.001	Racism	5.66	1.34	<.001
Environmental pollution	6.45	0.76	<.001	Defective materials	5.79	0.82	<.001
Child labour	6.46	0.87	<.001	Child labour	6.25	0.84	<.001
Sexual harassment	6.47	0.74	<.001	Environmental pollution	6.35	0.78	<.001

The defective materials incident is associated more with the product performance of the company ( $M = 5.86, SD = 0.92$  vs.  $M = 4.38, SD = 1.78$ ), while the racism incident is associated more with the ethical values of the company ( $M = 5.69, SD = 1.26$  vs.  $M = 4.59, SD = 1.45$ ).

Table 5. Descriptive statistics of the extent to which the scenario was related to product performance and ethical values of the company ( $N = 29$ ).

Scenario	Product performance		Ethical values	
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>
Environmental pollution	5.41	1.62	5.69	1.07
Defective materials	5.86	.92	4.59	1.45
Child labour	5.21	1.93	5.59	1.66
Racism	4.38	1.78	5.69	1.26
Sexual harassment	4.07	1.71	5.45	1.30

From the results of the pre-test, soft drinks and shoes were chosen as the low and high involvement product, respectively. Moreover, the defective materials/foreign objects in products was chosen as performance-related misconduct and racial discrimination as values-related misconduct. Based on these results, the main study was designed.

### 4.3 Stimulus material

The experiment consisted of four between-subjects conditions. In every condition, participants first read the following text before answering questions regarding product involvement:

*Imagine that you are going to buy a soft drink/shoes or think about the last time you bought one/them. Please rate the product on the following statements.*

After that, the survey moved on to the brand misconduct scenario. For the sake of this study, not only real brands were used, but participants were also asked to think of their favourite brand or the brand they buy most often. This was consciously done for a reason. Because this study investigates brand loyalty and brand affect, it is of great importance that respondents can relate to and actually use these brands. Furthermore, the use of real brands in the study can reflect reality as closely as possible. On the contrary, fictitious messages about the brand's misbehaviour were used to prevent any prejudices consumers may already have towards real life cases. However, each fictitious message was inspired by or mimicking a real-life incident or news article to make the scenario as convincing as possible.

Due to the nature of the low-involvement product, the performance-related brand misconduct of the soft drink was adapted to a food safety scenario. For the low-involvement product x performance-related brand misconduct condition, the incident of Coca Cola recalling its drinks was mimicked (Thakkar, 2021). Participants read the following text:

*Think of your favourite soft drink brand or the brand you buy most often. Let's call it brand X. Imagine you are scrolling through your news feed on your phone and you come across the following article about brand X. The title of the article says that brand X is recalling its drinks because of foreign objects. You read on and find out that the products can contain pieces of plastic or metal. The brand discovered this risk because several customers complained about it. Exposure to the product can have temporary or medically reversible adverse health effects.*

For the high-involvement product x performance-related brand misconduct condition, the incident involving Adidas recalling its basketball shoes was mimicked (CPSC, Adidas America Inc. Announce Recall of Basketball Shoes, 2004). Participants read the following text:

*Think of your favourite shoe brand or the brand you buy most often. Let's call it brand X. Imagine you are scrolling through your news feed on your phone and you come across the following article about brand X. The title of the article says that brand X is recalling its shoes. You read on and find out that part of the sole can become loose or tear during the first few uses, which can lead to injuries. The brand has received several reports of injuries from customers involving these shoes, including sprained ankles.*

For both the low-involvement product x values-related brand misconduct and high-involvement product x values-related brand misconduct condition, the incident involving black workers accusing Tesla of racism was mimicked (Paul, 2022). Participants read the following text:

*Think of your favourite soft drink/shoe brand or the brand you buy most often. Let's call it brand X. Imagine you are scrolling through your news feed on your phone and you come across the following article about brand X. The title of the article says that employees have accused brand X of racism. You read on and learn that brand X has been hit with several discrimination lawsuits. Employees of brand X reported being harassed, bullied by a supervisor, told racial slurs and given the most physically demanding jobs.*

#### **4.4 Procedure**

For this research, a quantitative study was conducted collecting primary data. The data was collected through a survey conducted on Qualtrics.com. The use of a questionnaire allowed for the quick collection of a large amount of data. The questionnaire was distributed through different social media platforms, such as WhatsApp, Facebook, Instagram, Reddit, and LinkedIn. In addition, the survey was also added on the platforms SurveySwap and SurveyCircle where respondents could be collected.

#### **4.5 Participants**

This study worked with a total sample of 206 respondents ( $N = 206$ ). The majority of the participants were in the age group 18-24 (121 participants – 59%), followed by the 25-34 age group (65 respondents – 32%). 109 females participated (53%) and 94 males (46%). A majority of the participants consisted of either undergraduates (78 participants – 38%) or postgraduates (61 participants – 30%). 32 participants completed high school as highest level of education (16%) and 24 participants completed higher professional education (12%). Moreover, a large

proportion were students (120 participants – 58%), while 54 participants worked full-time (26%) and 20 participants worked part-time (10%). The most represented countries were the Netherlands (114 participants – 55%), the United States of America (29 participants – 14%) and the United Kingdom of Great Britain and Northern Ireland (24 participants – 12%). The table of descriptive statistics of the participants can be seen in Appendix D.

#### **4.6 Ethical considerations**

This study took ethical considerations into account. Prior to starting the questionnaire, participants first read the message on the introduction page of the survey. This message explained the purpose of the survey and study. Furthermore, participants were ensured that participating in this study was voluntary and they could withdraw at any time. They were also told that their answers would be anonymous and the data would be used for academic purposes only. Before heading to the next page, participants had to click the button which stated that they agreed to understand the purpose of the survey and that they were participating in this study voluntarily.

#### **4.7 Data analysis**

The SPSS programme was used to process, transform, and analyse the data. New variables were created before analysis. The averages of all responses on product involvement, severity of the brand misconduct, attribution of blame to the company, brand affect and brand loyalty were measured to create the new variables “PRODINV”, “SEVERITY”, “BLAME”, “AFFECT” and “LOYALTY” respectively. Additionally, dummy variables were made to represent the type of brand misconduct, “Miscon2”, with 0 denoting “Performance” and 1 denoting “Values”, as well as the type of product, “Product2”, with 0 denoting “Soft drink” and 1 denoting “Shoes”. To determine whether the participant was successful in identifying the type of product, “MANCHECK1”, with 0 = “No” and 1 = “Yes”, and the type of brand misconduct, “MANCHECK2”, with 0 = “No” and 1 = “Yes”, dummy variables were established for the manipulation checks. Descriptive statistics were examined and cross tabs and the chi square test were used as statistical tools.

Testing the hypotheses was done with the tool PROCESS macro developed by Hayes (2017) using model 5. Figure 2 displays the simple mediation model. The type of brand misconduct is the independent variable (X), brand loyalty is the dependent variable (Y) and brand affect is the

mediating variable (M). The indirect effect of the type of brand misconduct on brand loyalty is calculated by the product of the *a*- and *b*-path. The *c'*-path represents the direct effect of the type of brand misconduct on brand loyalty.

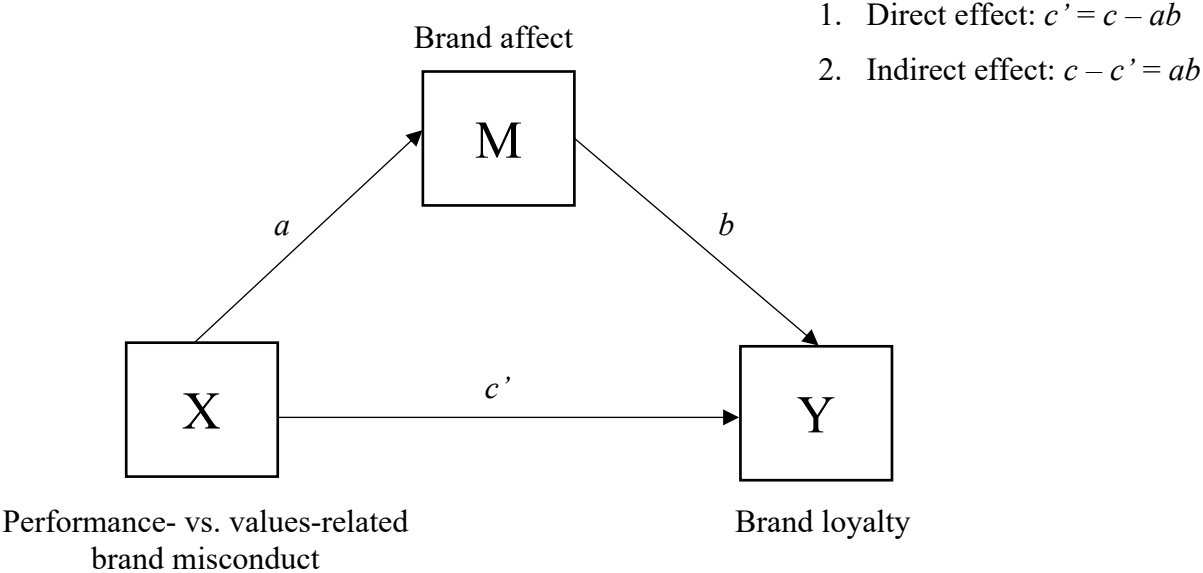


Figure 2. Diagram of the simple mediation model.

## 5. Results

The results of the analyses are discussed in this chapter. For the analyses, the software programme SPSS was used. First, the reliability of the measures was analysed and a manipulation check was performed. Then, the descriptive statistics are presented. Finally, the hypotheses are tested using a mediation and moderation analysis. The selected threshold value for this research was  $\alpha = .05$ .

### 5.1 Randomization check

To ensure that the participants were fairly allocated between the four conditions, a randomization check was done. The results showed that the subjects did not differ by age,  $\chi^2(15) = 20.04, p = .171$ , gender,  $\chi^2(9) = 7.42, p = .594$ , highest level of education,  $\chi^2(21) = 17.26, p = .695$ , employment status,  $\chi^2(21) = 23.11, p = .338$ , and country of residence,  $\chi^2(87) = 81.44, p = .648$ . Therefore, the randomization check verifies that the participants were equally distributed among the four conditions.

### 5.2 Manipulation check

The manipulation check shows whether all participants were able to say whether they were exposed to a product with a low versus high involvement and a performance versus values-related brand misconduct. To examine the manipulation of product involvement type, respondents were asked to indicate the type of product (soft drink vs. fragrance vs. shoes) after the product involvement scale measurement. To examine the manipulation of the brand misconduct type, respondents were asked to indicate the type of misconduct (polluting the environment vs. plastic or defective materials in products vs. racial discrimination) described in the scenario they read. A total of 262 participants filled in the questionnaire. Of these, 13 participants did not fill in the survey completely and 2 participants did not agree with the conditions of the survey. Therefore, these responses had to be removed, resulting in a total of 247 participants that filled in the survey completely. 41 respondents have failed the manipulation check, either answering the product or crisis manipulation question wrong. Hence, these participants have been removed, remaining in a total sample of 206 ( $N = 206$ ).

### 5.3 Reliability measures

The reliability of all measurements is examined using Cronbach's Alpha.



### **Brand loyalty**

The dependent variable brand loyalty was measured using a 7-point Likert scale with a total of four items developed by Chaudhuri and Holbrook (2001). Respondents indicated their brand loyalty to their favourite soft drink or shoes brand, depending on the condition they were assigned to. Items used were: 'I will buy this brand the next time I buy a soft drink/shoes', 'I intend to keep purchasing this brand', 'I am committed to this brand' and 'I would be willing to pay a higher price for this brand over other brands'. The scale for brand loyalty is found to be reliable ( $\alpha = .92$ ).

### **Brand misconduct**

Participants were asked several questions on 7-point Likert scales. The two crises were evaluated in terms of perceived severity and blame toward the company. Perceived severity was assessed by the following items: '[The incident] is a major problem', '[The incident] is significant' and '[The incident] is a severe'. Blame toward the company was assessed by the following items: 'In my opinion, Company X is responsible for [the incident]', 'In my opinion, Company X should be held accountable for [the incident]' and 'This incident is the fault of Company X'. The scale for severity of the brand misconduct is reliable ( $\alpha = .90$ ). The scale for attribution of blame to the company is reliable ( $\alpha = .87$ ). Furthermore, one item measured to what extent the scenario was related to product performance and another item to what extent the scenario was related to the ethical values of the company. These scales are identical to those used in the pre-test.

### **Brand affect**

The mediating variable brand affect was assessed using a 7-point Likert scale with a total of three items developed by Chaudhuri & Holbrook (2001). Respondents indicated their brand affect with their favourite soft drink or shoes brand, depending on their condition. Items used were: 'I feel good when I use this brand', 'This brand makes me happy' and 'This brand gives me pleasure'. The scale for brand affect is reliable ( $\alpha = .95$ ).

### **Low- vs. high-involvement products**

The moderating variable product involvement was measured using a 7-point semantic differential scale by Zaichkowsky (1994). The scale had a total of ten items: 'important/unimportant'; 'irrelevant/relevant'; 'means a lot to me/means nothing to me';

‘valuable/worthless’; ‘boring/interesting’; ‘unexciting/exciting’; ‘appealing/unappealing’; ‘mundane/fascinating’; ‘not needed/needed’; and ‘involving/uninvolving’. The scale for product involvement is reliable ( $\alpha = .93$ ). The items ‘important/unimportant’; ‘means a lot to me/means nothing to me’; ‘valuable/worthless’; ‘appealing/unappealing’; ‘involving/uninvolving’ have been reverse coded in SPSS. The scale is identical to the one used in the pre-test.

#### 5.4 Descriptive statistics

An independent sample t-test was performed to analyse product involvement in soft drink and shoes. In addition, the severity of the crisis, the attribution of blame to the company, and the nature of the crisis were analysed. Participants rated their involvement with the soft drink lower ( $M = 3.7$ ,  $SD = 1.31$ ) than the participants who rated the shoes ( $M = 5.23$ ,  $SD = 0.74$ ;  $t(158.870) = -10.23$ ,  $p < .001$ ). This therefore indicates that the products were perceived as intended, with the soft drink being the low-involvement product and the shoes being the high-involvement product (Table 6).

Table 6: Descriptive statistics product involvement per product ( $N = 206$ ).

Product type	<i>N</i>	<i>M</i>	<i>SD</i>
Soft drink	102	3.70	0.74
Shoes	104	5.23	1.31

Moreover, the two types of brand misconduct were considered similar in terms of severity ( $M = 5.74$ ,  $SD = 1.15$  vs.  $M = 6.05$ ,  $SD = 1.03$ ;  $t(204) = -2.03$ ,  $p = 0.043$ ) as well as blame attribution to the company ( $M = 5.96$ ,  $SD = 1.07$  vs.  $M = 5.46$ ,  $SD = 1.25$ ;  $t(204) = 3.12$ ,  $p = 0.002$ ). Finally, participants rated the presence of foreign objects/defective materials in the products as more performance-related than the racial discrimination incident ( $M = 5.31$ ,  $SD = 1.47$  vs.  $M = 3.23$ ,  $SD = 1.50$ ;  $t(204) = 10.10$ ,  $p < 0.001$ ), whereas the racial discrimination incident was rated more values-related than the presence of foreign objects/defective materials in the products ( $M = 4.03$ ,  $SD = 1.67$  vs.  $M = 5.94$ ,  $SD = 1.05$ ;  $t(176.033) = -9.90$ ,  $p < 0.001$ ). These results suggest that the two brand misconducts are perceived as expected, being more or less similar in terms of severity and attribution of blame to the company, with the plastic/defective materials in products being considered the performance-related brand misconduct and the racial discrimination incident being the values-related brand misconduct (see Table 7).

Table 7: Descriptive statistics brand misconducts ( $N = 206$ ).

	Foreign objects/defective materials in products			Racial discrimination		
	<i>N</i>	<i>M</i>	<i>SD</i>	<i>N</i>	<i>M</i>	<i>SD</i>
Severity	105	5.74	1.15	101	6.05	1.03
Blame attribution	105	5.96	1.07	101	5.46	1.25
Performance-related	105	5.31	1.47	101	3.23	1.50
Values-related	105	4.03	1.67	101	5.94	1.05

The descriptive statistics of brand loyalty are presented in Table 8, including the means, and standard deviations per condition. Based on this output, several observations can be made. The soft drink scored lower on brand loyalty in the performance-related brand misconduct than in the values-related brand misconduct ( $M = 2.69$ ,  $SD = 1.45$  vs.  $M = 3.62$ ,  $SD = 1.42$ ) and the shoes scored lower on brand loyalty in the values-related brand misconduct than in the performance-related one ( $M = 2.93$ ,  $SD = 1.32$  vs.  $M = 3.62$ ,  $SD = 1.42$ ).

Table 8. Descriptive statistics brand loyalty per group ( $N = 206$ ).

Type of brand misconduct	Product type	<i>N</i>	<i>M</i>	<i>SD</i>
Performance-related	Soft drink	54	2.69	1.45
	Shoes	51	3.62	1.42
Values-related	Soft drink	48	2.89	1.63
	Shoes	53	2.93	1.32

### 5.5 Testing hypotheses

H1 stated that the type of brand misconduct has a significant effect on brand loyalty. In case of values-related brand misconduct, the decrease in brand loyalty will be greater than in the case of performance-related brand misconduct. Table 9 displays the results of the *b*- and *c*'-path, controlling for the proposed mediator. The direct effect shows a positive, but insignificant relationship ( $\beta = 0.28$ ,  $t(204) = 1.61$ ,  $p = .109$ ). This means there is no significant direct effect of the type of brand misconduct on brand loyalty. However, there is a significant indirect effect present which will be discussed and shown later. This suggests that there is enough evidence to confirm that the decrease in brand loyalty will be greater than in the case of performance-related

brand misconduct through an indirect effect. Consequently, H1 is supported and the null hypothesis is rejected.

Table 9. Mediating effect:  $M \rightarrow Y$  and  $X \rightarrow Y$  ( $N = 206$ ) –  $b$  and  $c'$  path.

	Brand loyalty			
	<i>B</i>	<i>SE</i>	<i>T</i>	<i>P</i>
Constant	0.15	0.18	0.82	0.416
Type of brand misconduct	0.28	0.18	1.61	0.109
Brand affect	0.74*	0.04	18.36	0.000
$R^2 = 0.648$				
$F(4,201) = 92.347$				

Note. \*  $p < 0.001$ .

H2 states that the type of brand misconduct has a significant effect on brand affect. In case of values-related brand misconduct, the decrease in brand affect will be greater than in the case of performance-related brand misconduct. To test this hypothesis, the  $a$ -path is estimated by regressing the type of brand misconduct ( $X$ ) on brand affect ( $M$ ) (see Table 10). A negative significant relationship is found between the type of brand misconduct and brand affect ( $\beta = -0.45$ ,  $t(204) = -2.05$ ,  $p = .042$ ). This result suggests that in case of a values-related brand misconduct, brand affect will decrease by 0.45 than in the case of a performance-related misconduct. Thus, Hypothesis 2 is supported and it can be concluded that the type of brand misconduct has a significant effect on brand affect. In the presence of a values-related brand misconduct, the decrease in brand affect will be greater than in the case of performance-related brand misconduct.

Table 10. Mediating effect:  $X \rightarrow M$  ( $N = 206$ ) –  $a$  path.

	Brand affect			
	<i>B</i>	<i>SE</i>	<i>T</i>	<i>P</i>
Constant	3.83**	0.15	24.95	0.000
Type of brand misconduct	-0.45*	0.22	-2.05	0.042
$R^2 = 0.020$				
$F(1,204) = 4.199$				

Note. \* $p < 0.05$ , \*\* $p < 0.001$ .

Table 11 shows the results to test H3 and H4. H3 argued that brand affect mediates the effect of type of brand misconduct on brand loyalty, where brand affect is positively related to brand loyalty. The *b*-path shows a significant and positive relationship between brand affect and brand loyalty ( $\beta = 0.74$ ,  $t(204) = 18.36$ ,  $p = .000$ ). The results revealed brand affect has a significant positive effect on brand loyalty, indicating there is enough evidence to support the hypothesis. Therefore, it can be argued that higher brand affect will lead to higher brand loyalty and brand affect mediates the effect of brand misconduct type on brand loyalty. This leads to H3 being confirmed. Lastly, H4 proposes that product involvement moderates the effect of performance-related vs. values-related brand misconduct on brand loyalty. The decrease in brand loyalty of products with high-involvement (low-involvement) will be greater (smaller) during a values-related brand misconduct than a performance-related brand misconduct. A moderation analysis was conducted that examined the effect of type of brand misconduct and product involvement on brand loyalty. An interaction between the brand misconduct type and product involvement on brand loyalty could not be demonstrated ( $\beta = -0.38$ ,  $t(204) = -1.54$ ,  $p = .125$ ). Following this, there is not enough evidence to determine that product involvement moderates the effect of type of brand misconduct on brand loyalty. Thus, H4 cannot be confirmed.

Table 11. Moderation and mediation model.

	Brand loyalty			
	<i>B</i>	<i>SE</i>	<i>T</i>	<i>P</i>
Constant	0.15	0.18	0.82	0.416
Type of brand misconduct	0.28	0.18	1.61	0.109
Brand affect	0.74**	0.04	18.36	0.000
Type of product	0.33*	0.18	1.89	0.061
Type of brand misconduct x Type of product	-0.38	0.25	-1.54	0.125
$R^2 = 0.648$				
$F(4,201) = 92.347$				

Note. \* $p < 0.10$ , \*\* $p < 0.001$ .

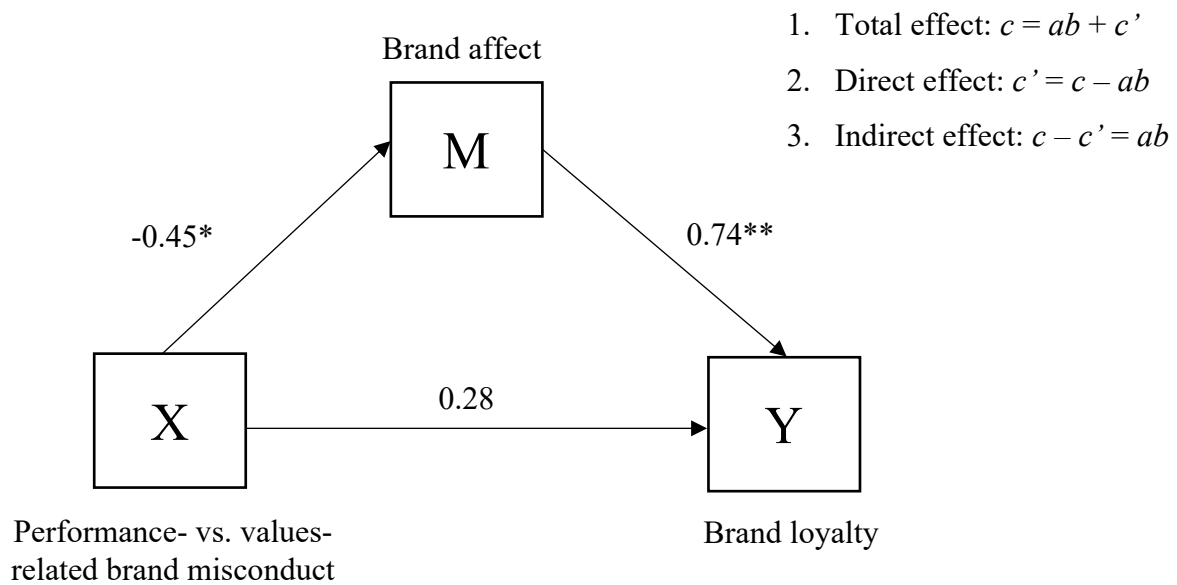
The results of the total, the direct and the indirect effect are shown in Table 12. The indirect effect is the effect of X on Y that runs through M. To test the significance of indirect effect,

bootstrapping based on 5000 bootstrap samples is used. The confidence interval does not include zero ( $LLCI = -0.650$ ,  $ULCI = -0.017$ ), which leads to a significant indirect effect. There is enough evidence to demonstrate a mediation effect of brand affect on the relationship between the type of brand misconduct and brand loyalty. This is consistent with the result of the  $b$ -path shown earlier, where the effect of  $M$  on  $Y$  is also significant. Figure 3 depicts the results in a diagram of the simple mediation model.

Table 12. Direct and indirect effect:  $X \rightarrow Y$  ( $N = 206$ ) –  $c'$  and  $ab$  path.

	$B$	$SE$	$T$	$P$	$LLCI$	$ULCI$
Direct effect of X on Y	0.28	0.18	1.61	0.109	-0.064	0.632
Indirect effect of X on Y	-0.33	0.16	-	-	-0.650	-0.017

Note. X = type of brand misconduct, Y = brand loyalty.



Note. \* $p < 0.05$ , \*\* $p < 0.001$ .

Figure 3. Diagram of the simple mediation model.

Table 13 summarizes the results for each hypothesis.

Table 13. Results per hypothesis.

Hypothesis	Status
H1: The type of brand misconduct has a significant effect on brand loyalty. In case of values-related brand misconduct, the decrease in brand loyalty will be greater than in the case of performance-related brand misconduct.	Supported
H2: The type of brand misconduct has a significant effect on brand affect. In case of values-related brand misconduct, the decrease in brand affect will be greater than in the case of performance-related brand misconduct.	Supported
H3: Brand affect mediates the effect of type of brand misconduct on brand loyalty. Brand affect is positively related to brand loyalty.	Supported
H4: Product involvement moderates the effect of performance-related vs. values-related brand misconduct on brand loyalty. The decrease in brand loyalty of products with high-involvement (low-involvement) will be greater (smaller) during a values-related brand misconduct than a performance-related brand misconduct.	Rejected

## 6. Conclusion and discussion

The chapter starts by stating the study's conclusion and answering the research question. At the end, I provide limitations and direction for future research.

### 6.1 General discussion

This research aimed to gain a better understanding of consumer reaction to brand misconduct and in particular how it affects brand loyalty. In short, an answer was sought to the following research question:

*What is the influence of performance-related vs. values-related brand misconduct on brand loyalty?*

Moreover, the study sought to provide deeper insight into the mechanisms underlying the effect of brand misconduct on brand loyalty by examining the mediating role of brand affect and the moderating role of product involvement. The results indicate that a significant direct effect of the type of brand misconduct on brand loyalty could not be found. However, the analysis showed a mediation effect of brand affect. In fact, a full mediation effect was demonstrated, meaning that the effect of type of brand misconduct on brand loyalty is entirely through brand affect. In line with the hypothesis, the type of brand misconduct has an indirect effect on brand loyalty. Furthermore, a values-related brand misconduct generates a lower level of brand affect. This is consistent with findings in the literature, where it was found that consumers were less forgiving of negative brand actions that were of an ethical nature (Trump, 2014) and perceived ethicality of consumer is positively related to brand affect (Singh et al., 2012). Next, brand affect has a positive significant effect on brand loyalty, which supports other findings in the literature (Halim, 2006; Kabadayi & Alan, 2012; Lin & Lee, 2012; Rajumesh, 2014). However, no interaction effect was revealed between product involvement and the type of brand misconduct, which indicates there is not enough evidence to speak of a moderating role of product involvement. These results build on existing evidence that brand affect has a positive influence on brand loyalty, while providing new insights that the effect of brand misconduct on brand loyalty is fully mediated by brand affect.

From a management perspective, two implications can be derived. First, brands can infer that brand affect plays a mediating role on the relationship between type of brand misconduct and



brand loyalty. Companies are always encouraged to try to prevent misconduct, but in reality it can still happen. The fact that brand affect mediates the relationship between brand misconduct and brand loyalty suggests that the emotional response to brand misconduct is an important driver of consumer behaviour. Therefore, brands should try to evoke positive emotions about their products or brand as a whole and build strong emotional ties with their customers to increase or maintain their brand affect, as this can help mitigate the negative impact of brand misbehaviour. Higher brand affect can lead to higher brand loyalty, which is beneficial for the company. Second, brands should take into account that a values-related misconduct will result in a greater decrease of brand affect than a performance-related misconduct. This will therefore lead to a greater decline in brand loyalty in the case of a values-related misconduct than in the case of a performance-related brand misconduct. Thus, companies should be particularly careful to avoid values-related misconduct, as this type of misconduct can have a significant negative impact on brand loyalty. It is suggested that companies are transparent and honest about their values and ethical standards, and take prompt action to address any problems in these areas.

## **6.2 Limitations and future research**

Needless to say, this research has several limitations that need to be considered. Regarding the internal validity of the study, not all participants were sure whether the scenario of racial discrimination was based on allegations or on facts. This may have influenced the way they answered the questions. In addition, one comment that was left on the survey, stated that a soft drink was difficult to link to product involvement. Another respondent commented that the person did not like and drink soft drinks. Hence, it should be noted here that soft drinks can be considered products that not everyone likes/drinks and with which not many consumers feel connected. These are problems that are more likely to occur with low-involvement products than with high-involvement products. Recommendation for future research would be to replicate this study with different products or to use product type instead of product involvement. For example, the effect of hedonic vs. utilitarian products could be examined.

As for external validity, some limitations should be mentioned. First, the study chose racial discrimination as values-related brand misconduct in order to gain more insight into the effects of different types of brand misconduct. However, racial discrimination is only one example of a values-related brand misconduct, which limits the generalisability of this study. Future research could therefore compare more types of brand misconduct to examine the different

effects. Second, the study used fictitious scenarios in the questionnaire. While this improves internal validity by not allowing participants to be biased by real-life incidents, it comes at the expense of external validity. Although the scenarios approached reality as closely as possible by mimicking real life situations and news articles, future research could use real cases to generalise to the real world.

Furthermore, this study examined brand loyalty and brand affect. Since consumers have to actually use the products/brands to develop brand loyalty and brand affect, future research should also investigate when consumers do not (yet) use the products. For example, purchase intention or (negative) word-of-mouth could be explored after a brand has engaged in misconduct, to see how consumers react to these instances when they do not necessarily use the brand/product. It might also be interesting to consider what response strategies companies should adopt when faced with a brand crisis. What is the best way for a company to respond and overcome a scandal? Will consumers respond differently to different response strategies? Another direction for future research could be to take into account other factors that may influence the relationship between the type of brand misconduct and brand loyalty, such as demographic or cultural differences among consumers. Gender, for example, could be an interesting area for future research to examine whether men and women respond differently to different types of brand misconduct.

Finally, no control group was implemented in this study. Although it has been shown that brand misconducts should have a negative effect on brand loyalty, future research should also include a control group to ensure this effect. Due to time constraints, it was not possible to do this in the current study, as adding a control group would have resulted in more conditions and thus more respondents. Future research could use this framework and include a control group.

## References

- 2015 Cone Communications/Ebiquity Global CSR Study – Cone. (2015). Cone. <https://conecomm.com/2015-cone-communications-ebiquity-global-csr-study/>
- Ahluwalia, R., Burnkrant, R. E., & Unnava, H. R. (2000). Consumer response to negative publicity: The moderating role of commitment. *Journal of marketing research*, 37(2), 203-214.
- Arndt, J. (1967). *Word of Mouth Advertising: A Review of the Literature*. Advertising Research Foundation.
- Baghi, I., & Gabrielli, V. (2019). The role of crisis typology and cultural belongingness in shaping consumers' negative responses towards a faulty brand. *Journal of Product & Brand Management*.
- Beldad, A. D., van Laar, E., & Hegner, S. M. (2018). Should the shady steal thunder? The effects of crisis communication timing, pre-crisis reputation valence, and crisis type on post-crisis organizational trust and purchase intention. *Journal of contingencies and crisis management*, 26(1), 150-163.
- Bloch, P. H. (1981). An exploration into the scaling of consumers' involvement with a product class. *ACR North American Advances*.
- Cakim, I. M. (2012). *Implementing word of mouth marketing: online strategies to identify influencers, craft stories, and draw customers*. [EPub], John Wiley & Sons, Inc. Doi: 10.1002/9781119203407.
- Charlett, D., Garland, R., & Marr, N. (1995). How damaging is negative word of mouth. *Marketing Bulletin*, 6(1), 42-50.
- Chaudhuri, A., & Holbrook, M. B. (2001). The chain of effects from brand trust and brand affect to brand performance: the role of brand loyalty. *Journal of marketing*, 65(2), 81-93.

- Chinomona, R. (2016). Brand communication, brand image and brand trust as antecedents of brand loyalty in Gauteng Province of South Africa. *African Journal of Economic and Management Studies*.
- Cissé-Depardon, K., & N'Goala, G. (2009). The effects of satisfaction, trust and brand commitment on consumers' decision to boycott. *Recherche et Applications en Marketing (English Edition)*, 24(1), 43-66.
- Cleeren, K., Van Heerde, H. J., & Dekimpe, M. G. (2013). Rising from the ashes: How brands and categories can overcome product-harm crises. *Journal of Marketing*, 77(2), 58-77.
- Cochrane, L., & Quester, P. (2005). Fear in advertising: The influence of consumers' product involvement and culture. *Journal of International Consumer Marketing*, 17(2-3), 7-32.
- Cone Communications. (n.d.). 2017 Cone Communications CSR Study. <https://www.cbd.int/doc/case-studies/inc/cs-inc-cone-communications-en.pdf>
- CPSC, adidas America Inc. Announce Recall of Basketball Shoes. (2004). U.S. Consumer Product Safety Commission. <https://www.cpsc.gov/Recalls/2004/cpsc-adidas-america-inc-announce-recall-of-basketball-shoes>
- Davies, G., & Olmedo-Cifuentes, I. (2016). Corporate misconduct and the loss of trust. *European Journal of Marketing*.
- Dawar, N., & Lei, J. (2009). Brand crises: The roles of brand familiarity and crisis relevance in determining the impact on brand evaluations. *Journal of Business Research*, 62(4), 509-516.
- Dean, D. H. (2004). Consumer reaction to negative publicity: Effects of corporate reputation, response, and responsibility for a crisis event. *The Journal of Business Communication* (1973), 41(2), 192-211.

- Dick, A. S., & Basu, K. (1994). Customer loyalty: toward an integrated conceptual framework. *Journal of the academy of marketing science*, 22(2), 99-113.
- Dutta, S., & Pullig, C. (2011). Effectiveness of corporate responses to brand crises: The role of crisis type and response strategies. *Journal of Business Research*, 64(12), 1281-1287.
- East, R., Hammond, K., Lomax, W., & Robinson, H. (2005). What is the effect of a recommendation?. *The Marketing Review*, 5(2), 145-157.
- Engel, J. F., Kegerreis, R. J., & Blackwell, R. D. (1969). Word-of-mouth communication by the innovator. *Journal of Marketing*, 33(3), 15-19.
- Ferreira, A. G., & Coelho, F. J. (2015). Product involvement, price perceptions, and brand loyalty. *Journal of Product & Brand Management*.
- Folkes, V. S. (1984). Consumer reactions to product failure: An attributional approach. *Journal of consumer research*, 10(4), 398-409.
- Gounaris, S., & Stathakopoulos, V. (2004). Antecedents and consequences of brand loyalty: An empirical study. *Journal of brand Management*, 11(4), 283-306.
- Gundlach, G. T., Achrol, R. S., & Mentzer, J. T. (1995). The structure of commitment in exchange. *Journal of marketing*, 59(1), 78-92.
- Halim, R. E. (2006). The effect of the relationship of brand trust and brand affect on brand performance: An analysis from brand loyalty perspective (A case of instant coffee product in Indonesia). Available at SSRN 925169.
- Hanzaee, K. H., Khoshpanjeh, M., & Rahnama, A. (2011). Evaluation of the effects of product involvement facets on brand loyalty. *African Journal of Business Management*, 5(16), 6964-6971.
- Hayes, A. F. (2017). *Introduction to mediation, moderation, and conditional process analysis: A regression-based approach*. Guilford publications.

- Hennig-Thurau, T., Gwinner, K. P., Walsh, G., & Gremler, D. D. (2004). Electronic word-of-mouth via consumer-opinion platforms: what motivates consumers to articulate themselves on the internet?. *Journal of interactive marketing, 18*(1), 38-52.
- Hochgraeffe, C., Faulk, S., & Vieregge, M. (2012). Links between Swiss hotel guests' product involvement and brand loyalty. *Journal of Hospitality Marketing & Management, 21*(1), 20-39.
- Hsiao, C. H., Shen, G. C., & Chao, P. J. (2015). How does brand misconduct affect the brand–customer relationship?. *Journal of Business Research, 68*(4), 862-866.
- Huber, F., Meyer, F., Vogel, J., & Vollmann, S. (2011). Corporate social performance as antecedent of consumer's brand perception. *Journal of Brand Management, 19*(3), 228-240.
- Huber, F., Vogel, J., & Meyer, F. (2009). When brands get branded. *Marketing theory, 9*(1), 131-136.
- Huber, F., Vollhardt, K., Matthes, I., & Vogel, J. (2010). Brand misconduct: Consequences on consumer–brand relationships. *Journal of Business Research, 63*(11), 1113-1120.
- Hupfer, N. T., & Gardner, D. M. (1971). Differential involvement with products and issues: An exploratory study. *ACR Special Volumes*.
- Insch, A., & Black, T. (2018). Does corporate social responsibility cushion unethical brand behavior? Insights from chocolate confectionery. *Journal of Public Affairs, 18*(3), e1853.
- Jacoby, J., & Kyner, D. B. (1973). Brand loyalty vs. repeat purchasing behavior. *Journal of Marketing research, 10*(1), 1-9.
- Jones, T. M. (1980). Corporate social responsibility revisited, redefined. *California management review, 22*(3), 59-67.

- Jung, L. H., & Soo, K. M. (2012). The effect of brand experience on brand relationship quality. *Academy of Marketing Studies Journal*, 16(1), 87.
- Kabadayi, E. T., & Alan, A. K. (2012). Brand trust and brand affect: Their strategic importance on brand loyalty. *Journal of Global Strategic Management*, 11(6), 81-88.
- Katz, Elihu, Lazarfeld, Paul F. (1955), *Personal Influence*. Glencoe, IL: Free Press.
- Keaveney, S. M. (1995). Customer switching behavior in service industries: An exploratory study. *Journal of marketing*, 59(2), 71-82.
- Kietzmann, J., & Canhoto, A. (2013). Bittersweet! Understanding and managing electronic word of mouth. *Journal of Public Affairs*, 13(2), 146-159.
- Lau, G. T., & Lee, S. H. (1999). Consumers' trust in a brand and the link to brand loyalty. *Journal of Market-Focused Management*, 4(4), 341-370.
- Lin, M. Q., & Lee, B. C. (2012). The influence of website environment on brand loyalty: Brand trust and brand affect as mediators. *International Journal of Electronic Business Management*, 10(4), 308.
- Mittal, B. (1989). Measuring purchase-decision involvement. *Psychology & Marketing*, 6(2), 147-162.
- Moir, L. (2001). What do we mean by corporate social responsibility?. *Corporate Governance: The international journal of business in society*.
- Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of marketing*, 58(3), 20-38.
- Oliver, R. L. (1999). Whence consumer loyalty?. *Journal of marketing*, 63(4\_suppl1), 33-44.

- Park, S. Y., & Lee, S. W. (2013). Effects of a perceived brand crisis on product evaluation and purchase intention: The moderating roles of brand credibility and brand attachment. *Journal of Global Scholars of Marketing Science*, 23(2), 213-226.
- Park, C. W., & Moon, B. J. (2003). The relationship between product involvement and product knowledge: Moderating roles of product type and product knowledge type. *Psychology & Marketing*, 20(11), 977-997.
- Paul, K. (2022, February 23). *Black workers accused Tesla of racism for years. Now California is stepping in.* The Guardian.  
<https://www.theguardian.com/technology/2022/feb/18/tesla-california-racial-harassment-discrimination-lawsuit>
- Pullig, C., Netemeyer, R. G., & Biswas, A. (2006). Attitude basis, certainty, and challenge alignment: A case of negative brand publicity. *Journal of the Academy of Marketing Science*, 34(4), 528-542.
- Quester, P., & Lim, A. L. (2003). Product involvement/brand loyalty: is there a link?. *Journal of product & brand management*.
- Rajumesh, S. (2014). The impact of consumer experience on brand loyalty: The mediating role of brand attitude. *International Journal of Management and Social Sciences Research (IJMSSR)*, 3(1), 73-79.
- Richins, Marsha L. (1983), "Negative word-of-mouth by dissatisfied consumers: A pilot study." *Journal of Marketing*. 47(1), 68-78.
- Richins, M. L., & Bloch, P. H. (1986). After the new wears off: The temporal context of product involvement. *Journal of Consumer research*, 13(2), 280-285.
- Roehm, M. L., & Brady, M. K. (2007). Consumer responses to performance failures by high-equity brands. *Journal of Consumer Research*, 34(4), 537-545.



- Rychalski, A., & Hudson, S. (2017). Asymmetric effects of customer emotions on satisfaction and loyalty in a utilitarian service context. *Journal of Business Research*, 71, 84-91.
- Shaw, C., & Ivens, J. (2002). *Building great customer experiences* (Vol. 241). London: Palgrave.
- Simoos, I., & Agante, L. (2014). The impact of event sponsorship on Portuguese children's brand image and purchase intentions: The moderator effects of product involvement and brand familiarity. *International Journal of Advertising*, 33(3), 533-556.
- Singh, J. J., Iglesias, O., & Batista-Foguet, J. M. (2012). Does having an ethical brand matter? The influence of consumer perceived ethicality on trust, affect and loyalty. *Journal of business ethics*, 111(4), 541-549.
- Suh, J. C., & Youjae, Y. (2006). When brand attitudes affect the customer satisfaction-loyalty relation: The moderating role of product involvement. *Journal of consumer psychology*, 16(2), 145-155.
- Swan, J. E., & Combs, L. J. (1976). Product performance and consumer satisfaction: a new concept: an empirical study examines the influence of physical and psychological dimensions of product performance on consumer satisfaction. *Journal of marketing*, 40(2), 25-33.
- Thakkar, A. (2021, December 13). *This Coca-Cola Recall Affects 7,000+ Cases in at Least 8 States—Here's What to Look For*. Taste of Home.  
<https://www.tasteofhome.com/article/coca-cola-recall/>
- Trump, R. K. (2014). Connected consumers' responses to negative brand actions: The roles of transgression self-relevance and domain. *Journal of Business Research*, 67(9), 1824-1830.
- Wangenheim, F. V. (2005). Postswitching negative word of mouth. *Journal of service research*, 8(1), 67-78.

- Ward, J. C., & Ostrom, A. L. (2006). Complaining to the masses: The role of protest framing in customer-created complaint web sites. *Journal of consumer Research*, 33(2), 220-230.
- Warrington, P., & Shim, S. (2000). An empirical investigation of the relationship between product involvement and brand commitment. *Psychology & Marketing*, 17(9), 761-782.
- Woo, H., Jung, S., & Jin, B. E. (2020). How far can brands go to defend themselves? The extent of negative publicity impact on proactive consumer behaviors and brand equity. *Business Ethics: A European Review*, 29(1), 193-211.
- Zaichkowsky, J. L. (1986). Conceptualizing involvement. *Journal of advertising*, 15(2), 4-34.
- Zaichkowsky, J. L. (1987). The emotional affect of product involvement. *ACR North American Advances*.
- Zaichkowsky, J. L. (1994). The personal involvement inventory: Reduction, revision, and application to advertising. *Journal of advertising*, 23(4), 59-70.

## Appendix A. Survey pre-test

---

### Start of Block: Introduction

Dear respondent,

Welcome and thank you for your time to participate in my survey.

This survey is part of my Master's thesis in Marketing at Erasmus University Rotterdam. It will take approximately 10 minutes to complete the questionnaire. Your participation is completely voluntary, which means you can stop at any time. Your answers are anonymous and there are no wrong answers possible. The data will be used for academic purposes only.

If you have any questions or comments about the survey or study, please don't hesitate to contact me: [457178bg@student.eur.nl](mailto:457178bg@student.eur.nl).

P.S.: This survey contains credits to get free survey responses at [SurveySwap.io](https://www.surveymonkey.com) and [SurveyCircle.com](https://www.surveymonkey.com)

Please click below to begin the survey. By doing so, you agree that you understand the purpose of this survey and that you are participating in this study voluntarily.

I agree (1)

I do not agree (2)

### End of Block: Introduction

---

### Start of Block: Before survey

This survey consists of two parts. In the first part of the survey you will be asked to evaluate 10 products. Please imagine you were going to buy these products or think of the last time you bought them. Then indicate to what extent the following statements are true for you.

### End of Block: Before survey

From here, participants rated the ten products on the following statements.

---

Start of Block: Ice cream

Q1 To me, ice cream / soft drink / chocolate / chewing gum / toothpaste / jeans / shoes /  
fragrance / a mobile phone / a watch is/are:

	1	2	3	4	5	6	7	
Important	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Unimportant
Irrelevant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Relevant
Means a lot to me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Means nothing to me
Valuable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Worthless
Boring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Interesting
Unexciting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Exciting
Appealing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Unappealing
Mundane	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Fascinating
Not needed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Needed
Involving	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Uninvolving

End of Block: Ice cream

---

Start of Block: Attention check

Please indicate your agreement with the following statement.

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
This is an attention check. Please select 'Strongly agree'.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block: Attention check

---

Start of Block: Break

You have come to the second and final part of the survey! You are asked to evaluate 5 types of crises that companies may face.

End of Block: Break

---

Start of Block:

Intro1 Imagine you read the following article about Company X. This article states that Company X is facing backlash because it is **polluting the environment** during its production process.

---

Intro2 Imagine you are scrolling through your news feed on your phone and you come across the following article about Company X. This article states that Company X is facing backlash after it had to recall thousands of its products because consumers found **defective materials** in them.

---

Intro3 Imagine you are scrolling through your news feed on your phone and you come across the following article about Company X. This article states that Company X is facing backlash because the company uses **child labour** in its production.

---

Intro4 Imagine you are scrolling through your news feed on your phone and you come across the following article about Company X. This article states that Company X is facing backlash after being accused of **racism** by showing racist stereotypes in a recent campaign.

---

Intro5 Imagine you are scrolling through your news feed on your phone and you come across the following article about Company X. This article states that Company X is facing backlash because managers have been **sexually harassing** their employees.

---

Q11 Please indicate to what extent you agree with the following statements:

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
Environmental pollution is a major problem. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This is an attention check. Please select 'Strongly disagree'. (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environmental pollution is significant. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environmental pollution is severe. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

---

Q12 Please indicate to what extent you agree with the following statements:

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
In my opinion, Company X is responsible for the environmental pollution. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In my opinion, Company X should be held accountable for the environmental pollution. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This incident is the fault of Company X. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Q13 Please indicate to what extent you agree with the following statements:

	Definitely not (1)	Not (2)	Probably not (3)	Might or might not (4)	Probably yes (5)	Yes (6)	Definitely yes (7)
Environmental pollution is related to the product performance of the company. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environmental pollution is related to the values of the company. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block:

Start of Block:

Q14 Please indicate to what extent you agree with the following statements:

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
[The incident] is a major problem. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
[The incident] is significant. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
[The incident] is severe. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Q15 Please indicate to what extent you agree with the following statements:

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
In my opinion, Company X is responsible for [the incident]. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In my opinion, Company X should be held accountable for [the incident]. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This incident is the fault of Company X. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q16 Please indicate to what extent you agree with the following statements:

	Definitely not (1)	Not (2)	Probably not (3)	Might or might not (4)	Probably yes (5)	Yes (6)	Definitely yes (7)
[The incident] is related to the product performance of the company. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
[The incident] is related to the values of the company. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block: Defective materials

---

## Appendix B. Main survey

---

Start of Block: Introduction

Dear respondent,

Welcome and thank you for taking the time to fill in my survey.

You are invited to participate in a study that examines the effect of brand misconduct on consumers and the role of product involvement. This survey is part of my Master's thesis in Marketing at Erasmus University Rotterdam. It will take approximately 3-5 minutes to complete the questionnaire. Your participation is completely voluntary, which means you can stop at any time. Your answers are anonymous and there are no wrong answers possible. The data will be used for academic purposes only.

If you have any questions or comments about the survey or study, please don't hesitate to contact me: [457178bg@student.eur.nl](mailto:457178bg@student.eur.nl).

P.S.: This survey contains credits to get free survey responses at [SurveySwap.io](https://SurveySwap.io) and [SurveyCircle.com](https://SurveyCircle.com)

Please click below to begin the survey. By doing so, you agree that you understand the purpose of this survey and that you are participating in this study voluntarily.

- I agree (1)
- I do not agree (2)

End of Block: Introduction

---

Start of Block:

Condition 1 & 3

Imagine that you are going to buy a **soft drink** or think about the last time you bought one.  
Please rate the product on the following statements.

Condition 2 & 4

Imagine that you are going to buy new **shoes** or think of the last time you bought them.  
Please rate the product on the following statements.

ProdInv In my opinion, soft drink is/shoes are:

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)	
Important	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Unimportant
Irrelevant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Relevant
Means a lot to me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Means nothing to me
Valuable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Worthless
Boring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Interesting
Unexciting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Exciting
Appealing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Unappealing
Mundane	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Fascinating
Not needed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Needed
Involving	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Uninvolving

ProductCheck What product have you been asked to evaluate?

Soft drink (1)

Fragrance (2)

Shoes (3)

---

Page Break

Text condition 1

**Please read the following text carefully before answering the next questions.**

Think of your favourite soft drink brand or the brand you buy most often. Let's call it brand X. Imagine you are scrolling through your news feed on your phone and you come across the following article about brand X. The title of the article says that brand X is recalling its drinks because of foreign objects. You read on and find out that the products can contain pieces of plastic or metal. The brand discovered this risk because several customers complained about it. Exposure to the product can have temporary or medically reversible adverse health effects.

Text condition 2

**Please read the following text carefully before answering the next questions.**

Think of your favourite shoe brand or the brand you buy most often. Let's call it brand X. Imagine you are scrolling through your news feed on your phone and you come across the following article about brand X. The title of the article says that brand X is recalling its shoes. You read on and find out that part of the sole can become loose or tear during the first few uses, which can lead to injuries. The brand has received several reports of injuries from customers involving these shoes, including sprained ankles.

Text condition 3

**Please read the following text carefully before answering the next questions.**

Think of your favourite soft drink brand or the brand you buy most often. Let's call it brand X. Imagine you are scrolling through your news feed on your phone and you come across the following article about brand X. The title of the article says that employees have accused brand X of racism. You read on and learn that brand X has been hit with several discrimination lawsuits. Employees of brand X reported being harassed, bullied by a supervisor, told racial slurs and given the most physically demanding jobs.

Text condition 4

**Please read the following text carefully before answering the next questions.**

Think of your favourite shoe brand or the brand you buy most often. Let's call it brand X. Imagine you are scrolling through your news feed on your phone and you come across the following article about brand X. The title of the article says that employees have accused brand X of racism. You read on and learn that brand X has been hit with several discrimination lawsuits. Employees of brand X reported being harassed, bullied by a supervisor, told racial slurs and given the most physically demanding jobs.

-----

Page Break

---

Condition 1 & 3

CrisisCheck What issue is brand X involved in?

- Polluting the environment (1)
- Foreign objects in products (2)
- Racial discrimination (3)

Condition 2 & 4

CrisisCheck What issue is brand X involved in?

- Polluting the environment (1)
  - Soles of shoes which become loose or tear up (2)
  - Racial discrimination (3)
- 

Page Break

---

Severity After reading the text about brand X, please indicate to what extent you agree with the following statements:

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
The issue involving brand X is a major problem. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The issue involving brand X is a significant problem. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The issue involving brand X is severe. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

-----

Blame After reading the text about brand X, please indicate to what extent you agree with the following statements:

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
In my opinion, brand X is responsible for this incident. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In my opinion, brand X should be held accountable for this incident. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This incident is the fault of brand X. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

-----



Crisis After reading the text about brand X, please indicate to what extent you agree with the following statements:

	Definitely not (1)	Not (2)	Probably not (3)	Might or might not (4)	Probably yes (5)	Yes (6)	Definitely yes (7)
The issue involving brand X is related to the product performance of the company. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The issue involving brand X is related to the ethical values of the company. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Page Break

Affect After reading the text about brand X, please indicate to what extent you agree with the following statements:

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
I feel good when I use brand X (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand X makes me happy (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand X gives me pleasure (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Loyalty After reading the text about brand X, please indicate to what extent you agree with the following statements:

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
I will buy brand X the next time I buy a soft drink (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I intend to keep purchasing brand X (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am committed to brand X (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would be willing to pay a higher price for brand X over other brands (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block:

---

Start of Block: Demographics

AGE What is your age?

Under 18 (1)

18-24 (2)

25-34 (3)

35-44 (4)

45-54 (5)

55-64 (6)

65 or older (7)



GENDER What is your gender?

Male (1)

Female (2)

Non-binary / third gender (3)

Prefer not to say (4)

Other (5) \_\_\_\_\_



EDUCATION What is the highest level of education you have completed?

- Less than high school (1)
- High school (2)
- Secondary vocational education (3)
- Higher professional education (4)
- Bachelor's degree (University) (5)
- Master's degree (University) (6)
- PhD or Doctorate (7)
- Other (8) \_\_\_\_\_



EMPLOY What is your current employment status?

- Working full-time (1)
  - Working part-time (2)
  - Self-employed (3)
  - Unemployed looking for work (4)
  - Unemployed not looking for work (5)
  - Retired (6)
  - Student (7)
  - Other (8) \_\_\_\_\_
- 



COUNTRY In which country do you currently reside?

▼ Afghanistan (1) ... Other (194)

End of Block: Demographics

---

Start of Block: Comments

Comments If you have any suggestions or comments on the survey, please feel free to leave them here (this is not obligatory).

---

End of Block: Comments

---

## Appendix C. Results of the pre-test

### One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Ice involvement	29	4.0862	1.29221	.23996
Soft drink involvement	29	3.1310	1.21981	.22651
Chocolate involvement	29	4.0241	1.35189	.25104
Chewing gum involvement	29	3.3552	1.18007	.21913
Toothpaste involvement	29	4.8655	.97771	.18156
Jeans involvement	29	4.9517	.96829	.17981
Shoes involvement	29	5.4586	.85336	.15847
Fragrance involvement	29	5.1448	1.29631	.24072
Mobile phone involvement	29	5.9552	.83435	.15493
Watch involvement	29	4.1138	1.32873	.24674

Figure C1. Product involvement per product.

### One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Environmental pollution severity	29	6.4483	.75738	.14064
Defective materials severity	29	5.3563	.92980	.17266
Child labour severity	29	6.4598	.86563	.16074
Racism severity	29	6.4368	.83144	.15440
Sexual harassment severity	29	6.4713	.74278	.13793

Figure C2. Severity per scenario.

### One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Environmental pollution blame	29	6.3448	.77911	.14468
Defective materials blame	29	5.7931	.82334	.15289
Child labour blame	29	6.2529	.84353	.15664
Racism blame	29	5.6552	1.33774	.24841
Sexual harassment blame	29	5.6322	1.01319	.18814

Figure C3. Attribution of blame to the company per scenario.

### One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Environmental pollution is related to the product performance of the company.	29	5.41	1.615	.300
Defective materials is related to the product performance of the company.	29	5.86	.915	.170
Child labour is related to the product performance of the company.	29	5.21	1.934	.359
Racism is related to the product performance of the company.	29	4.38	1.781	.331
Sexual harassment is related to the product performance of the company.	29	4.07	1.710	.318

Figure C4. Performance-relatedness per scenario.

### One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Environmental pollution is related to the values of the company.	29	5.69	1.072	.199
Defective materials is related to the values of the company.	29	4.59	1.452	.270
Child labour is related to the values of the company.	29	5.59	1.659	.308
Racism is related to the values of the company.	29	5.69	1.257	.233
Sexual harassment is related to the values of the company.	29	5.45	1.298	.241

Figure C5. Values-relatedness per scenario.



## Appendix D. Results of the main survey

Table D1: Complete respondents' demographic information

		<i>N</i>	%
Age	18-24	121	58.7%
	25-34	65	31.6%
	Under 18	9	4.4%
	35-44	7	3.4%
	45-54	3	1.5%
	55-64	1	0.5%
Gender	Female	109	5.3%
	Male	94	4.6%
	Prefer not to say	2	1%
	Non-binary / third gender	1	0.5%
Highest level of education	Bachelor's degree (University)	78	37.9%
	Master's degree (University)	59	28.6%
	High school	32	15.5%
	Higher professional education	24	11.7%
	Less than high school	5	2.4%
	Secondary vocational education	5	2.4%
	PhD or Doctorate	2	1%
	Other	1	0.5%
Employment status	Student	120	58.3%
	Working full-time	54	26.2%
	Working part-time	20	9.7%
	Self-employed	4	1.9%
	Unemployed looking for work	4	1.9%
	Other	2	1%
	Unemployed not looking for work	1	0.5%
	Retired	1	0.5%
Countries	Netherlands	114	55.3%
	United Kingdom of Great Britain and Northern Ireland	29	14.1%
	United States of America	24	11.7%

Australia	6	2.9%
Germany	5	2.4%
Belgium	4	1.9%
Pakistan	3	1.5%
Canada	2	1%
Spain	2	1%
Bosnia and Herzegovina	1	0.5%
China	1	0.5%
Czech Republic	1	0.5%
Finland	1	0.5%
Greece	1	0.5%
Grenada	1	0.5%
India	1	0.5%
Ireland	1	0.5%
Italy	1	0.5%
Malaysia	1	0.5%
Morocco	1	0.5%
Portugal	1	0.5%
Romania	1	0.5%
Russian Federation	1	0.5%
Slovakia	1	0.5%
South Africa	1	0.5%
Switzerland	1	0.5%

**Group Statistics**

	Type of product	N	Mean	Std. Deviation	Std. Error Mean
Product involvement	Soft drink	102	3.7000	1.31661	.13036
	Shoes	104	5.2288	.74386	.07294

Figure D1. Product involvement per product

**Group Statistics**

	Type of brand misconduct	N	Mean	Std. Deviation	Std. Error Mean
Severity	Performance	105	5.7397	1.15376	.11260
	Values	101	6.0495	1.02782	.10227
Blame	Performance	105	5.9619	1.07349	.10476
	Values	101	5.4554	1.25408	.12479
CRISISPERF- The issue involving brand X is related to the product performance of the company.	Performance	105	5.31	1.470	.143
	Values	101	3.23	1.496	.149
CRISISVALU- The issue involving brand X is related to the ethical values of the company.	Performance	105	4.03	1.667	.163
	Values	101	5.94	1.047	.104

Figure D2. Descriptive statistics severity, blame attribution to the company, performance-relatedness and values-relatedness per scenario.

**Report**

Brand loyalty		Mean	N	Std. Deviation	Minimum	Maximum
Type of brand misconduct	Type of product					
Performance	Soft drink	2.6944	54	1.45017	1.00	7.00
	Shoes	3.6225	51	1.41807	1.00	5.75
	Total	3.1452	105	1.50191	1.00	7.00
Values	Soft drink	2.8906	48	1.62257	1.00	7.00
	Shoes	2.9245	53	1.31521	1.00	7.00
	Total	2.9084	101	1.46190	1.00	7.00
Total	Soft drink	2.7868	102	1.52917	1.00	7.00
	Shoes	3.2668	104	1.40442	1.00	7.00
	Total	3.0291	206	1.48357	1.00	7.00

Figure D3. Descriptive statistics brand loyalty.

**PROCESS macro model 5**

Run MATRIX procedure:

\*\*\*\*\* PROCESS Procedure for SPSS Version 3.5.3 \*\*\*\*\*

Written by Andrew F. Hayes, Ph.D.    [www.afhayes.com](http://www.afhayes.com)

Documentation available in Hayes (2018). [www.guilford.com/p/hayes3](http://www.guilford.com/p/hayes3)

\*\*\*\*\*

Model: 5

Y: LOYALTY

X: Miscon2

M: AFFECT

W: Product2

Sample

Size: 206

\*\*\*\*\*

OUTCOME VARIABLE:

AFFECT

Model Summary

R	R-sq	MSE	F	df1	df2	p
.1420	.0202	2.4718	4.1993	1.0000	204.0000	.0417

Model

	coeff	se	t	p	LLCI	ULCI
constant	3.8286	.1534	24.9529	.0000	3.5261	4.1311
Miscon2	-.4490	.2191	-2.0492	.0417	-.8811	-.0170

\*\*\*\*\*

OUTCOME VARIABLE:

LOYALTY

Model Summary

R	R-sq	MSE	F	df1	df2	p
.8047	.6476	.7910	92.3471	4.0000	201.0000	.0000

Model

	coeff	se	t	p	LLCI	ULCI
constant	.1500	.1840	.8155	.4158	-.2128	.5128
Miscon2	.2841	.1765	1.6097	.1090	-.0639	.6321

AFFECT	.7400	.0403	18.3614	.0000	.6606	.8195
Product2	.3335	.1767	1.8875	.0605	-.0149	.6818
Int_1	-.3843	.2497	-1.5392	.1253	-.8766	.1080

Product terms key:

Int\_1 : Miscon2 x Product2

Test(s) of highest order unconditional interaction(s):

	R2-chng	F	df1	df2	p
X*W	.0042	2.3691	1.0000	201.0000	.1253

\*\*\*\*\* DIRECT AND INDIRECT EFFECTS OF X ON Y  
\*\*\*\*\*

Conditional direct effect(s) of X on Y:

Product2	Effect	se	t	p	LLCI	ULCI
.0000	.2841	.1765	1.6097	.1090	-.0639	.6321
1.0000	-.1002	.1775	-.5645	.5731	-.4501	.2498

Indirect effect(s) of X on Y:

Effect	BootSE	BootLLCI	BootULCI
AFFECT	-.3323	.1613	-.6498

\*\*\*\*\* ANALYSIS NOTES AND ERRORS  
\*\*\*\*\*

Level of confidence for all confidence intervals in output:

95.0000

Number of bootstrap samples for percentile bootstrap confidence intervals:

5000

----- END MATRIX -----