## The Balenciaga Controversy

# The impact of crisis responsibility, crisis involvement, and pre-crisis reputation on consumer satisfaction 

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Master ThesisJune 2023
Word Count: ..... 14514 words

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#### Abstract

A consistent number of organizational crises occurred in recent decades, attracting major negative attention toward the incriminated companies. Due to the increased frequency of unexpected events impacting corporations, the field of crisis communication has become increasingly crucial to research. Crises generally produce negative outcomes, threatening a company's reputation as well as stakeholders' perceptions and expectations. In this study, the controversy of the luxury fashion house of Balenciaga related to child abuse and pedophilia accusations was investigated. Since previous studies tended to overlook stakeholders' perceptions of negative events, there is a greater need in the field to investigate consumers' perceptions of crisis. For this reason, the focus of this research is to analyze how the crisis may alter consumers' satisfaction with Balenciaga, based on their perception of three factors, crisis responsibility, crisis involvement, and pre-crisis reputation, while considering the possible moderation effect of familiarity with the brand. This research is grounded on the Situational Crisis Communication Theory (SCCT) which also introduces two of the three factors object of the study. Furthermore, the research meets the call for adding crisis involvement to SCCT dynamics and the possible moderation effect of individual-related brand familiarity. Finally, the effect is tested on consumer satisfaction which is a variable rarely investigated in a crisis context.

Using a quantitative methodology, an online survey was distributed to research whether the three proposed factors have an impact on consumer satisfaction. The survey was realized using the online platform Qualtrics and then the outcomes were analyzed through the software SPSS statistics. The results confirmed the previous study's findings about responsibility and prior reputation. Crisis responsibility, in particular, has a significant negative impact on the dependent variable, as does pre-crisis reputation, which is positively correlated with consumer satisfaction. Additionally, no significant impact was found between crisis involvement and consumer satisfaction. Although $62.2 \%$ of respondents declared to be familiar with the brand, the study's results reject the moderating effect of brand familiarity on the correlations between all three independent variables and consumer satisfaction. More extended research should be conducted to further develop the field by investigating the interaction of new potential dependent and independent variables such as purchase intention and post-crisis reputation.


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## 1. Introduction

In light of the statement affirming "no organization is immune from a crisis" (Coombs, 2010, p.17), Balenciaga was not the exception to the rule. In November 2022, the luxury fashion house, currently owned by Kering, went through a massive scandal due to the release of two campaigns. The first advertisement, part of the Balenciaga Gift Shop campaign, was portraying six children handling teddy bears in bondage harnesses and leather costumes. The kids were surrounded, and therefore juxtaposed, with tools that reminded bondage paraphernalia and the BDSM imaginary (Paton et al., 2022). Lately, the brand released the Garde-Robe campaign, where the Hourglass handbag was resting on some Supreme Court documents regarding child pornography. The backlash against the brand and consumers' wrath was swift and large-scale, with the hashtag \#cancelBalenciaga trending online. Balenciaga has delayed managing the controversy by withdrawing the ad campaigns from its main website. Consumers' anger was only inflamed by such attempts and this move was seen by the public as a strategy to shift the blame (Tfl, 2022). After starting and then withdrawing the lawsuit against the agency responsible for the campaign's set, Balenciaga assumes full responsibility for the first campaign via Instagram, declaring that the campaign should not have been featured with children and the subsequent failure in images assessment, as well as for the second campaign in which they take accountability for their lack of control over the documents in the background (Balenciaga, 2022). By combining the two separate campaigns, consumers were accusing the whole fashion house of supporting pedophilia and child abuse, romanticizing and glamourizing violence against minors.

Due to the rise in the frequency of crises, the field of crisis communication has been increasingly investigated in recent decades (Mak \& Song, 2019). Previous research indicated that negative crisis events, the type of crisis occurred as well as its degree of severity and management procedures may influence consumer perception of satisfaction with a company and its actions (Bowen et al, 2018; Kim, 2019; Yu et al., 2022; Coombs, 2022). Indeed, all the damaging events that occurred led to addressing the Balenciaga controversy as a crisis, an unpredictable danger that threatens a company and its reputation, adversely damaging stakeholders' expectations, and aftereffects (Coombs, 2007a; Coombs, 2010). The Balenciaga scandal was utterly unexpected, producing negative outcomes for stakeholders, in terms of the company's loss of reputation and the damage to consumers' satisfaction with the brand and its product. Therefore, it is becoming crucial to investigate how consumers tend to perceive and
react to crises since consumers' behaviors and satisfaction are seriously affected by organizations' actions (Bowen et al, 2018).

Previous research clearly showed that the majority of attention has generally been concentrated on the organizational dimension, seeking to determine the most efficient response strategies to better confront a crisis event, while overlooking stakeholders' perception of those negative events and their reaction along with behavioral intentions and satisfaction with the brand (Bowen et al, 2018). To support organizations in crisis management and to gauge how stakeholders perceived a crisis, the Situational Crisis Communication Theory (SCCT) was developed (Coombs, 2007a, 2022). This theory defines different factors that can impact the perception of the crisis on corporations and consumers, for instance, on their satisfaction with the brand (Coombs, 2022). Accordingly, previous research indicates that consumer satisfaction is a key predictor of long-term business profitability, future successful businesses, and behavioral intentions (Nam et al., 2011; Fernandes \& Moreira, 2019). Indeed, if the crisis is perceived as severe, consumers may be more likely to switch to a competitor or spread negative word of mouth among their connections (Mafael et al., 2022). Previous studies underlined the importance of crisis-related factors as important predictors of crisis outcomes and perceptions. Despite being already studied separately (Choi \& Lin, 2009a; Claeys \& Cauberghe, 2015; Coombs, 2007a, 2022; Coombs \& Holladay, 2001; McDonald \& Hartel, 2000) crisis responsibility, crisis involvement, and pre-crisis reputation have never been analyzed in the same study. Thus, incorporating them together can provide a comprehensive and holistic picture of their interactions to better investigate how consumers perceive a crisis and respond to the latter. Each of these factors assists in gaining deeper knowledge and further expanding theories in the field of crisis communication, by examining their impact on consumer satisfaction both separately and combined. Although these factors have been overlooked in previous research (Coombs \& Holladay, 2001), they appear to be important to address in such a relevant and significant case. Therefore, this study contributes to advance existing research and to deeply understand how these three factors interact, by exploring their interplay and combined effects on consumer satisfaction and perception of crises. Moreover, since the nature of the crisis has been identified as a preventable crisis caused by human error (Coombs, 2022), all three factors show clear relevance to the Balenciaga case. In addition, earlier research showed that preventable crises have a greater impact on consumer satisfaction, leading to a decrease in the company's reputation (Sengupta et al., 2015). Therefore, this study aims to investigate how
consumers' satisfaction with Balenciaga may be altered by the crisis, based on their perception of three factors, crisis responsibility, crisis involvement, and pre-crisis reputation, considering the possible moderation effect of familiarity with the brand. Consequently, the following research question can be formulated:

## RQ: How do crisis responsibility, crisis involvement, and pre-crisis reputation affect consumers' satisfaction with Balenciaga after its scandal? To what extent does brand familiarity moderate this relationship?

Due to the scarcity of research involving consumer variables and investigating consumers' perception of crisis (Bowen et al., 2018), Choi and Lin (2009a) underlined the importance of doing research on the consumer perspective of perceiving a crisis and its impact on a company's reputation. Indeed, this study meets the call for research on the public's perception of crisis, investigating how individuals may be potentially affected by negative events as well as their potential perception and influence of SCCT's dynamics (Choi \& Lin, 2009b). The study intended to investigate potentially affected stakeholders in a real case scenario, therefore employing a real organization crisis as the one analyzed in this study (Choi \& Lin, 2009b). Moreover, this study meets the call of previous research to incorporate the key factor of perceived crisis involvement in SCCT theory since it has been recognized as a potential strong predictor (Coombs \& Holladay, 2007) as well as the role of consumers' familiarity with the company during crisis situations (Dawar \& Lei, 2009). Hence, given the lack of insights into individuals' perceptions and reactions to crisis (Lee, 2004), this study contributes to existing research by examining a recent and real company crisis scenario including both individual and company factors, which have been previously investigated separately but not in the same study (McDonald \& Hartel, 2000; Coombs \& Holladay, 2001, 2007; Lee, 2004; Choi \& Lin, 2009a, 2009b; Claeys \& Cauberghe, 2015; Coombs, 2007a, 2022;).

As crises have become extremely common and damaging for companies, the necessity for well-prepared crisis management is essential (Mak \& Song, 2019; Li \& Wei, 2016). Indeed, communication and crisis managers should take carefully into account how the media depicts a crisis and the company involved, since it is expected that stakeholders would perceive the crisis in the same way as the media describes it (Choi \& Lin, 2009a). In addition, previous studies recognised the importance for marketers of investigating the role of brand familiarity in crisis to gain more insights about how to mitigate the negative outcomes (Dawar
\& Lei, 2009; Liang \& Fu, 2021). Based on the future survey results, relevant implications can be considered for corporations and to support professionals with an evidence-based approach (Coombs, 2010, 2022); thus, managers can gain insights about which factors may alter consumers' satisfaction with the brand, providing knowledge for managerial evidence. Overall, by investigating which factors impact consumer satisfaction during a crisis, managers and organizations can deploy proactive measures to ease the crisis negative effects on stakeholders' crisis perception and future behaviours.

## 2. Theoretical Framework

This research aims to investigate to what extent the Balenciaga scandal may affect consumer satisfaction with the brand. In order to deeply understand the crisis dynamics, the effect on consumers' satisfaction will be measured accordingly to three crisis factors: crisis responsibility, crisis involvement, and pre-crisis reputation. In the following chapter, the relevant theories that ground the research will be explored and examined. Every section addresses the theoretical framework behind each concept, applying it to our case study: the Balenciaga scandal. The study's hypotheses will be provided at the end of each one and then summarized with a visual overview.

### 2.1. Crisis Communication

The objective of this study is to determine whether the three factors have an impact and can potentially alter consumer satisfaction toward the brand after the crisis that happened in November 2022. Notably, three factors belonging to the crisis communication theory have been analyzed in relation to consumers' satisfaction in order to establish the basis for the research. The corporate world is no stranger to major crises; indeed, the number of business scandals that have occurred in recent years has raised and extended to virtually every industry (Doorley \& Garcia, 2020; Mak \& Song, 2019).

As mentioned before, a crisis has been defined by Coombs (2007b) as "the perception of an unpredictable event that threatens important expectancies of stakeholders and can seriously impact an organization's performance and generate negative outcomes" (p.2). The negative potential, possibly prevented by crisis managers, should not be interpreted as restricting possible damage to the company; conversely, stakeholders might be regarded as the most critical 'negative outcomes’ (Coombs, 2007b). Hence, any kind of stakeholder such as employees, customers, investors, or shareholders can be impaired psychologically, financially, and physically (Coombs, 2007b). Overall, a crisis can be considered a major threat with severe consequences and damage to all organization's aspects: the organization itself, stakeholders, and the industry (Coombs, 2007c). The unexpected situation might also result in a subgroup of stakeholders known as victims, who are negatively impacted by the crisis, even though stakeholders are typically impacted as non-victims (Coombs \& Holladay, 2007). Moreover, a crisis can result in public safety concerns and reputational and financial loss, where the latter implies a loss of businesses and purchase intentions (Coombs, 2007c).

Based on these elements, it can be acknowledged that the Balenciaga scandal has led to financial and reputation losses, damaging stakeholders financially and psychologically.

Precisely for this reason, a crisis can also be described as "a threat to the organizational reputation" (Coombs, 2007a, p.163) where a company's reputation is intended as an overall assessment made by stakeholders on how effectively a business meets stakeholder expectations based on prior behaviors. An organization's reputation is affected by how others perceived that organization: a crisis tends to lead individuals, besides victims and potential victims, to learn about the crisis through social media platforms, leading them to think negatively of the firm (Coombs, 2007a). Therefore, an organization's reputation may be both favorable or unfavorable depending on the information stakeholders can get from and about it (Coombs, 2007a), but it will most likely harm it to some degree and result in negative publicity (Coombs, 2007c; Dean, 2004). Many stakeholders, particularly consumers, learn about the brand crisis through news and social media, altering consumers' interactions with the company, their perception of the brand, and their satisfaction with it and its actions.

Although researchers have long described reputation as an intangible asset (Coombs, 2007a), a positive reputation can provide "both tangible and intangible benefits" (Doorley \& Garcia, 2020, p. 5). Intangible benefits like improved brand perception, higher trustworthiness, strong employer branding, and work commitment may all be converted into tangible advantages like favorable publicity or improved financial results (Fombrun \& van Riel, 2004). Therefore, according to some researchers, reputation is considered cumulative, a company's interchange among performance, behavior, and communication (Doorley \& Garcia, 2020).

Since crises can have a big negative impact on companies, it is important to manage all the events correctly to avoid worsening the situation. Crisis communication and crisis management play exactly this role, traditionally defined as "the collection and processing of information for crisis team decision-making along with the creation and dissemination of crisis messages to people outside of the team" (Coombs, 2010, p.20). Therefore, crisis communication deals with gathering and managing information to tackle the situation, focusing on specific tasks and demands for each crisis phase (Coombs, 2007a, 2010). As a matter of fact, crisis communication is meant to be a three-phase process: pre-crisis, which concerns the prevention and potential training for the potential crisis risks, crisis response, which focuses on the effectiveness of crisis management and evident responses highly visible to stakeholders, and post-crisis, which includes follow-up crisis messages and updates about
the recovery process (Coombs, 2007c, 2010).

### 2.1.1. The Situational Crisis Communication Theory

Hence, one of the essential pillars in Crisis Communication studies is represented by the Situational Crisis Communication Theory (SCCT) established by Coombs (2007a), which develops theories and guidelines about crisis management and supports this study. SCCT provides the framework, and it is aimed to foresee the reputational risk posed by an unexpected event and prescribe crisis response measures to safeguard reputational assets (Coombs, 2007a). SCCT pinpoints three key factors, initial crisis responsibility, crisis history, and prior relational reputation, which impact crisis attribution and it establishes a solid structure to understand how consumers perceive a crisis by assessing the extent of reputational threat (Coombs, 2007a; Weiner, 1985). Indeed, a favorable or unfavorable company's reputation, defined as "how well an organization is meeting stakeholder expectations based on its past behaviors" (Coombs, 2007a, p.164), can alter consumers' perception of the company.

The ground for the relationships among the variables included in the SCCT is founded on the Attribution Theory, established by Fritz Heider at the beginning of the $20^{\text {th }}$ century. The attribution theory mainly shows how and to what degree people attempt to offer an explanation of the causal linkages underlying events, understand behaviors with regard to their origins, and feel the need to determine the root causes of a crisis as well as subsequent reactions (Weiner, 1985; Coombs, 2007a).

According to Coombs (2007a) to properly manage a crisis, crisis managers need to assess the potential reputational crisis threat for the company. SCCT's core is to anticipate stakeholders' perception of crisis responsibility and to accomplish this, they should follow two steps (Coombs, 2022). The starting point is determining the crisis type since each of them "generates specific and predictable levels of crisis responsibility - attributions of organizational responsibility for the crisis" (Coombs, 2007a, p. 168). Based on how different crisis perceptions might be and which aspects want to be highlighted, crisis types can be clustered into three frames: victim, accidental and preventable (Coombs, 2007a, 2022). Hence, victim crises and accidental crises result in low attribution of responsibility. The former because crises frequently result in both the organization and its stakeholders becoming victims and as a result being negatively impacted, and the latter because, as its name suggests, it implies technical-error accidents and technical-error product harm (Coombs, 2007a, 2022).

In contrast, Coombs (2007a, 2022) refers to the remaining category of crisis as preventable crises. They include human-error product harm and accidents and management misconduct crisis, generating a strong perception of crisis responsibility. These kinds of crises imply a company's misdeed and misconduct with a human's failure, and they might be ascribed to factors such as poor-quality control, insufficient training, or a disregard for security protocols (Coombs, 2007a, 2022). The more blame is placed on the organization for the crisis, the more the company's reputation will be tarnished as well as stakeholders' perception of it will be tainted, leading to negative word of mouth. Hence, this study focuses on the Balenciaga crisis which can be included in the preventable crisis category since the crisis might have been avoided if individuals had acted differently (Coombs, 2022).

The second step of reputational threat assessment consists in attributing diverse levels of responsibility to the organization, leading to stakeholders' behavioral consequences (Weiner, 1985; Combs, 2007a, 2022). Crisis responsibility represents a key element for assessing the crisis reputational threat since being held responsible for a crisis can lead to negative consumer satisfaction, unfavorable word of mouth, and anger (Coombs, 2022). Another relevant element argued in the SCCT is the Prior relational reputation, which consists of how negatively or positively the company is perceived by consumers, based on beforecrisis situation, such as the company's crisis history (Coombs, 2007a). According to research, a company's unfavorable prior relational reputation can have a more direct impact on reputational threat and attributions of the crisis than a company with a positive or neutral reputation (Coombs, 2007a).

Therefore, SCCT includes many of the important aspects concerning a crisis, providing the theoretical framework and two relevant factors for this study: crisis responsibility and pre-crisis reputation. In addition, to including a consumer factor in SCCT dynamics, the impact of crisis involvement on consumers' satisfaction, which is considered a determinant of crisis outcomes, will be investigated (Choi \& Lin, 2009a). The crisis factors and the related hypotheses will be further explained in the following sections hereinafter.

### 2.2 Consumer Satisfaction

Previous studies have highlighted the organizational-centric approach of crisis communication, which tended to overlook how consumers perceived the crisis and how it affected them (Cheng et al., 2012; Bowen et al., 2018; Coombs, 2022;). Since customers are
satisfied with a brand when the overall company's actions, performance, and products meet or exceed their expectations, consumer satisfaction plays a crucial role in how consumers perceived a crisis (Yu et al., 2022; Fernandes \& Moreira, 2019). Previous studies showed that consumer satisfaction has been regarded as an essential predictor of long-term business success since a satisfied consumer will be more likely to form a positive emotional connection leading to a higher level of engagement with the company and being less influenced by competitors and negative events (Nam et al, 2011; Fernandes \& Moreira, 2019).

The literature highlights differences in the definition of satisfaction. It is mainly distinct into two approaches: a transactional-specific approach that focuses solely on the postbuy and interaction stage, and an overall satisfaction approach that acts as a stronger predictor of future purchase intention and company success (Fernandes \& Moreira, 2019). Generally, consumer satisfaction can be identified as the overall cognitive and emotional reaction to the whole experience with a brand (Fernandes \& Moreira, 2019). Therefore, consumer satisfaction is described as directly correlated to a favorable company's reputation, quality, and profitability (Nam et al., 2011). According to scholars, satisfaction is only a fulfillment reaction that evaluates a post-purchase objective assessment based on prior expectations (Fernandes \& Moreira, 2019; Yu et al., 2022). This definition of satisfaction disregards the psychological importance of consumer experiences and brand interactions, both of which influence customer perception and behavior. As a result, conventional metrics such as satisfaction should not be employed as a substitute for long-term loyalty (Fernandes \& Moreira, 2019). Hence, marketers may better develop products and experiences that match consumer needs and expectations by taking the emotional component of satisfaction and the dynamic nature of post-experience processes into consideration, resulting in enhanced levels of satisfaction (Westbrook, 1987).

A study conducted by Yu et al. (2022) showed customers' perception of the organization's crisis management tactics substantially influences their level of satisfaction. Customers who considered the organization had adopted appropriate crisis response measures were more likely to report higher levels of satisfaction, whereas consumers who perceived the company's reaction as weak or inadequate were more likely to report lower levels of satisfaction (Yu et al., 2022).

Moreover, previous studies argued consumer satisfaction levels can also be affected by crisis severity, crisis types, and crisis management (Yu et al., 2022; Coombs, 2022). In relation to Mafael et al. (2022) the seriousness of an accidental crisis, such as a product recall,
may substantially influence consumer satisfaction and the organization's reputation. Consumers may be more inclined to move to a competitor or share an unfavorable word of mouth with their connections if the crisis is perceived as significant, such as a safety concern or a health danger (Mafael et al., 2022). Furthermore, previous research by Sengupta et al. (2015) has been showing that preventable crises, such as service failure in that case, have a major negative influence on consumer satisfaction, resulting in decreased company reputation.

However, it has been observed that overall unfavorable information about a company caused by a crisis can considerably alter consumers' satisfaction with the company, by damaging consumers' attitudes and behavioral intentions toward the brand (Bowen et al, 2018; Coombs, 2022). This is more likely to happen when consumers are less attached to the brand (Bowen et al., 2018). Conversely, more committed consumers will be less affected by the crisis since they tend to disregard unfavorable information (Ahluwalia et al., 2000). Therefore, this study will examine to what extent consumer satisfaction with the brand will be affected by the crisis that recently occurred, notably according to multiple crisis factors.

### 2.3 Crisis responsibility

As previously stated, crisis responsibility is one of the essential components of SCCT in determining the extent to which individuals perceive the company as responsible for the crisis. Moreover, it represents the degree to which the organization is deemed responsible for a crisis event, its implications, and repercussions (Coombs, 2007a, 2022). Previous studies, based on SCCT, identified three critical aspects to grasping the crisis effect, and one of these crucial predictors of crisis outcomes is crisis responsibility. Prior studies indicated that the perception of crisis responsibility is a critical component influencing individuals' emotional responses and behaviors during a crisis (Choi \& Lin, 2009b). Therefore, it is essential for firms to successfully manage crisis responsibility in order to prevent negative emotional responses and uphold their reputations (Weiner, 1985; Combs, 2007a, 2022; Choi \& Lin, 2009b). Thus, it can be argued that crisis responsibility and its perception play a fundamental role in crisis communication and in this study. Furthermore, the degree of responsibility for the crisis given to the organization by stakeholders is the most important indicator of reputational risk (Coombs \& Holladay, 2007; Coombs, 2007a).

In addition, giving timely and accurate information about the crisis, including the causes, repercussions, and actions taken to tackle the situation, is considered beneficial crisis
communication to manage crisis responsibility and mitigate negative consumer emotional responses (Choi \& Lin, 2009b). Organizations should also acknowledge their responsibility for the crisis and demonstrate concern for the harm inflicted on stakeholders (Choi \& Lin, 2009b). As such, it is reasonable to expect communication managers to understand how they will address crisis-related responsibility.

As indicated in paragraph 2.1.1., SCCT has its foundation in Attribution Theory, which holds that individuals seek the reasons for events. This happened when a person assigns responsibility, particularly for those occurrences that are categorized as unfavorable and unexpected (Coombs, 2007a). Consequently, individuals tend to go through an emotional response based on the attribution of responsibility. These responses can be distinguished mainly in two categories: when a person is held accountable, anger is more likely to be evoked, and behavioral responses are basically unfavorable, whereas when a person is assessed not to be accountable and sympathy is elicited, behavioral reactions are generally favorable (Coombs, 2007a; Choi \& Lin, 2009b).

According to Coombs (2007a), crisis responsibility is a significant component that may impact how stakeholders view and respond to a crisis, including customers, employees, authorities, and the media. When an organization is blamed for a crisis, stakeholders may hold it liable for the harm caused by the crisis, and the company's public image and reputation may suffer as a result (Coombs, 2007a). Thus, initial crisis responsibility is determined by stakeholder attributions of personal control for the crisis by the company, as well as the extent to which stakeholders feel the organization's actions generated the crisis (Coombs \& Holladay, 2002; Coombs, 2007a).

Previous research has shown that the more customers attribute crisis responsibility to a company, the lower the company's reputation is perceived, strengthening the reputational threat (Coombs, 2007a). However, as stated before crisis responsibility may generate different emotive reactions and emotions. In line with Choi \& Lin (2009b), the most prevalent attribution-dependent emotions in a crisis are anger and sympathy. The study has revealed that consumers who perceived a higher degree of crisis responsibility expressed more negative emotions, such as anger and disappointment; conversely, consumers who perceived a lower degree of crisis responsibility expressed more positive emotions, such as appreciation and empathy, towards the organization (Choi \& Lin, 2009b). Additionally, the study found that the emotional responses of consumers were significantly related to their intentions to
engage in positive or negative word-of-mouth communication about the company (Choi \& Lin, 2009b).

Hence, consumers' attributions of crisis responsibility can lead to behavioral consequences: increased attributions of crisis responsibility will generate more anger, whereas when the company is perceived as not responsible for the crisis it will raise sympathy (Coombs, 2007a; Coombs \& Holladay, 2007). Based on the above-explained findings, it can be assumed that a higher perception of crisis responsibility can strengthen negative emotions against the brand. The higher the perceived crisis responsibility, the more negative the reputation of the organization, reducing consumers' interactions, satisfaction, and support for the company (Coombs, 2007a, 2022; Choi \& Lin, 2009b). Therefore, the following hypothesis has been formulated:

H1: Perceived crisis responsibility will have a negative impact on consumer satisfaction. The higher the perceived crisis responsibility, the more negative the consumer satisfaction toward the brand.

### 2.4 Crisis involvement

The concept of involvement has not been extensively investigated in prior research, despite several studies have highlighted the relevance of this factor (McDonald \& Hartel, 2000; Dean, 2004; Coombs \& Holladay, 2007; Choi \& Lin, 2009a). Although just a few prior studies examined the concept, they all approached it from different perspectives and contexts, resulting in extremely diverse interpretations of the results. For instance, Celsi and Olson (1988) applied the concept to product involvement, whereas other scholars developed the concept according to a crisis event, introducing the concept of crisis involvement (McDonald \& Hartel, 2000; Choi \& Lin, 2009a). In this study, we are interested in examining how crisis involvement is perceived since crisis involvement is a key aspect in predicting how consumers will perceive and respond to a crisis (Choi \& Lin, 2009a). Indeed, Celsi and Olson (1988) define involvement as the degree to which an individual is emotionally or psychologically invested in a specific object, issue, or event, suggesting the level of involvement that people have with an object or issue may influence their attention, perception, and awareness of information related to that particular object or issue. Thus, it can be argued that crisis involvement refers to the degree to which individuals are personally affected by a crisis and feel invested in its outcome (Choi \& Lin, 2009a).

This is crucial to crisis communication because stakeholders' level of involvement with a crisis might impact how they respond and react to it (Celsi and Olson, 1988). Particularly, involvement sways the extent of crisis processing on both consumers' perceptions and the company (McDonald \& Hartel, 2000). Coombs and Holladay (2007) argued that involvement may modify SCCT dynamics, and it can enhance favorable or negative emotions toward the organization. Therefore, it is supposed to decide how the crisis messages are perceived and the degree of attention given, based on several factors such as values, objectives, desires, and beliefs (McDonald \& Hartel, 2000).

During unexpected events, it has been found that perceived crisis involvement can affect consumers' perceptions, emotions, and behaviors, suggesting that a higher felt involvement would lead to an increase in consumers' emotional responses and behavioral consequences (Choi \& Lin, 2009; McDonald \& Hartel, 2000).

According to previous research, it has been suggested that consumers with high levels of crisis involvement were more likely to show negative emotions and engage in negative behaviors, such as fear, anger, anxiety, boycotting the company, or spreading negative word-of-mouth, as well as increased attention and information-seeking behaviors (Celsi and Olson, 1988; Coombs \& Holladay, 2006; Choi \& Lin, 2009a). As a result, when individuals are extremely involved in a crisis, they are more likely to pay attention to information related to the crisis and process that information more deeply (Celsi and Olson, 1988; Choi \& Lin, 2009a). Moreover, they tend to be more emotionally invested in the outcome, feeling a sense of personal responsibility to take action (Choi \& Lin, 2009a).

The lower the level of crisis involvement, the higher the indifference or apathy toward the company's crisis (Celsi and Olson, 1988; Choi \& Lin, 2009a). Indeed, individuals who are not personally impacted by a crisis are less likely to pay attention to crisis-related information, process that information superficially, and become emotionally detached from the outcome (Celsi and Olson, 1988; Choi \& Lin, 2009a). Therefore, a higher level of involvement in the scandal will lead consumers to be less satisfied with the brand.

Based on the before-mentioned assumptions, the following hypothesis can be proposed:

H2: Perceived crisis involvement will have a negative impact on consumer satisfaction. The higher the perceived crisis involvement, the more negative the consumer satisfaction with the brand.

### 2.5 Pre-crisis reputation

As explained in paragraph 2.1.1, pre-crisis reputation is one of the three key factors of SCCT that impacts crisis attribution and consumers' assessment of crisis responsibility (Claeys \& Cauberghe, 2015). As a result, the company's prior relational reputation has been previously defined by Coombs (2007a) as how stakeholders were treated in previous situations: if the company has a track record of mistreating stakeholders, its prior reputation will not be favorable. Claeys \& Cauberghe (2015) rather explained the concept as the extent to which an organization's existing reputation can shield it from the damaging effects of a crisis.

Nevertheless, many scholars agree that how customers perceived the company before the crisis will determine the degree of initial reputational loss they will experience (Coombs, 2007a; Claeys \& Cauberghe, 2015). Coombs (2007a) further argued that an unfavorable precrisis reputation enhances crisis responsibility, which subsequently raises the reputational threat. When a crisis occurs, the organizational reputation weakens because consumers perceive a difference in how the company behaves and meets consumers' expectations (Coombs, 2007a). Yet, the level of initial reputation loss is determined by consumers' perception of the company's pre-crisis reputation (Claeys \& Cauberghe, 2015). A favorable perceived pre-crisis reputation can safeguard a company from compromising its reputation drastically (Coombs \& Holladay, 2006) and can greatly mitigate the negative crisis effects on an organization's reputation (Claeys \& Cauberghe, 2015).

Accordingly, a positive pre-crisis reputation can operate as a buffer against adverse publicity, since stakeholders are more inclined to give an organization the benefit of the doubt while it is confronting a crisis if they have a favorable perception and satisfaction with the organization before the crisis (Claeys \& Cauberghe, 2015). In line with Claeys \& Cauberghe (2015), to maintain a favorable pre-crisis reputation and build a strong buffer, organizations should focus on building strong relationships with stakeholders by behaving ethically and cultivating a positive image through managing effective online and offline communication and transparency. Pre-crisis reputation has therefore been compared to reputation capital that "may act as a halo that protects an organization's reputation during a crisis" (Coombs \& Holladay, 2006, p.123). Although some of the capital has been consumed due to the crisis, a company with a high pre-crisis reputation will have a more favorable post-crisis reputation than a company with less reputational capital.

Thus, the 'Halo effect' posits that stakeholders often develop their judgments about an organization's crisis response based on their pre-existing beliefs and perceptions of the company (Coombs \& Holladay, 2006). This 'Halo effect' denotes the ability of an organization's pre-crisis reputation to act as a barrier against unfavorable reputation effects, preventing consumers from changing behavioral intentions and perceptions, such as purchase intention and satisfaction toward the company (Coombs, 2007a; Coombs \& Holladay, 2006).

Therefore, it may be argued that a higher pre-crisis reputation can impact stakeholders' perceptions of an organization's crisis response, even when the crisis may be unrelated to the organization's reputation, leading stakeholders to attribute the cause to external factors, giving the organization the benefit of the doubt and increasing credibility, trustworthiness, and support (Coombs \& Holladay, 2006; Claeys \& Cauberghe, 2015). On the contrary, a lower pre-crisis reputation can evoke greater skepticism, assessment, and criticism, and lead stakeholders to be less forgiving during a crisis and more likely to attribute the cause to internal factors (Coombs \& Holladay, 2006; Claeys \& Cauberghe, 2015).

Hereby, it can be supposed that a brand's higher pre-crisis reputation will favor consumers' perception of the company because the halo will keep the organizational reputation and act as a shield against the backlash. Accordingly, it can be hypothesized:

H3: A higher pre-crisis reputation will have a positive impact on consumer satisfaction. The higher the pre-crisis reputation, the more positive the consumer satisfaction with the brand.

### 2.6 The moderating effect of Brand familiarity

The level of consumer knowledge, recognition, and awareness of a specific brand is referred to as brand familiarity (Bapat, 2017). This is influenced by several factors such as brand exposure, past experiences, marketing communications, word-of-mouth recommendations, and overall brand presence in the marketplace (Dawar \& Lei, 2009; Bapat, 2017). Indeed, brand familiarity may play a significant role in shaping consumers' assessment, perceptions, preferences, and intentions during a crisis (Dawar \& Lei, 2009; Liang \& Fu, 2021).

Past research showed that brand familiarity is an important factor that can explain consumers' behaviors and perceptions, thus functioning as a "buffer against the adverse impact of negative information on brands" (Bapat, 2017; Dawar \& Lei, 2009, p.510). When a crisis happened to a familiar brand, customers with direct or indirect experiences with it tend
to perceive the information favorably, reducing the power of the crisis information and the concerns about the brand's performance and risks (Dawar \& Lei, 2009; Liang \& Fu, 2021). Consequently, when a crisis happens, customers are more likely to have pre-existing mental representations of the brand, which makes them more sensitive to negative information and potentially leads to more adverse opinions (Dawar \& Lei, 2009).

In simple terms, Dawar \& Lei (2009) suggested that when a familiar brand faces a crisis, consumers may experience a dissonance between their prior positive interactions with the brand and the negative information presented by the crisis. This cognitive dissonance can result in a more severe and negative assessment of the brand, thereby influencing brand attitudes, purchase intentions, and consumer satisfaction (Dawar \& Lei, 2009).

It has been demonstrated that brand familiarity influences crisis consequences, with familiar companies perceived as less accountable, reducing negative word-of-mouth and all the associated damages (Dawar \& Lei, 2009). Higher levels of brand familiarity were associated with improved sensory perceptions such as visual, auditory, and tactile indicators, an affective experience leading to a more favorable brand experience, a higher cognitive experience consisting of perceiving the brand as more knowledgeable, trustworthy, and capable, and behavioral experiences, which encourage favorable behaviors such as recurrent purchases, brand loyalty, and advocacy (Bapat, 2017).

According to Aljarah et al. (2022), improved brand familiarity leads to increased consumer engagement, which subsequently impacts brand advocacy. The more consumers will be familiar with the company, the more they will share positive experiences and recommend the brand to others, through active interactions and connection with the brand through various touchpoints, even against a possible crisis criticism (Aljarah et al., 2022).

Since brand familiarity is an individual-related factor, not directly applied to the crisis context, the impact of the crisis on consumer satisfaction and its correlations with crisis involvement, crisis responsibility, and pre-crisis reputation, can be affected by each individual's familiarity with the brand. Therefore, differences can be expected in consumers' responses according to their own familiarity with the brand (Aljarah et al., 2022). Brand familiarity can be used to moderate the relationship between a brand crisis and consumer perception of that brand since it has been suggested that the impact of a crisis assessment by consumers will be stronger for familiar brands compared to unfamiliar ones (Dawar \& Lei, 2009). This happens because consumers are more susceptible to unfavorable information
during a crisis because they have more established opinions and expectations regarding familiar companies (Dawar \& Lei, 2009).

As a result, familiarity with the brand will be investigated in this research as a moderator that might strengthen the impact of crisis-related variables on consumer individual satisfaction, suggesting the following hypothesis:

H4: Brand Familiarity will strengthen the impact of crisis responsibility on consumers' satisfaction. When consumers are more familiar with the brand, the negative impact of crisis responsibility on consumers' satisfaction will be stronger.

H5: Brand Familiarity will strengthen the impact of crisis involvement on consumers' satisfaction. When consumers are more familiar with the brand, the negative impact of crisis involvement on consumers' satisfaction will be stronger.

H6: Brand Familiarity will strengthen the impact of pre-crisis reputation on consumers' satisfaction. When consumers are more familiar with the brand, the positive impact of the pre-crisis reputation on consumers' satisfaction will be stronger.


Figure 1 Hypothesis Visual Overview

## 3. Method

The following chapter discusses the choice of methodology implied in the research to test the hypothesis and answer the research question. Furthermore, information about the sample, sampling and pre-test are provided as well as operationalisation and measurements of each variable, including assumptions and reliability checks.

### 3.1 Research design

In order to address the proposed research question and all the correlations, a quantitative research method was applied. The quantitative method is defined as a research methodology that entails the collection and analysis of numerical data (Punch, 2014). This data allows researchers to measure social phenomena, making it suitable to conduct statistical analysis (Babbie, 2011). Hence, the emphasis is on measuring variables and finding the relationships between them in order to produce generalizations, develop statistical conclusions and examine those relationships and patterns (Babbie, 2011: Punch, 2014). Indeed, quantitative research is characterized by the use of structured data collection tools, statistical analysis techniques, and large samples to assure accuracy, diversity, and reliability (Babbie, 2011). The approach applied can be described as deductive, starting from theory, and then formulating and building various hypotheses based on it. This study's purpose is to develop specific expectations and hypotheses based on an existing and solid theoretical framework related to the crisis context, thus a quantitative technique seemed to be the most suitable choice.

Specifically, a quantitative online survey technique has been chosen to examine the data since it has been presented as a key quantitative research technique (Babbie, 2011; Punch, 2014). Surveys entail the systematic collection of data from a sample of individuals or groups through standardized questionnaires or interviews (Babbie, 2011; Punch, 2014). For the aim of this study, the survey will be used to investigate consumers' satisfaction with the brand after the crisis. The survey has been realized online through the platform Qualtrics, subsequently online distributed. A survey constitutes a good method for "descriptive, explanatory, and exploratory purposes" (Babbie \& Mouton, 2001, p.249), collecting original data for describing a broad population, but especially assessing attitudes, orientations, and perceptions about individual opinions (Babbie \& Mouton, 2001). According to Neuman (2014), the survey tends to be chosen since it allows the research for behavior, attitudes, expectations, and characteristics of people. Therefore, several scholars argued that surveys are
considered a suitable methodology for the following reasons: firstly sampling, since a large sample provides broader representativeness of the population and increases the generalizability, secondly standardization which helps minimize potential biases in the data collection, and thirdly flexibility in adaptability to different topics, disciplines, and contexts (Babbie, 2011; Neuman, 2014; Punch, 2014). All of these enhance the validity, consistency, reliability, and versatility of the research (Neuman, 2014).

Deciding for an online survey method can present several advantages. These include cost-effectiveness since online surveys are more affordable than traditional ones, speed since they can be distributed much faster than offline ones, wide reach because they get a more geographically diverse audience, and anonymity, which improves the ability to freely disclose personal information (Evans \& Mathur, 2005). The efficiency of surveys' data collection saves time and resources when compared to alternative methods such as interviews or observations (Babbie, 2011; Neuman, 2014; Punch, 2014). However, its validity can be limited by a few disadvantages. The whole sample may not be representative of the entire population for example due to the digital divide or voluntary participation, increasing approximation and making it challenging to verify the accuracy of participants' responses (Evans \& Mathur, 2005).

Since this research aims to investigate personal consumer satisfaction with the brand, by asking for personal variables, for all the previous reasons listed above, including the strong reliability of the survey methodology, the key role of surveys in capturing individuals' perceptions of satisfaction, and how the public opinion, attitudes and perceptions may vary during a crisis (Seeger, 2006), this method can be selected as suitable for the study purpose to investigate a non-fictive company crisis.

### 3.2. Sampling and Data Collection

### 3.2.1. Pre-Test

Before the final version of the survey was spread, the clearness, validity, fluency, and quality of the questionnaire were tested in a Pre-Test. This was distributed in a paper-printed version to five people and in a digital version shared via a link through WhatsApp to three people. The process helped in gaining valuable feedback on the questions and checking their legibility and understandability. According to the comments received about the Pre-Test, some adjustments were made. Some terms in sentences were changed to improve the quality, fluency, and clearness of questions. For instance, in crisis responsibility items, the term
circumstances was replaced by factors due to respondents incomprehension of the meaning. The explanation of the crisis was made shorter, and some figures were added since it was thought visuals can help respondents to better visualize the situation. The familiarity items were turned into a scale measured with a five-point Likert scale. Finally, some additional questions to better comprehend the past consumer experience with the brand were included.

### 3.2.2. Sampling Method and Data Collection

This research aims to explore the personal consumers' perceptions of the brand after the crisis. Balenciaga is a globally well-known brand, which statistics revealed was the most popular fashion brand in the world in 2022 (WFC, 2022), with a customer gender distribution of $43.25 \%$ female and 56.75 male (Similarweb, 2023). For the reasons stated above, no limitations on nationalities, gender, or fixed age were settled since the study aims to investigate diverse consumers' perceptions of the crisis. Moreover, a deep knowledge of the brand was not necessary since during the survey the brand and the crisis case were explained. To answer the survey questionnaire, participants must only be over 18 and decide individually if they want to participate in the survey. Following the Methodological Guidelines for Thesis Research (Janssen \& Verboord, 2022-2023) the respondents had to be a minimum of 150.

Previous research described sampling as the process of picking a selected group of individuals, objects, cases, observations, or events from a broader population to make inferences about that population (Babbie, 2011; Punch, 2014). Since it is often impossible to study an entire population, a sample represents a smaller and more manageable portion of the population that wanted to be investigated (Punch, 2014). Several sampling techniques can be applied to this study. Random sampling reduces any possible bias, however, was not selected for this research due to expensiveness in time and costs. Snowball sampling is another oftenused non-probability technique that implies the reach of respondents through other respondents, as a chain of individuals' social networks. This strategy was not chosen because of possible biases caused by individuals referring others who have similar qualities, opinions, or experiences, as well as the potential lack of anonymity and control. Convenience sampling entails selecting respondents according to their accessibility, convenience, and willingness in participating the survey (Etikan et al., 2016). Despite the vulnerability to some biases related to the non-probability characteristic of this method of sampling, other advantages such as affordability, easy accessibility, and availability, lead to continuing with the convenience sampling technique (Babbie, 2011; Etikan et al., 2016).

Therefore, the participants were recruited through convenience sampling, using the researcher's network and the online platform Prolific. The latter is an online research platform that "enables fast, reliable, and high-quality data collection" (Prolific Team, 2023), where researchers can select their audience and collect the number of respondents desired, according to a payment for each response. The platform increases the reach of several nationalities and age groups, raising the diversity and representation of the sample.

After the pre-test was conducted, the final version of the survey was distributed between $31^{\text {st }}$ March to $18^{\text {th }}$ April 2023. Therefore, the data collection was conducted during that period, sharing the online survey through social media platforms, QR codes, and using the platform Prolific. As a result, a total of $332(\mathrm{~N}=332)$ responses were registered. After cleaning the dataset, only 301 survey responses were determined to be valid. To strengthen the reliability of the research, a dataset cleaning was conducted in order to delete the 31 answers considered invalid. Firstly, all the respondents who filled out the survey in less than 1 minute were considered unreliable and therefore excluded ( $\mathrm{N}=13$ ). Moreover, if answers were missing in all the fundamental questions to conduct the analysis, the response was cleaned ( $\mathrm{N}=19$ ). After the cleaning process, the final sample involves $301(\mathrm{~N}=301)$ respondents. As mentioned above, the survey was realized and then distributed through the online platform Qualtrics.

### 3.2.3. Respondents

As mentioned above, the final number of respondents who participated in the survey was 301 . The overall sample was divided into $36.5 \%$ of males ( $\mathrm{N}=110$ ), $61.6 \%$ of females $(\mathrm{N}=184), 1.7 \%$ of non-binary/third gender ( $\mathrm{N}=5$ ), and $0.7 \%$ who prefer not to disclose ( $\mathrm{N}=2$ ). Moreover, the participants are between 18 and 58 years old, the mean age is $25.30(\mathrm{SD}=7.63)$ and the median is only 23 . Concerning the educational level, the Bachelor's degree was the most popular option with $52.2 \%(\mathrm{~N}=157)$ along with people who only finished High School at $31.6 \% ~(\mathrm{~N}=95)$. The two most popular options are followed by people who obtained a Master's degree at $13.3 \%(\mathrm{~N}=40)$, respondents with PhD or other high education certificates at $1.3 \%(\mathrm{~N}=4)$, and $1,3 \%$ preferred to disclose $(\mathrm{N}=4)$. Moreover, with respect to nationality, the biggest portion of the sample declared to be Italian at $27.6 \%(\mathrm{~N}=83)$, followed by Dutch at $13.6 \%(N=41)$, South African at 6\% ( $\mathrm{N}=18$ ), Spain at 5.6\% ( $\mathrm{N}=17$ ) and the United Kingdom at $4.3 \% ~(\mathrm{~N}=13)$. Other recorded countries were: Albania, Andorra, Antigua and Barbuda, Argentina, Armenia, Bangladesh, Belgium, Bosnia, Brazil, Bulgaria, Canada, China, Croatia,

Cyprus, Czech Republic, Denmark, Ecuador, Egypt, Estonia, Finland, France, Germany, Greece, Hungary, India, Indonesia, Ireland, Japan, Kyrgyzstan, Latvia, Lesotho, Liberia, Luxembourg, Malaysia, Mexico, Mozambique, New Zealand, Nigeria, Pakistan, Peru, Philippines, Poland, Portugal, Republic of Moldova, Romania, Russian Federation, Serbia, Slovakia, South Korea, Suriname, Sweden, Switzerland, the former Yugoslav republic of Macedonia, Trinidad and Tobago, turkey, united states of America, and Zimbabwe (In alphabetical order, with different percentages below 4\%).

Lastly, some questions regarding past and future experiences with Balenciaga were asked. $88.4 \%$ declared they have never purchased anything from the brand, which does not mean they do not own any items. Although $58.1 \%$ stated they will not buy anything from Balenciaga, $15.6 \%(\mathrm{~N}=47)$ and $26.2 \%(\mathrm{~N}=79)$ declared 'Yes, I would buy' or 'Maybe'.

### 3.3 Operationalisation, Measurements, and Reliability

The survey has been formulated only in English and it has not been translated into other languages due to the reasons explained in paragraph 3.2.2. The duration of the survey took no more than five minutes. The questionnaire starts with an introductory text presenting the researcher and the research, followed by a question to give consent and agree with the terms. After some preliminary questions regarding the familiarity with the brand and the precrisis reputation, a neutral explanatory text about the backlash was shown. Other questions strictly related to the crisis followed the text. The survey ends with questions regarding previous and future expectations about individuals' behavior toward Balenciaga and a message to thank participants for their collaboration and contribution.

This section will illustrate all the scales employed in the survey, to assess the variables' correlations. Notably, three independent variables were measured: crisis responsibility, crisis involvement, and pre-crisis reputation. The impact of the latters was assessed on one dependent variable, namely consumer satisfaction. Moreover, a moderation effect was investigated. Particularly, brand familiarity was assessed to see how it can moderate the correlations between independent variables and the dependent variable. The presented scales assess respondents' agreement or disagreement by using a five-point Likert Scale. This consists of 1 as strongly disagree to 5 as strongly agree. Moreover, demographic questions are asked including age, educational level, gender, and nationality.

All of the variables were measured through pre-existing scales that have been already employed in previous studies, adjusting them to this study's topic. In previous studies, the
following scales already showed good reliability based on testing Cronbach's alpha. The reliability of measurements is a term that refers to "a measure or a questionnaire that should consistently reflect the construct that it is measuring" (Field, 2009, p.644). According to Field (2009), it is academically recognized that a scale is considered reliable when Cronbach's value is above .7, although for scales with several items, a value between .6 and .8 is considered acceptable. Moreover, to increase the reliability and validity of the survey a data cleaning was conducted to clean the dataset from incomplete or inadequate responses. Hereinafter, the following sections explain each variable operationalization and related scales in detail.

### 3.3.1 Consumer Satisfaction

Consumer satisfaction has been regarded as the match of the company's actions with the consumers' expectations (Yu et al., 2022; Fernandes \& Moreira, 2019). Previous studies showed that negative information about a company, such as a brand crisis, can drastically alter consumers' satisfaction with that organization, resulting in negative behavioral intentions, attitudes, and a drop in company reputation, (Sengupta et al., 2015; Bowen et al, 2018; Coombs, 2022). Therefore, in this research, it is investigated to what extent consumer satisfaction has been impacted by the negative information related to the Balenciaga crisis. In particular, in this study, consumer satisfaction has been employed as a dependent variable. The scale used to measure the satisfaction variable is Homburg, Wieseke, and Bornemann's (2009) scale. This has already been employed in several studies, such as by Inglesias et al. (2019), showing good reliability. The Cronbach's alpha value of the scale was $\alpha=.84$, therefore it was considered reliable and suitable for the study.

The scale is composed of three items, all employed in the survey as followed: 'All in all, I am very satisfied with how Balenciaga is’, 'Balenciaga's reaction meets my expectations of the ideal reaction with this kind of brand', and 'Balenciaga's approach has fulfilled my expectations'. The items' structure has been adapted to the research subject and to the brand of Balenciaga. No statements needed to be reversed. Therefore, to test the reliability of the scale, a reliability test was conducted. The scale used to measure consumer satisfaction showed a Cronbach's alpha of $\alpha=.86$. The reliability improved compared to the original study that was previously used.

### 3.3.2 Crisis Responsibility

As stated in previous paragraphs, since crisis responsibility plays a fundamental role in understanding to what degree consumers perceive a company as responsible for a crisis, it seemed essential to assess the perceived crisis responsibility (Coombs, 2007a, 2022). Based on the consumers' attributions level of crisis responsibility, anger or sympathy toward the brand can be generated (Coombs, 2007a; Coombs \& Holladay, 2007). Therefore, in this study, it is explored to what extent a perceived crisis responsibility can impact consumer satisfaction with Balenciaga. To measure the perceived crisis responsibility an existing threeitem scale was used, based on Griffin et al.'s (1992) responsibility scale, called the "Blame Scale". The scale showed good reliability, with Cronbach's alpha of $\alpha=.76$.

The items of the scale were adapted to the study's purpose, as followed: 'The blame for the crisis lies in other factors, not in Balenciaga, 'Other factors, not Balenciaga, are responsible for the crisis', and 'The blame for the crisis lies with Balenciaga". The old statements were reformulated based on the pre-test feedback to improve their readability and comprehension. The first two items pointed out that other factors and circumstances were blamed for the crisis. Conversely, the third statement showed the opposite meaning, namely it was negatively correlated, stating the company was responsible for the crisis. Subsequently, the third item was reversed. To validate the scale, a reliability test was conducted. The scale showed good reliability, with $\alpha=.79$, and therefore can be considered suitable and reliable for this research.

### 3.3.3 Crisis Involvement

In this study, crisis involvement is defined as the degree to which consumers are individually involved with a company and therefore with all the potential negative or positive events correlated (Celsi and Olson, 1988; Choi \& Lin, 2009a). Since previous research revealed that during a crisis the involvement with a company can positively or negatively impact consumers' emotions and perceptions of the brand, such as the level of satisfaction with the company's actions and decisions (Celsi and Olson, 1988; McDonald \& Hartel, 2000; Choi \& Lin, 2009a), in this research the level of perceived consumers' crisis involvement in the Balenciaga scandal has been investigated.

The perceived crisis involvement will be measured using a pre-existing scale by McQuarrie and Munson (1992), which was formerly used for product involvement, but it has been tailored to the company crisis involvement. This 10 -item scale was already used in

McDonald et al.'s (2010) academic paper, showing strong reliability with Cronbach's alpha $\alpha$ $=.91$. Only three items of the scale were selected and adapted to the study's purpose: 'I usually talk about Balenciaga with other people', 'I usually take many factors into account before purchasing at Balenciaga' and 'I would be interested in reading more about Balenciaga'. To validate the three items as a reliable scale, a reliability test was conducted. The test showed a Cronbach's alpha value of $\alpha=.56$. According to the output, potential changes based on the exclusion of particular items were investigated in order to increase Cronbach's alpha value. However, it was found that deleting the second item increased Cronbach's alpha to $\alpha=.61$ without significantly improving consistency.

### 3.3.4 Pre-crisis reputation

Pre-crisis reputation is one of the principal factors of SCCT which consists of the result of how stakeholders were previously treated by the company (Coombs, 2007a; Claeys \& Cauberghe, 2015). Previous studies revealed that a higher and favorable prior reputation can mitigate the negative effects of a crisis on a company's consumer perception, in contrast, a lower pre-crisis reputation can contribute to generating stronger negative reactions toward the brand (Coombs \& Holladay, 2006; Coombs, 2007a; Claeys \& Cauberghe, 2015). As a result, in this research, the variable of pre-crisis reputation was investigated to measure how Balenciaga's reputation before the scandal may have impacted consumers' satisfaction with the brand after the crisis.

The perceived pre-crisis reputation of the company was assessed by using Ponzi, Fombrun \& Gardberg's (2011) scale, adapting the 4 items to the research aim and the company studied. This was previously used in several past studies, showing good reliability, with Cronbach's alpha $\alpha=.92$. The scale was composed of four items: 'Balenciaga is a company I have a good feeling about', 'Balenciaga is a brand that I trust', 'Balenciaga is a brand that I admire and respect', and 'Balenciaga has a good overall reputation'. These questions were asked to participants before explaining the scandal. A reliability test was conducted, resulting in Cronbach's value of $\alpha=.89$. Therefore, the scale was considered reliable.

### 3.3.5 Brand Familiarity

The concept of brand familiarity, described as the awareness and knowledge of a brand influenced by different factors, is crucial in affecting consumers' perceptions and
assessments (Dawar \& Lei, 2009; Bapat, 2017; Liang \& Fu, 2021). Individual familiarity with the brand may moderate the correlations between consumer satisfaction and the three crisis factors, crisis responsibility, crisis involvement, and pre-crisis reputation, due to its role as an individual-related factor, not directly part of the crisis context, anticipating dissimilarities in consumers' perceptions according to their own familiarity with the Balenciaga (Aljarah et al., 2022). Therefore, in this study, brand familiarity is used as a moderator

This third variable has been often confused with a mediation effect (Baron \& Kenny,1986); however, a moderator works as a "third variable, which partitions a focal independent variable into subgroups that establish its domains of maximal effectiveness in regard to a given dependent variable" (Baron \& Kenny,1986, p.1173). In other words, a moderator may impact the direction of the correlation between a dependent variable and an independent variable (Baron \& Kenny,1986). To measure brand familiarity the questions were based on three items adapted from a previous study by Hati et al. (2022). The items' questions were assessed by using a five-point Likert Scale, proposing the following statements: "I have heard of Balenciaga", "I am familiar with Balenciaga", and "I am informed about Balenciaga". The familiarity variable was inserted in the survey at the beginning before the explanation of the crisis, to avoid possible biases in responses. To test the reliability of the scale, a reliability test was conducted. The scale used showed a Cronbach's alpha of $\alpha=.76$, which means that the scale is reliable and consistent.

### 3.4 Procedure and Analysis of Data

The data were collected via Qualtrics and further analyzed using the software SPSS Statistics, version 28. The reliability measurement was verified to guarantee the survey's quality and to determine whether relevant results from the hypothesis can be discovered. All the scales employed in the current study have previously shown good reliability, since their use in previous research.

To test the previously mentioned hypotheses a regression analysis was conducted. However, before the Regression analysis was conducted, some assumptions need to be checked since "the model is an approximation of the long-term sequence of any event, it requires assumptions to be made about the data it represents in order to remain appropriate" (Casson \& Farmer, 2014, p. 590). This check is performed to determine the degree to which the model fulfils the assumptions (Casson \& Farmer, 2014). According to Casson \& Farmer (2014), to verify linearity the outcome variable should be plotted against the predictor
variable. The result of the test confirms a linear relationship between the variables, and therefore, the use of a Linear Regression analysis. Furthermore, since this analysis includes statistical hypothesis testing, normality has been checked "by determining whether the residuals have a normal distribution" (Casson \& Farmer, 2014, p. 594). A normal P-P plot was examined, and no deviations were noted, therefore, normality was checked. Finally, the VIF values were checked to investigate multicollinearity. The results were all under 10, hence the assumption was met.

In order to conduct the analysis, the variables needed to be created on SPSS. Therefore, all items were grouped to form the following variables: consumer satisfaction, employed as a dependent variable, crisis responsibility, crisis involvement, and pre-crisis reputation, used as independent variables, and familiarity, engaged as a moderator variable. A multiple regression analysis was applied to test all the correlations between the study's variables and the hypothesis formulated and grounded in the theoretical framework, in order to answer the research question of the research. Finally, a moderation analysis has been conducted to examine the impact of the moderator, brand familiarity, on the correlation between each independent variable and consumer satisfaction. For this purpose, three new interaction variables needed to be created, using the independent variables and the moderator variable.

## 4. Results

The following chapter of the research will illustrate the results gained after conducting the analysis, using IBM SPSS Statistics 28.

### 4.1 Descriptive Statistics and Correlation Matrix

A correlation matrix was created to determine the correlation between the variables previously explained, including the descriptive statistics. According to Field (2009), a Correlation matrix is particularly useful for our analysis to gain valid insights into correlations between predictors and outcomes. The first two columns of Table 1-Descriptive Statistics and Correlation Matrix report the descriptive statistics, specifically the Mean and the Standard Deviation of the variables. Moreover, all the significant correlations among variables can be observed since they are indicated with **, meaning those are significant at the .01 level.

Based on the table, the following data can be gained. Crisis responsibility ( $\mathrm{r}=-.367, \mathrm{p}=$ $<.001$ ), crisis involvement $(r=.366, \mathrm{p}=<.001)$, and consumer satisfaction $(\mathrm{r}=.654, \mathrm{p}=$ $<.001$ ), have a statistically significant relationship with pre-crisis reputation, showing strong positive correlations. Crisis involvement ( $\mathrm{r}=.293, \mathrm{p}=<.001$ ), has a significant relationship with familiarity. Crisis involvement ( $\mathrm{r}=.154, \mathrm{p}=.008$ ) and Consumer satisfaction ( $\mathrm{r}=.577$, p $=<.001$ ) have a significant relationship with crisis responsibility. Consumer satisfaction ( r $=.389, \mathrm{p}=<.001$ ) has a strong significant correlation with crisis involvement. The diagonal of the matrix shows the 1 value since they stand for "the correlation of each variable with itself" (Field, 2009).

Table 4.1 Descriptive Statistics and Correlation Matrix

|  |  |  | Correlation Matrix |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Mean | Std. Dev. | Familiarity | Pre-crisis reputation | Crisis <br> Responsibility | Crisis <br> Involvement | Consumer Satisfaction |
| Familiarity | 5.61 | . 952 | 1 |  |  |  |  |
| Pre-crisis reputation | 2.76 | . 869 | $\begin{aligned} & .030 \\ & .609 \end{aligned}$ | 1 |  |  |  |
| Crisis | 2.23 | . 843 | . 041 | -.367** | 1 |  |  |
| Responsibility |  |  | . 475 | <. 001 |  |  |  |
| Crisis | 2.65 | . 884 | . 293 ** | . 366 ** | . $154 * *$ | 1 |  |
| Involvement |  |  | $<.001$ | $<.001$ | $008 .$ |  |  |
| Consumer | 2.50 | . 920 | . 082 | .654** | .577** | . 389 ** | 1 |
| Satisfaction |  |  | . 158 | <. 001 | <. 001 | <. 001 |  |

** Correlation significant at the .01 level (2-tailed)

### 4.2. Hypotheses Testing

As mentioned in the methodology chapter, a Regression analysis has been conducted in order to test the previously explained hypotheses. This type of analysis was described as a process to investigate "how much of the variance in your dependent variable can be explained by your independent variables" (Pallant, 2011, p.173). In this way, by conducting a linear multiple regression all the independent variables have been included in the test together. An overview of the results, which will be further elaborated, can be seen in Table 2 - Results of Multiple Regression Analysis with Consumer Satisfaction as a dependent variable. The regression model was found to be significant $F(3,297)=138.11, p=<.001, R 2=.58$. No failure of the regression model was found.

Table 4.2 Results of Multiple Regression Analysis with Consumer Satisfaction as a dependent variable

| Independent variables | Consumer Satisfaction |
| :--- | :---: |
|  |  |
| Main effects |  |
| Crisis Responsibility |  |
|  | $-.39 * * *$ |
| Pre-crisis Reputation | $.17 * * *$ |
| $<R 2$ | $.45^{* * *}$ |
| F | .582 |

$N=301$. Significance level ${ }^{* * *} p \leq .01$

### 4.2.1. H1: The impact of crisis responsibility on consumer satisfaction with Balenciaga

The first hypothesis of the research tests the direct effect of crisis responsibility on the dependent variable of consumer satisfaction. It postulates that the perceived crisis responsibility may have a negative impact on consumer satisfaction, suggesting that the stronger the perception of crisis responsibility will be, the more negative the impact of the crisis on consumer satisfaction with Balenciaga. To test H 1 a regression analysis was conducted. The influence of crisis responsibility on consumer satisfaction was found to be significant and the sign of the standardized coefficient $(\beta)$ was found to be negative, implying a negative significant impact of crisis responsibility on consumer satisfaction $(\beta=-.39, p<$ $.001)$. Therefore, the hypothesis is accepted (= H1).

### 4.2.2. H2: The impact of crisis involvement on consumer satisfaction with Balenciaga

The second hypothesis of the study implies that perceived crisis involvement may negatively impact consumer satisfaction, a stronger perception of involvement can result in a more negative consumer satisfaction toward Balenciaga. A regression analysis was conducted and H2 was tested, finding the influence of crisis involvement on consumer satisfaction was significant. Nevertheless, the sign of the beta coefficient was discovered to be positive, determining a positive impact $(\beta=.17, \mathrm{p}<.001)$. Therefore, the second hypothesis is rejected ( $\neq \mathrm{H} 2$ ) .

### 4.2.3. H3: The impact of pre-crisis reputation on consumer satisfaction with Balenciaga

The third hypothesis tests the direct effect of pre-crisis reputation on consumer satisfaction. Specifically, pre-crisis reputation positively influences consumer satisfaction, indicating that a higher degree of pre-crisis reputation will positively impact consumer satisfaction, leading to more positive consumer satisfaction with the brand. After H 3 was tested, it has been found that the impact of pre-crisis reputation on consumer satisfaction is significant. According to the direction of the impact, pre-crisis reputation has a significant positive effect on consumer satisfaction ( $\beta=.45, \mathrm{p}<.001$ ). Therefore, the third hypothesis is accepted (= H3).

### 4.3 Moderation effect

The following paragraph presents three additional hypotheses addressing the moderating impact of brand familiarity, which are supported by the theoretical background provided in the corresponding chapter. A second regression analysis was conducted to analyze the moderation effect of brand familiarity on the interactions between the dependent variable, consumer satisfaction, and each of the three independent variables, crisis responsibility, crisis involvement, and pre-crisis reputation. The regression model was found to be significant $F$ ( 7 , 293) $=59.01, p=<.001, R 2=.59$. All three hypothesis suggests that familiarity with Balenciaga may strengthen the direct effect of each independent variable on consumer satisfaction. Hereinafter the results of the analysis will be further explored.

Hypothesis four suggests that when consumers have a higher level of familiarity with Balenciaga, the negative effect of crisis responsibility on consumer satisfaction may become more intense. The analysis revealed that the moderation effect was found to be not significant ( $\beta=.33, \mathrm{p}=.222$ ), therefore H 4 is rejected $(\neq \mathrm{H} 4)$.

Hypothesis five assumes that when consumers have a higher level of familiarity with Balenciaga, the negative effect of crisis involvement on consumer satisfaction may significantly increase. The moderation test showed the interaction was found not significant ( $\beta=-.15, \mathrm{p}=.638$ ), hence H 5 is rejected $(\neq \mathrm{H} 5)$.

Hypothesis six suggests that when consumers are more familiar with Balenciaga, the positive impact of pre-crisis reputation on consumer satisfaction will become stronger. The analysis results revealed that the moderation effect was found not significant ( $\beta=.09, \mathrm{p}=$ .748 ), therefore H 6 is not accepted ( $\neq \mathrm{H} 6$ ).

Table 4.3 Overview of the six Hypotheses presented in the research

Hypothesis
H1 Perceived crisis responsibility will have a negative impact on consumer satisfaction. The higher the perceived crisis responsibility, the more negative the consumer satisfaction toward the brand

H2 Perceived crisis involvement will have a negative impact on consumer satisfaction. The higher the perceived crisis involvement, the more negative the consumer satisfaction with the brand.

H3 A higher pre-crisis reputation will have a positive impact on consumer satisfaction. The higher the pre-crisis reputation, the more positive the consumer satisfaction with the brand

H4 Brand Familiarity will strengthen the impact of crisis responsibility on consumers' satisfaction. When consumers are more familiar with the brand, the negative impact of crisis responsibility on consumers' satisfaction will be stronger

H5 Brand Familiarity will strengthen the impact of crisis involvement on consumers' satisfaction. When consumers are more familiar with the brand, the negative impact of crisis involvement on consumers' satisfaction will be stronger.

H6 Brand Familiarity will strengthen the impact of pre-crisis reputation on consumers' satisfaction. When consumers are more familiar with the brand, the positive impact of the pre-crisis reputation on consumers' satisfaction will be stronger

Outcome
H1: Accepted

H2: Rejected

H3: Accepted

H4: Rejected

H5: Rejected

H6: Rejected

## 5. Discussion

The previously obtained results will be developed and discussed in the following chapter in accordance with the theoretical framework presented in Chapter 2. Managerial implications will be further suggested as well as a comprehensive answer to the proposed research question of the study.

### 5.2. Theoretical implications and Interpretation of results

This study aims to investigate whether or not and to which degree consumers' satisfaction with the brand Balenciaga has been affected after the massive scandal that occurred in November 2022. The results of this research meet the call of previous studies which have traditionally focused on an organizational-centric approach to crisis communication while neglecting consumers' perception of crisis (Cheng et al., 2012; Bowen et al., 2018; Coombs, 2022;). As previously mentioned, the type of crisis that afflicted Balenciaga can be ascribed as a preventable crisis, caused by humans' mistakes. Indeed, past research showed that this specific kind of negative event, has a substantial negative incidence on consumer satisfaction, harming the company's reputation (Sengupta et al., 2015). This is a crucial component to take into account since the analysis conducted both accept and reject the assumptions made based on previous findings; although $69.1 \%$ of participants in the survey do not think the blame for the crisis lies with the brand, $48.5 \%$ of respondents expressed dissatisfaction with how Balenciaga is and approached the crisis.

The first hypothesis of the study investigated the function of crisis responsibility on Balenciaga's consumer satisfaction since it represents one of the crucial predictors of crisis outcomes and has a key role in affecting individuals' perceptions of brand crisis (Choi \& Lin, 2009b). In particular, H1 was expected to show that crisis responsibility was negatively correlated with consumer satisfaction. Therefore, a higher perception of responsibility for the crisis would have led to more negative consumer satisfaction toward the brand. The results of the study showed that crisis responsibility is seen as a significant predictor of consumer satisfaction. Moreover, the negative impact of responsibility on consumer satisfaction with Balenciaga was confirmed by the analysis and the hypothesis which implies a negative effect on satisfaction has been accepted. This outcome complies with previous research findings supporting that a higher level of perceived crisis responsibility conduces to a dramatic decrease in organizational reputation and consumer satisfaction with the brand (Coombs,

2007a, 2022; Choi \& Lin, 2009b). Therefore, the results of this study can confirm previous research findings which have been previously proved that consumers who perceived a company as more responsible will react with unfavourable behaviors and emotions, reducing interaction and satisfaction with the brand, its values, and actions (Coombs, 2007a, 2022; Choi \& Lin, 2009b; Bowen et al, 2018).

The second hypothesis proposed in this study suggested that perceived crisis involvement may have a negative impact on consumer satisfaction. Notably, a higher perception of involvement with the crisis will lead to more negative consumer satisfaction toward the brand. Based on the findings, crisis involvement was identified as having a significant impact on consumer satisfaction, however, the hypothesis was rejected. These results failed to comply with previous studies which claimed that consumers who have a higher level of perceived crisis involvement tend to display more negative emotions and behaviors against the brand affected by the crisis (Celsi and Olson, 1988; Coombs \& Holladay, 2006; Choi \& Lin, 2009a), resulting in dissatisfaction with the company's actions, expectations, products and performance (Bowen et al, 2018; Fernandes \& Moreira, 2019; Yu et al., 2022). Therefore, the data suggests the scale employed in the survey for this specific case study may not have accurately reflected respondents' perception of involvement. Indeed, the scale employed showed a low level of reliability, as measured by Cronbach's alpha, probably due to the fact that it was initially tailored to measure product involvement, and eventually adapted to crisis involvement, and therefore may have failed to capture the perception of crisis involvement on satisfaction with Balenciaga. Moreover, the results can be also explained by respondents' low level of involvement with the brand, as $71.4 \%$ do not usually talk about the brand with others and $62.5 \%$ would be uninterested or neutral in reading more about Balenciaga. Although this study met the call for crisis involvement relevance to be included in SCCT (Coombs \& Holladay, 2007), the results cannot confirm the negative impact on consumer satisfaction.

The third hypothesis of the research concerned the positive impact of pre-crisis reputation on consumer satisfaction. Since the factor has been explained in previous studies as a shield that becomes stronger along with a higher level of pre-crisis reputation, safeguarding the organization from crisis damages and reputational threat, this variable plays an essential role in this study (Coombs, 2007a; Claeys \& Cauberghe, 2015). It was hypothesized that a higher level of prior reputation will lead to more positive consumer satisfaction with Balenciaga. The positive impact of pre-crisis reputation on the dependent variable consumer
satisfaction was found to be significant, therefore accepting the hypothesis. These findings comply with the results of previous studies (Coombs, 2007a; Claeys \& Cauberghe, 2015) that concluded that when a company has a good prior reputation the effect of the crisis will be mitigated by the halo effect (Coombs \& Holladay, 2006). Hence, the more a company shows a high pre-crisis reputation, the more consumers will be satisfied with the brand and its actions (Coombs, 2007a; Coombs \& Holladay, 2006; Fernandes \& Moreira, 2019; Yu et al., 2022).

Moreover, the last section of results regards brand familiarity, namely the degree to which a consumer is familiar with the investigated brand, in the case of this research with Balenciaga. Previous studies have shown that brand familiarity can represent an important predictor to understand consumer perceptions of crisis (Dawar \& Lei, 2009; Bapat, 2017), however since this variable is intended as an individual-related factor not directly applied to the crisis context, brand familiarity has been investigated as a moderator. The study, in particular, hypothesized that the impact of each independent variable, crisis responsibility, crisis involvement and pre-crisis reputation, on the dependent variable consumer satisfaction, may be moderated by the effect of each individual familiarity with the brand. Hypothesis four and five suggested that the role of familiarity may strengthen the negative effect of crisis responsibility and crisis involvement on consumer satisfaction. Hypothesis six proposed that more familiarity with the brand can enhance the positive impact of pre-crisis reputation on consumer satisfaction. All three hypothesis found the effect of familiarity on the interaction between the independent variables and the dependent variable not to be significant. Therefore, the three hypotheses have been rejected. These findings failed in comply with previous studies which supported the hypotheses since they have previously demonstrated consumers who are more familiar with a brand perceive the crisis stronger, leading to a reinforcement of the crisis effect on consumer satisfaction (Dawar \& Lei, 2009).

Finally, it is interesting to draw attention on some additional results they should be taken into account when considering the overall outcome of the research. $69.1 \%$ of respondents disagree with blaming Balenciaga for the crisis, however, $63.5 \%$ of participants disagree likewise in attributing responsibility to other factors rather than Balenciaga. Hence, due to the complexity and specificity of the case, respondents' perceptions of responsibility can be ascribed to a variety of causes, thus making it difficult to answer such specific dichotomous questions. Moreover, although the $62.2 \%$ of respondents declared to be familiar with the brand, the $88.4 \%$ answered they have never directly purchased anything from the brand and
after the crisis the possibility they will purchase something do not increase since the 58.6.\% claimed they will not buy anything from Balenciaga as well as the $26.2 \%$ neither disagree nor agree with the statement.

### 5.2. Managerial implications

Multiple practical implications can be proposed according to the outcomes of this study. This research can indeed assist organizations and managers in better deal with crisis and minimize the negative impacts on their company's reputation and consumer satisfaction. Thus, this research examines the impact of three factors on consumer satisfaction with Balenciaga following the company's controversy in November 2022. This variable is of utmost importance to be investigated by managers due to its role as an essential indicator of long-term company performance (Nam et al., 2011). Moreover, by determining which factors can influence consumer satisfaction during a crisis, organizations may take active measures to mitigate the adverse consequences of the crisis on stakeholders' crisis perception, brand satisfaction and consumers future intentions.

The first factor tested on consumer satisfaction is crisis responsibility, which is regarded as one of the crucial crisis-related predictors for organizations to take into account. Indeed, mangers should properly manage responsibility to prevent reputational threats and lessen the negative emotional and behavioral consequences of consumers (Weiner, 1985; Combs, 2007a, 2022; Choi \& Lin, 2009b). During a crisis, organizations should create strong communication with stakeholders in order to monitor the public's reaction to the controversy, especially on social media platform where a backlash is most likely to happen, as in the presented case. The findings of this study's underline the importance of crisis responsibility as a significant predictor of consumer satisfaction. Notably, it has been confirmed that crisis responsibility has a negative impact on satisfaction; consequently, managers should deeply consider that the higher the consumer perception of crisis responsibility, the more negative the satisfaction with the brand. The crisis type can be identified based on the assessment of crisis responsibility, which is crucial for managers to appropriately react to a crisis (Coombs, 2007a). As previously mentioned, the Balenciaga scandal can be categorized as a preventable crisis caused by internal corporate failures. When compared to other crisis types, this may have an increased impact on consumers perception of crisis responsibility (Sengupta et al., 2015). To manage an organizational crisis, it appears therefore necessary for managers to gain knowledge from these results and always take into consideration the importance of crisis responsibility.

Crisis involvement is the second component examined in this study. Although earlier research did not extensively investigated involvement, it appeared to be crucial to incorporate in the crisis scenario. Understanding the perception of consumers involvement may assist managers in customizing measures to efficiently handle the crisis and its negative consequences, since involvement refers to the degree to which a person is personally invested in a specific brand or product. However, this study's results do not support the negative impact of crisis involvement on consumer satisfaction and therefore, it cannot confirm the related managerial suggestions.

Furthermore, pre-crisis reputation is the third consumer factor tested on consumer satisfaction in this study. This is considered an essential predictor of crisis outcomes; thus, crisis managers should be always aware of their company pre-crisis reputation. Indeed, how consumers perceived the organization before a crisis plays a fundamental role in determining the degree of initial reputational loss (Coombs, 2007a; Claeys \& Cauberghe, 2015). The findings of the study highlight the relevance of pre-crisis reputation as a significant predictor of consumer satisfaction. Specifically, it has been established that pre-crisis reputation has a positive impact on satisfaction; therefore, managers should deeply consider that the higher the reputation of the company before the crisis, the more positive the satisfaction with the brand. For all these reasons, managers should constantly strive to preserve a positive prior reputation to buffer further damaging effects and safeguard the company's image, maintaining consumer satisfaction with the brand (Claeys \& Cauberghe, 2015).

Lastly, the outcome of the study on brand familiarity as a moderator of the correlations between the three factors and consumer satisfaction indicated no significant moderating effect. Although differences in consumers' responses were expected to be observed depending on each consumer familiarity with the brand, the results of the study cannot confirm the moderating impact and therefore, no corresponding managerial suggestions can be provided.

## 6. Conclusion, Limitations, and Future Research

### 6.1. Conclusion

The primary objective of this study is to find out whether the consumer satisfaction with the brand has been affected after the massive backlash occurred in November 2022 against the well-known luxury fashion house of Balenciaga. Since earlier research in the field centered on finding the most efficient crisis response strategies, the focus of this study has been on consumer perception of the crisis, specifically on the perception of three crisis-related factors (Bowen et al, 2018). The affection of consumer satisfaction has been measured based on three identified crucial factors: crisis responsibility, crisis involvement and pre-crisis reputation. As previously mentioned, even though the outcomes of the analysis revealed that respondents do not hold Balenciaga accountable for the crisis, it emerged that the responsibility significantly affects consumer satisfaction. Particularly, it was found that crisis responsibility is negatively correlated with consumer satisfaction. Therefore, this study can confirm prior findings affirming that a higher perception of crisis responsibility leads to a more negative consumer satisfaction with the brand (Coombs, 2007a, 2022; Choi \& Lin, 2009b).

Furthermore, this research can also validate pre-crisis reputation as a relevant predictor of crisis outcomes since it acts as a barrier to protect the organization from reputational damages (Coombs, 2007a; Claeys \& Cauberghe, 2015). Although the majority of respondents ( $43.9 \%$ ) neither disagree nor agree about having positive feeling about Balenciaga, the results of the study show a significant positive impact of pre-crisis reputation on consumer satisfaction. Hence, the outcome complies with previous studies affirming that a higher reputation of the brand before the crisis can buffer the crisis negative effects and lead to a more positive consumer satisfaction with the company (Coombs \& Holladay, 2006; Claeys \& Cauberghe, 2015).

Moreover, this research meets the call of previous studies which claimed the importance of including crisis involvement as a crucial predictor of crisis outcomes (Coombs \& Holladay, 2007). However, the results of this study cannot support previous findings since involvement was not found to have a significant impact on consumer satisfaction. The involvement of participants with the Balenciaga scandal did not display any significant correlation with consumer satisfaction. This can be explained by respondents' low level of involvement with the brand and the lack of reliability in the scale employed. Therefore, this
study cannot confirm the crucial role of crisis involvement in crisis dynamics in light of the impact on consumer satisfaction.

In addition, this research introduced the concept of brand familiarity as a possible moderator of the correlations between each factor and consumer satisfaction. Since this consists of a consumer individual-related factor, which is not specifically applied to the crisis context, but it is considered a crucial predictor of consumers' perceptions and behaviours, a possible strengthening of the impact of crisis responsibility, crisis involvement and pre-crisis reputation on consumer satisfaction has been investigated (Bapat, 2017; Dawar \& Lei, 2009). The outcomes of the study, however, reject the moderating effect of brand familiarity on the relationship between all three factors and consumer satisfaction. In the case of crisis responsibility and pre-crisis reputation, this can be explained by the strong direct impact the two factors have on consumer satisfaction. Hence, although $62.2 \%$ of respondents declared to be familiar with the brand, this study cannot confirm previous findings that established a strengthening of crisis effects on consumer satisfaction (Dawar \& Lei, 2009).

All in all, the purpose of this study is to answer the proposed research question: "How do crisis responsibility, crisis involvement, and pre-crisis reputation affect consumers' satisfaction with Balenciaga after its scandal? To what extent does brand familiarity moderate this relationship?". The affection of consumer satisfaction is tested with regard to responsibility, involvement, and pre-crisis reputation. According to the results gained after conducting the data analysis, it can be concluded that the consumers satisfaction with the brand is negatively affected by responsibility and positively impacted by pre-crisis reputation. The perceived involvement had no significant correlation with satisfaction as well as brand familiarity did not show any moderation effect on consumer satisfaction.

### 6.2. Limitations and recommendations for future research

As common to every study, certain limitations should be taken into account when interpreting the outcomes of this study. In many cases, relevant recommendations for future research can be proposed based on the limitations of a research.

First of all, some limitations regarding the sample can be identified. The gender distribution, especially since Balenciaga has a relevant portion of male consumers, as well as the nationalities distribution were somewhat out of balance. The plurality of female respondents along with the predominant nationalities of Italian and Dutch respondents might reduce the generalizability and representativeness of the general population. Although the
survey includes respondents in the age range between 18 and 58 years, the mean age of the sample is relatively young. In addition, the vast majority of respondents declared they have never purchased anything from Balenciaga ( $88.4 \%$ ). Therefore, in order to get a more representative, generalized and balanced sample this study recommends two possible directions of action for future research. The first option can rely on the use of random sampling technique to reduce any potential sample bias. The second strategy may consist in selecting and filtering respondents based on their previous interactions with the brand, such as actual customers along with regular consumers to gain more specific managerial knowledge.

Furthermore, another limitation of the research can be found in the measurements of the variable of crisis involvement. As previously explained in the methods section, the scale by McQuarrie and Munson (1992) was formerly employed to measure product involvement and it was initially composed of 10 items. For the purpose of this research the scale was adapted to measure company crisis involvement as previously used in McDonald et al's (2010) and only three items were selected. This leads to a decrease in Cronbach's alpha value, and while potential exclusions of certain items were investigated to increase the value, the scale was considered non-acceptable since the test showed a Cronbach's alpha value of $\alpha$ $=.56$. As a result, the scale can be deemed unreliable, leading to potential wrong and inaccurate measurements. Therefore, to improve consistency and reliability of crisis involvement measurements, future research should adopt a reliable scale, with an acceptable Cronbach's alpha. This can be accomplished by adopting a different scale or by employing the same scale as in this study but selecting more consistent items, if not all of them.

Moreover, this study investigates the impact of three factors on consumer satisfaction. These include crisis responsibility, crisis involvement and pre-crisis reputation, where only responsibility and pre-crisis are part of SCCT structure. SCCT was used to ground the analysis, however not all the framework's factors were included. Notably, the aim of this study was to measure the prior reputation of Balenciaga before the crisis, not after, hence a pre-crisis reputation scale was employed. Although the case explanation was included to the survey, only after measuring the pre-crisis reputation, some respondents could have already been aware of the controversy and therefore biased in their responses. Indeed, the lack of all the elements included in SCCT and the potential bias in the measurement of pre-crisis reputation can be addressed as other limitations of the research. However, in order to deeper investigate consumers' perceptions of the crisis and its influence on them, this study suggests that further research should incorporate the variable of post-crisis reputation in the research.

In this way, more insights into the potential correlation of post-crisis reputation on consumer satisfaction may thus be gathered and eventually compared with the pre-crisis reputation findings.

Additionally, a final recommendation for future research would be to incorporate other dependent variables that have not been included in the present study. Specifically, the impact of the proposed three factors may be tested on purchase intention along with brand trust. Another interesting variable that would be interesting to incorporate in further studies is brand loyalty since previous research showed satisfied consumers will be more likely to positively interact with a brand as well as increase their loyalty for that brand (Fernandes \& Moreira, 2019). These potential dependent variables may offer the opportunity to gain more insights into the academic and managerial field and analyze additional effects.

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## Appendix A - Survey

## Start of Block: Welcome

Welcome: Dear respondent,

Thank you for taking part in this master's thesis research, which is conducted by a Media\&Business student at Erasmus University Rotterdam. I'm inviting you to fill in this survey about your personal consumer experience with the luxury brand Balenciaga. The questionnaire will take approximately 5 minutes to fill in.
Please answer each question carefully and honestly, I am sincerely interested in your personal opinion and perception. There are no right or wrong answers

## CONFIDENTIALITY OF DATA

All research data remain completely confidential and are collected in an anonymous form. We will not be able to identify you. There are no foreseeable risks or discomforts associated with participating in this research.

## VOLUNTARY

If you now decide not to participate in this research, this will not affect you. If you decide to cease your cooperation while filling in the questionnaire, this will in no way affect you either. You can cease your cooperation without giving reasons.

## FURTHER INFORMATION

Please complete this survey only if you are at least 18 years old. If you have questions about this research, in advance or afterward, you can contact the responsible researcher, Alessia Bruno, email: alessia.bruno@student.eur.nl

## End of Block: Welcome

Start of Block: Consent

Consent: If you understand the information above and freely consent to participate in this study, click on the "I agree" button below to start the questionnaire.

I agree (1)

I do not agree (2)

Skip To: End of Survey If If you understand the information above and freely consent to participate in this study, click on... = I do not agree

End of Block: Consent

Familiarity Q2: I would like to ask you how you consider yourself toward the brand Balenciaga.


## End of Block: Familiarity

Pre-crisisRep : Since each individual can have a different opinion about the brand, what do you think of Balenciaga and its background in the last few years?

|  | Strongly <br> Disagree (1) | Disagree (2) | Neither agree nor disagree (3) | Agree (4) | Strongly agree (5) |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Balenciaga is a company I have a good feeling about (1) | $\bigcirc$ | $\bigcirc$ | $\bigcirc$ | $\bigcirc$ | $\bigcirc$ |
| Balenciaga is a brand that I trust (2) | $\bigcirc$ | $\bigcirc$ | $\bigcirc$ | $\bigcirc$ | $\bigcirc$ |
| Balenciaga is a brand that I admire and respect (3) | $\bigcirc$ | $\bigcirc$ | $\bigcirc$ | $\bigcirc$ | $\bigcirc$ |
| Balenciaga has a good overall reputation (4) | $\bigcirc$ | $\bigcirc$ | $\bigcirc$ | $\bigcirc$ | $\bigcirc$ |

## End of Block: Pre-crisis reputation

Start of Block: What happened in November?

Context: What happened in November 2022 at Balenciaga?

The luxury fashion house Balenciaga, owned by Kering, went through a massive scandal due to the release of two campaigns. The first advertisement, part of the Balenciaga Gift shop campaign, was portraying six children handling teddy bears in bondage harnesses and leather costumes. The kids were juxtaposed with tools that reminded bondage paraphernalia and the BDSM imaginary. Afterward, the brand released the Garde-Robe campaign, where the Hourglass handbag was resting on some Supreme Court documents regarding child pornography. After several events, Balenciaga ultimately published two official statements on its Instagram account. The brand took responsibility for the wrong choice of the children featured in the campaign, the consecutive failed assessment, and the absence of oversight concerning the documents in the background. The backlash against the brand and consumers' anger was swift and large-scale, with the hashtag \#cancelBalenciaga trending on social media. By combining the separate campaigns and unlucky events, consumers were accusing the whole fashion house of supporting child abuse and glamourizing violence against minors.

Q18 Garde-Robe campaign and Hourglass Bag


Q19 Balenciaga Gift shop campaign


End of Block: What happened in November?

Start of Block: CrisisResponsibility

Responsibility: The items below concern your perception of the Balenciaga crisis. How much do you agree with these statements?

|  | Strongly <br> disagree (1) | Disagree (2) | Neither agree <br> nor disagree (3) |
| :---: | :---: | :---: | :---: |
| The blame for <br> the crisis lies in <br> other factors, <br> not in |  |  |  |
| Balenciaga (1) |  |  |  |$|$

End of Block: CrisisResponsibility
Start of Block: CrisisInvolvement

Involvement: How much do you agree with the following statements about the brand?


End of Block: CrisisInvolvement

## Start of Block: Satisfaction

Satisfaction: How much do you agree with the following statements about Balenciaga?


## End of Block: Satisfaction

## Start of Block: Block 12

Q16 Have you ever purchased any products from BalenciagaYes, I have (1)No, I have not (2)

Q17 Would you like to purchase something from the brand in the future?Yes, I would (2)No, I would not (3)Maybe (4)

Gender: Finally, I would like to ask you some demographic questions.
Which gender do you identify with?Male (1)Female (2)Non-binary / third gender (3)Prefer not to say (4)

## End of Block: Block 8

Start of Block: Block 9

Age: How old are you? (Please insert your age in number)
$\qquad$

## End of Block: Block 9

## Start of Block: Nationality

$\square$

Nationality Which is your country of origin?
$\boldsymbol{\nabla}$ Afghanistan (1) ... Zimbabwe (1357)

## End of Block: Nationality

Education: What is the highest degree or level of education you have completed?High school Diploma (1)Bachelor's Degree (2)Master's Degree (3)Phd or other (4)Prefer not to disclose (5)

## End of Block: Block 11

## Debriefing

Congratulations, you have reached the end of the survey.
Thank you very much for your participation.
All your answers have been correctly recorded.
If you have any questions about my study or are interested in the results, feel free to contact me via alessia.bruno@student.eur.nl

Best regards,
Alessia

