

*CONSUMERS' APPRAISAL PROCESS IN
EMBARRASSING NEGATIVE BRAND
PUBLICITY*

KIN YAN HO

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PHD THESIS: CONSUMERS' APPRAISAL PROCESS IN
EMBARRASSING NEGATIVE BRAND PUBLICITY

HO KIN YAN

JUNE 20, 2021

DURHAM UNIVERSITY BUSINESS SCHOOL, DURHAM UNIVERSITY

Abstract

Negative brand publicity threatens consumers' self-esteem and social image, that leads to brand embarrassment. As the emotion of embarrassment has been linked to a variety of unfavourable consumer behaviour, such as brand switching (Romani, Grappi, and Dalli, 2012), this thesis investigates what factors elicit brand embarrassment, and how consumers use brand remedial offer to cope with the effects of these psychological threats and mitigate the negative self-conscious emotion.

Drawing from a cognitive appraisal theory, this thesis developed a framework to identify the relationship between consumer-brand relationship quality, brand embarrassment, and repurchase intentions, and the distinctive roles played by brand embarrassment type and restorative justice. Two quantitative studies were carried out in the UK using a scenario-based experimental design. Automobile and apparel products were chosen as these were high involvement products in the consumer market. Study 1 aimed to examine what factors influence the strength of brand embarrassment in an automobile product context, and study 2 investigated how the brand embarrassment be recovered in an apparel product context. Conditional process analysis, structural equation modelling, and variance analyses were used to analyse the data.

Results of study 1 show that low quality of brand relationship and high perceived severity increase the level of brand embarrassment when consumers encounter negative publicity of a brand. The role of social presence and social absence moderates the relationships, that public brand embarrassment and private brand embarrassment occur. Study 2 extends the findings of study 1, the results depict that after a brand communicates remedial strategy to the consumers, restorative justice can resume consumer loyalty through brand relationship and emotion recovery. The emotion recovery is an important factor to explain the positive relationship between brand relationship quality and repurchase intentions. The brand embarrassment type (public vs. private) demonstrates an interaction effect for the mediating role of emotion recovery on repurchase intentions. When consumers receive all the brand remedial tactics, the strength of brand embarrassment is greatly reduced and be recovered.

This thesis provides both theoretical and managerial contributions. First, the embarrassment literature has been extended to negative brand publicity context. Public and private brand embarrassment elicit in the cognitive appraisal process. Second, brand relationship quality plays an important role in the psychological and recovery process in the brand embarrassment model. To cope with the feeling of brand embarrassment and facilitate the loyalty towards the brand, restorative justice increases repurchase intentions, through the brand relationship quality and emotion recovery. The

effects of mediating role of emotion recovery on future behaviour depends on whether consumers experience public brand embarrassment or private brand embarrassment. These findings contribute to Lazarus's (1991) cognitive appraisal theory by adding consumer-brand relationship and perceived justice in the consumers' cognitive appraisal process.

In a practical contribution, the evaluation of perceived justice in a branding context is different from a service or product failure. Embarrassed consumers evaluate the brand remedial tactics from the combination of procedural, distributional, and interactional dimensions instead, which further extends the understanding of Rawls's (1971) justice theory. Brand managers can design and communicate comprehensive brand remedial tactics, focusing full compensation from relational and emotional perspectives, to mitigate consumers' self-esteem and social image threats and feeling of brand embarrassment caused by the negative brand publicity.

Key Words: Negative Brand Publicity, Cognitive Appraisal, Social Presence, Brand Relationship Quality, Brand Embarrassment, Justice Theory

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Chapter 1: Introduction

1.1 Introduction

'Volkswagen offers customers financial compensation for the embarrassment of driving a Volkswagen.'

'For Germans, the Volkswagen negative publicity is a national embarrassment.'

'Who are the victims of the Volkswagen negative publicity?'

Media headlines like the above have become increasingly common over the past few years (CATO Institute, 2016; The Daily Bonnet, 2018; The Washington Post, 2015). For example, the negative publicity related to Facebook privacy violations in 2018 led to the loss of trillions of dollars for the company, the Volkswagen emissions negative publicity in 2015 led to the loss of £4.8 billion, and negative publicity linked to China's vaccine was prominent in 2018. Corporate negative publicity can make people experience feelings of shame (BrandFinance, 2017). For example, in 2017, a video that showed the forcible, bloody removal of a United Continental passenger on an overbooked flight raised public concerns. The video was viewed more than 5 billion times. The brand incident disgusted airline customers across the globe. Existing customers cut up their United credit cards and posted the images to social media to express their dissatisfaction with the negative brand incident. Although the United CEO apologised profusely for the incident and re-accommodated the affected passenger, the company's market value dropped US\$1 billion within 48 hours (Mortimer, 2017). The brand harm consequences were severe: loss of customers and profits as well as damaged trust and relationships with existing customers.

In this thesis, a product brand was used. In the consumer behaviour literature, material possession is more likely to evoke a feeling of brand embarrassment (Walsh et al., 2016). When consumers are driving a car or wearing a jacket, it is hard for them to

abandon it immediately if negative brand publicity happened. The consumers would receive pressure from actual or imagined persons who talk about the brand, associate the brand with them and think worse of them. The intensity of brand embarrassment would get stronger as the possession time increases. Therefore, to evoke greater strength of brand embarrassment, a tangible product, such as the automobile and apparel, was used to examine the consumers' appraisal process.

1.1.1 The Importance of Brand Embarrassment and Emotion Recovery Process

Emotions play an integral part in humans' everyday lives. In particular, self-conscious emotions (such as pride and embarrassment) cannot be easily detected and described through facial expressions (Lewis, 2007), but rather they require cognitive self-reflections for their elicitation (Tracy & Robbins 2007). Over the past 20 years, more than 800 top journal articles in marketing and psychology have focused on self-esteem threats and socially related threats, demonstrating the importance of research on embarrassment. Brand embarrassment occurs when consumers are aware of the negative associations with the brand that threatened their self-esteem and social image vinegative brand publicity. Researchers and practitioners have established the process and adverse impacts of embarrassment in a consumption context, but research on other types of embarrassment and the emotion recovery process is still underdeveloped in consumer psychology literature (Krishna et al., 2019). The emotion of embarrassment can lead to brand switching (Romani, Grappi, & Dalli, 2012). To lower the overall anticipated embarrassment caused by the brand transgression, it is important to understand the cognitive process triggering brand embarrassment and how the brand can mitigate the emotion.

Negative brand social self-expressiveness creates brand hate, and this relationship is mediated by brand embarrassment (Sarkar, Sarkar, Sreejesh, Anusree, & Rishi, 2020).

It indicates that the process of brand hate goes through brand embarrassment. If the brand does not properly manage how consumers see themselves, it will lead to brand hate, which is the dark side of the consumer-brand relationship. Negative self-brand association in a social presence context threatens the social self. Consumers' susceptibility to interpersonal influence positively moderates the effect of negative brand social self-expressiveness on brand embarrassment (Sarkar et al., 2020). The brand's consumers become concerned and worry how others perceive them. When individuals use a brand to represent themselves, the messages the brand conveys to the public become how consumers express themselves in front of their social group. Social media and the persons within the group influence how consumers present their social image. If the news of a negative brand incident widespread publicly, the negative impacts on the one's self-concept will be greater than in a private situation. Inner self-expressiveness negatively moderates the effect of brand embarrassment on brand hate (Sarkar et al., 2020). It further supports that a change of inner self-expression influences the strength of brand hate and hence the consumer-brand relationship. Therefore, there should be ways to adjust the consumers' self-expression when the emotion or brand embarrassment is recovered to reduce the brand hate and lead to higher intentions of repurchase. The negative impact of brand hate is severe; therefore, it is important to understand how the negative brand publicity leads to brand embarrassment and the emotion recovery process.

A company's wrongdoings are inevitable and sometimes uncontrollable. To control and recover the loss caused to vulnerable consumers, companies may recall a product, provide monetary compensation and/or apologise for their fault; however, the relationship between the company and consumers is affected. People react differently depending on how the negative brand incident influences them. Consumers evaluate a company's wrongdoings from different perspectives, and the degree and type of

emotions vary. Loyal consumers feel betrayed because the company failed to meet its promise (Gregoire & Fisher, 2008), while some consumers feel angry, as they attribute fault to the company (Jin, Liu, Anagondahalli, & Austin, 2014). When individuals blame themselves and/or the social presence situation, they become embarrassed (Verbeke & Bagozzi, 2003). Brand embarrassment occurs when a company's wrongdoings threaten an individual's public identity (Walsh et al., 2016). The literature has revealed that embarrassed consumers use an avoidance approach to cope with their negative emotions (Grace, 2007; Moore et al., 2008). These emotions are not easily discovered by a company's staff. Thus, it is difficult for a company to manage their customers' negative emotions and predict how their future behaviours and habits might affect long-term business growth. In order to sustain the growth of a company, it is necessary and crucial to examine how consumers respond (e.g. think, feel and act) to negative brand publicity.

Previous studies have focused on how stimuli influence individuals at a specific point in time. In the context of negative brand publicity, the brand's responsive actions will also be considered when the company investigates the situation because they reflect the full picture of current business practices. Given that there is limited knowledge about how embarrassed consumers appraise and respond to negative brand publicity, this thesis examines the cognitive appraisal process (cognition-emotion-behaviours) of existing consumers when they face negative brand publicity that influences their public identity. It is expected that the results will extend cognitive appraisal theory and provide brand managers with a better understanding of how to handle existing consumers' negative emotions and future purchase behaviours when negative brand publicity occurs.

1.1.2 Negative Brand Publicity and Brand Embarrassment

Stimuli evoke a myriad of emotions. Embarrassment can be self-evoked and/or triggered by other parties, such as people in a social group, embarrassing products and TV advertising that threatens an individual's self-image or self-identity (Levy, 1959; Peattie & Peattie, 2009). Embarrassment can occur when individuals think that they might be negatively evaluated by other people because of their association with the misbehaviour of a brand. This embarrassment caused by brand failure is termed brand embarrassment (Walsh et al., 2016). The strength of brand embarrassment is influenced by the degree of negative meanings of a brand, the extent of brand consciousness, the perception of a brand's prestige and the level of incongruency between brand identity and self-identity (Sarkar & Sarkar, 2017). Consumers' attachment style and knowledge of a brand—as well as their psychological traits—moderate the level of brand embarrassment (Grant & Walsh, 2009; Puntoni, Hooge, & Verbeke, 2015; Sarkar et al., 2017). According to Walsh et al. (2016), consumer-brand embarrassment tendencies predict individuals' purchase intentions. Sarkar et al. (2017) revealed that negative brand publicity makes consumers feel embarrassed, and this emotion isolates them from their social group. Therefore, both brand and individual factors interactively affect an individual's emotions and future behaviours.

There are different forms of negative brand publicity; for instance, a company sells defective, counterfeit or poor-quality products to consumers or violates social/human rights such as Facebook's data breaches. The elicited emotions are determined by the type of crisis attribution (Coombs & Holladay, 2011; Lee, 2004). In negative brand publicity context, anger is elicited when individuals attribute fault towards others (e.g. a company) and believe that the situation could have been controlled. These negative emotions are categorised as external-attribution-dependent crisis emotions; they have been widely examined with regard to causes and brand coping strategies. On the

contrary, when individuals direct blame inwardly towards themselves, internal-attribution-dependent crisis emotions, such as embarrassment, guilt, and shame, are evoked (Jin, Liu, Anagondahalli, et al., 2014).

The main investigations concerning embarrassment literature have been about how and what makes people feel embarrassed, and what is the reaction of the embarrassed person. Substantial evidence has demonstrated that embarrassment is elicited when an individual's identity (self or public) is threatened. Individuals use a brand to reflect their self-concept (Fournier, 1998); it is expected that consumers will not continue to use the brand if the brand's identity or image is no longer what they desire. In other words, embarrassment is evoked if a negative brand incident damages consumers' self-identity or public identity. Some examples include United Continental Airline's unfair treatment of consumers and Volkswagen's emission fault negative publicity. An exploration of consumers' embarrassment caused by a brand is underdeveloped in emotion research.

Embarrassment can occur in a private or a public situation and be experienced with a real or imagined audience (Higuchi & Fukada, 2002; Krishna et al., 2015). Individuals feel embarrassed because they did something that may cause other people to think worse of them (i.e. lowered their self-esteem or self-image). Another situation is that others did something that made them feel embarrassed (i.e. cognition is processed before eliciting an emotion).

Embarrassment could also occur when there is a negative association in a self-other relationship. For example, when parents think that others may think worse of them because of their son's negative behaviour, they feel embarrassed as this parent-children relationship cannot be terminated. In the same logic, it is possible that when a brand scandal happens, a consumer-brand relationship would make loyal consumers who have strong brand relationship feel embarrassed. Consumers worry how others appraise them

as they cannot immediately stop their relationship with a brand, for instance, consumers still having the company's service contract and using the brand's products.

Most research emphasises consumer embarrassment in a social context or when triggered by an event or self-directed coping method. Multiple elements of embarrassment and multifaceted relationships have received much less academic attention. Negative emotion caused by others' behaviour has recently begun to receive attention in brand, psychology and human behaviour research, such as brand embarrassment. The impact of brand embarrassment influences consumers' judgement of a brand, the purchase of the brand's products and decisions regarding whether those products are used after purchase (Jiang et al., 2018), which eventually reduces a company's profits and business growth.

Embarrassment is a pervasive emotion and an important part of the consumer landscape. Krishna et al. (2019) also suggest that further study can be done on brand embarrassment considering social relationships and on examining how individuals' sense of rules and belongingness in their social group influence their likelihood to experience brand embarrassment.

In emotion research, studies have revealed that stimuli drive emotions: people undergo distinct psychological mechanisms that evoke different emotions and influence their perception, evaluation and reaction to similar stimuli in the future. When consumers encounter subsequent stimuli after an initial one from the same brand, would consumers perceive, evaluate and react from different perspectives? In other words, how do dual stimuli influence consumers' appraisal process that changes their affective and behavioural responses? This knowledge gap requires further study because people now simultaneously process many pieces of information that affect their decision-making.

1.2 Research Objectives and Research Questions

Previous studies have investigated embarrassment in a steady environment, for instance, during shopping, while making a purchase or in a social gathering. Hence, the exposure time to embarrassment is short. When an individual is constantly bombarded with embarrassing stimuli from public media, such as a product's advertising, the dynamic environment exerts psychological pressures onto individuals. These pressures evoke more robust and long-term embarrassment. However, the literature has not explored how this embarrassment affects individuals' well-being, information processing, attitudes, emotions and behaviours.

Negative brand publicity that threatens consumers' self-concept and well-being extends the psychological distance between consumers and a brand. To avoid driving embarrassed consumers to cope with the embarrassing situation by using an avoidance approach, it is crucial to investigate how they think, evaluate and react to brand stimuli. This essential information would help brand managers restore their customers' emotions and rebuild a long-term and healthy future relationship. Therefore, the present study aims to examine consumers' psychological and appraisal processes with respect to negative brand publicity.

Negative emotions are more valuable than positive emotions because avoiding danger is more critical for survival than seeking pleasure (Baumeister et al., 2001). Negative emotions significantly influence consumers' purchase and consumption patterns (Kapoor, 2008). Previous research in consumer embarrassment mostly happened in a direct encounter with the products or services; there are fewer studies on whether the negative brand publicity can lead to consumer embarrassment that harms the brand and how (Walsh et al., 2016). However, previous embarrassment studies (Grant & Walsh, 2009; Romani et al., 2012) did not quantitatively measure the relationships between each cause and effect of brand embarrassment, particularly in

relation to existing customers with different customer-brand relationship levels. This unexplored area has created a knowledge gap in emotions research.

This thesis aims to examine the questions of (a) how brand embarrassment is formed when consumers encountered negative brand publicity; and (b) do a company has the opportunity to recover brand embarrassment and how. To answer these two questions, there are four inter-related four sub-research questions as below.

1. How does brand embarrassment occur when encounter negative brand publicity?
2. What factors increase consumers' feelings of brand embarrassment?
3. In what conditions will brand embarrassment be recovered?
4. What factors influence the emotion recovery process and repurchase behaviour?

To answer these research questions, two quantitative studies were conducted. The study one identifies the salient factors in the appraisal process that are more likely to provoke brand embarrassment when negative brand publicity occurs. Study two examines the relationships between the salient factors identified in study one in the content of brand recovery strategies, focusing on the emotion recovery process. Moreover, this research tests the difference in emotional and behavioural responses for different brand embarrassment situations. Study 1 will answer research questions 1 and 2, and study 2 will answer research questions 3 and 4.

1.3 Theoretical Foundation

The research context of this study is negative brand publicity. The focal point is examining how consumers respond to negative brand publicity that threatens their self-concept. Consumer reactions vary depending on how a consumer perceives environmental stimuli. The responses can be explicit and implicit exposure, biological, psychological and behavioural, such as a red/flushed face, anger and complaining. Individuals evoke emotions after they evaluate an event; this emotion appraisal is

borrowed from an appraisal theory that originated in psychology (Ellsworth & Scherer, 2003). Behaviour is the result of an individual's affective responses.

1.3.1 The Importance of Using Cognitive Appraisal Theory

According to the theory of cognitive appraisal (Lazarus, 1991), individuals activate their primary appraisal to see whether and how a situation is relevant to themselves, for instance, goal congruency before emotion is elicited. Low self-appraisal and high cognitive loads reduce the strength of embarrassment (Krishna et al., 2019). Embarrassment is characterised by the awareness of an emotional state, cognitive elaboration and self-reflection (Pham et al., 2001). This research proposes that after embarrassing and negative brand publicity has occurred, when consumers use a brand to represent themselves (perceive brand failure as their own failure) and worry how others talk about them negatively, thus triggering their self-appraisal, strong self-appraisal will increase the brand embarrassment level. Moreover, mental distraction requires consumers to think and respond to interference in the self-appraisal process (Herd et al., 2019). It is expected that when consumers receive brand communications, like a brand remedial tactic, this distraction leads to low self-appraisal that diminishes and recovers the feeling of brand embarrassment eventually. Therefore, in this research context, the cognitive appraisal is used as a fundamental framework.

Numerous theories have been used to study emotions and behaviours using Lazarus's (1991) cognitive appraisal theory and Roseman's (1984) structural theory. The main differences between these two dominating theories are: (1) different dimensions for emotion appraisals and (2) post-emotion evaluation. For (1), Lazarus suggests relational, motivational and cognitive aspects, while Roseman advocates motivational, situational, certainty, legitimacy and agency as evaluative criterion. For (2), Lazarus's theory involves individuals' evaluation of their coping options and future

expectancies, but these considerations are not involved in Roseman's theory. The research objective of this study is to examine consumers' psychological and appraisal processes with respect to negative brand publicity. Lazarus's theory involves a more comprehensive analysis compared to Roseman's theory in the case of negative brand publicity. Therefore, by investigating consumers' evaluation of a brand's action that affects their future expectancies, cognitive appraisal theory is deemed an adequate theoretical foundation for the present study.

1.3.2 Framework of Brand Embarrassment of Negative Publicity

In negative brand publicity context, people pay more attention if the brand news is related to themselves. Existing consumers will scour details of the brand news to see whether they have incurred any losses, the potential benefits they may receive from this negative brand event and/or consider whether any further action is required. Negative brand publicity indicates that the brand news is widespread, especially for a reputable and known company. Thus, it assumes that people around the consumers know about or discuss the negative brand news, and they might have different perceptions, interpretations and thoughts towards the brand and the people who use the brand's products. Currently, when negative brand news is publicised to the market, the company's response and/or compensatory messages are also released immediately to minimise the negative impacts of the brand incident. Such a stimulus reactivates consumers' information processing and leads them to reappraise their situation. Lu and Huang (2017) revealed that an emotion-cognition dual-factor model explains how individuals' emotions influence their evaluation and judgement of negative brand publicity. Consumers' future relationship with the brand depends on whether the company can identify and compensate consumers' loss in a fair and appropriate manner. When a brand or product reflects one's self-concept, it is not easy for people to dispose

of the product or immediately disconnect with the brand, especially when consumers have a long-term relationship with the brand or the product is expensive. The usage of a brand's products shows self-identity and social image. Image impression management is a common method to restore a damaged image; however, previous studies have not quantified the fairness of the restoration and how the negative impacts of the threatened self can be emotionally recovered. Therefore, in this brand embarrassment framework of negative brand publicity, the theory of customer-brand relationship, social presence theory and justice theory are integrated into cognitive appraisal theory. This endeavour provides a full picture of the individual's psychological process during negative brand publicity rather than only the initial emotions and behaviours that occur immediately after the embarrassing stimulus. This brand embarrassment framework extends the cognitive appraisal theory and should provide managers with a better understanding of how consumers evaluate and react to the brand's responses during negative brand publicity.

1.4 Research Methods

The research objective of this study is to examine consumers' appraisal process after negative brand publicity occurs. To reflect the full picture of negative brand publicity, two temporal moments of consumers' psychological behaviours are examined: the first at the time when negative brand news is released and the second when a brand recovery action (i.e. positive brand news) is announced. In contemporary crisis management practice, brand managers or the senior management of a company announce these opposing sets of brand information publicly in order to reduce the negative emotional and behavioural impacts on a brand. Due to this managerial consideration, two sets of scenarios are designed to capture the comprehensive cognitive appraisal process with respect to negative brand publicity.

Negative brand publicity that evokes a feeling of embarrassment is manipulated. Previous embarrassment research has suggested that the presence of a social group or imagined others, threatened self-image, negative brand associations, social status and/or self-relevance trigger embarrassment. Brand embarrassment scenarios are comprised of these elements as well as the consumer-brand relationship, social situation, negative brand news and brand recovery tactics.

Two online experiments are conducted in this study. The first experiment investigates how consumers with different levels of consumer-brand relationships evoke a feeling of brand embarrassment. Customer-brand relationship quality, perceived severity and social presence are independent/dummy variables, while brand embarrassment is the dependent variable. The second experiment examines the impacts of different brand remedial actions on embarrassed consumers' affective and behavioural responses. The brand recovery tactic is a moderating variable between embarrassed consumers' perceived justice and affective recovery/repurchase intention. To increase the generalisation, a branded automobile and an apparel product with a social image are used for the first and second study, respectively. After the participants read the randomly assigned scenario, they are asked to answer corresponding questions and provide demographic information.

Manipulation checks for the brand embarrassment scenarios and brand remedial tactics are performed. This study employs well-established measurement items to determine consumers' consumer-brand relationship (Kim et al., 2005), perceived severity (Philippe, Keren, & Zeelenberg, 2013), brand embarrassment (Grant & Walsh, 2009), perceived justice (Oliver & Swan, 1989; Tax et al., 1998) and repurchase intentions (Zeithaml et al., 1996).

After checking the validity and reliability of the constructs in the brand embarrassment model, analysis of variance (ANOVA), moderation, mediation, path

analysis and conditional process analysis are used to test the hypotheses. SPSS and AMOS software are used for these analyses.

1.4.1 Scope and Context of the Research

As the world becomes more complicated and closely tied, the threat of a hostile corporate incident grows and can arise anywhere and anytime. This thesis focuses on the UK market because, in the PricewaterhouseCoopers' (PwC) 2021 Global Crisis Survey report, a banking company leader in the United Kingdom said that 'looking after staff and ensuring well-being and morale is the top priority'. It is also essential to consider the consumers' emotional needs, whichever internal or external factors trigger the crisis. The consequences of negative brand publicity differ depending on the severity of the incident perceived by the public and stakeholders. For instances, a corporate leader needs to step down to respond to a corruption scandal; a data breach reduces customer confidence and trust in a brand; a poor product quality triggers a widespread product recall. Without a clear and effective recovery strategy, an unplanned event can interrupt critical and daily operations and trigger a loss of consumer confidence that may lead to long-term damage to the organization image and reputation in the industry.

This thesis examines how the external and internal factors influenced the appraisal process and emotions when embarrassing negative brand publicity happened. Through an online scenario-based experiment, the quantitative study assesses both social presence and social absence conditions. 75% of people aged 17 and over in England had a full driving licence (Department of Transport, 2020). The research focuses on product brand in the automobile context.

Consumer apparel product was selected as the test item in the online scenario-based experimental design in study two. It is a type of consumer products used in brand

transgression research (Khamitov et al., 2020). The study investigates consumers' emotion recovery process and repurchase intention under different brand coping strategies and emotional types. The four brand remedial tactics are simple procedure, full compensation, personalized letter, and CEO resignation. The use of both product categories can improve the richness of the data.

1.5 Contributions

Taking negative brand publicity as the research context in the literature on embarrassment is a vital contribution. The present study aims to examine consumers' cognitive and affective responses to negative brand publicity that threatens their self-concept. In the literature, embarrassment is evoked when one's self is threatened in a private or public situation. This emotion is elicited when individuals think that others (an actual person or imagined others) will think worse of them. Indeed, individuals can cope with the embarrassment by an avoidance approach, such as getting away from the embarrassing situation or covering the embarrassing product(s). However, when a negative brand incident goes public, consumers are sometimes unable to easily avoid or hide the negative brand news. Some examples include when a consumer-brand relationship still exists after the negative incident, such as owning a car that you use to drive your children to school during the week or purchasing a facial package that includes multiple visits. Furthermore, when a negative brand incident occurs, the company reports the negative news as well as the remedy to minimise any negative effects. A company must manage and restore consumers' emotions to restore their trust and reestablish a purchasing relationship. This endeavour is crucial to allow a firm to sustain their business growth. The focus of this study is to investigate how existing consumers appraise and respond to negative brand publicity that threatens their self-concept.

1.5.1 Theoretical Contributions

This study extends cognitive appraisal theory by proposing that public and private emotions exist in the negative brand publicity events. When existing consumers evaluate the impacts of a negative brand event on them, the social presence and social absence condition threatening their self-esteem and/or social image or being excluded from their social group results in the elicitation of brand embarrassment. Social context moderates the relationship between primary appraisal and brand embarrassment. In the primary appraisal, a strong consumer-brand relationship reduces the level of brand embarrassment, which is another highlight of this study.

In the primary appraisal of Lazarus's (1991) cognitive theory, a relational aspect such as self-relevance determines the strength and type of an emotion. In the literature concerning emotion, social presence and threatened self-image can cause negative emotions, such as anger, betrayal and embarrassment (Gregoire & Fisher, 2008; Modigilani, 1968). Self-directed and company-directed blame attribution can explain the differences in elicited emotions (Jin, Liu, Anagondahalli, et al., 2014; Verbeke & Bagozzi, 2003). For example, when the incident or the responses from others negatively affect one's self, such as with lowered self-esteem and associated poor social image, embarrassment might be evoked. However, consumers' past experience with a brand gives them more understanding of how a brand works. This factor leads to empathy and forgiveness in their evaluations of a negative brand incident. Therefore, adding the consumer-brand relationship into one's appraisal process of the negative incident reduces the blame attributed to the company. The findings of this study reveal that the role of the consumer-brand relationship greatly influences the strength of brand embarrassment. Further, these results narrow a gap in the embarrassment literature. They also contribute to cognitive appraisal theory because the concept of consumer-brand relationship can be added to consumers' cognitive appraisal process with respect

to negative brand publicity.

Another theoretical contribution is the extension of justice theory in the embarrassment literature. Previous studies delineate that embarrassed consumers cope with their negative self-conscious emotion by themselves using either a problem or emotional coping strategy (Grace, 2007; Moore et al., 2006). Embarrassing products and services are the common stimuli in a consumer consumption context. When consumers are aware, deliberate and appraise themselves in connection with a brand's stimuli, a brand communication with justice dimensions mitigates threats to consumers' self-esteem (Hartwell & Chen, 2012). Perceived justice is measured separately by three dimensions: distributional, procedural and interactive justice (Hocutt et al., 1997). This study depicts a new form of perceived justice. When consumers face a negative brand incident that makes them feel embarrassed—and when they concomitantly receive redress—they evaluate the fairness compensation of remedial tactics from all the three dimensions simultaneously, i.e. procedural, interactive and distributional justice of the remedial tactic (namely as restorative justice). This novel restorative justice for embarrassed consumers' appraisal during negative brand publicity extends the applications of justice theory and perceived justice in a new direction. This refinement narrows the literature gap by demonstrating how embarrassed consumers respond if company-directed coping resources are available.

In addition, the emotional element should be considered when designing fairness compensation for embarrassed consumers. Post-emotion follow-up is also required to provide further understanding of embarrassment in the emotion literature. The study also extends the secondary appraisal of cognitive theory by evaluating the fairness of coping resources before making further behavioural decisions.

1.5.2 Managerial Contributions

When negative brand publicity occurs, brand managers or the company's management report the negative brand news and announce the brand's remedial action to the public. In the literature, if the company is at fault, existing consumers feel betrayed and get angry, and the company offers compensation to calm down their negative emotions and reduce future negative behaviours. However, this study demonstrates that when negative brand publicity threatens one's self-concept and might evoke brand embarrassment, consumers' evaluation of the negative brand incident varies when consumers are closely connected to a brand. In cognitive appraisal theory, a stimulus evokes individuals' emotions and responsive behaviours. This finding shows that the quality of the consumer-brand relationship is negatively associated with the strength of brand embarrassment. The dimensions of the quality of a consumer-brand relationship comprise satisfaction, self-brand connection and trust. In other words, cognitive as well as affective factors that accumulate from consumers' experience with the brand influence brand embarrassment. Therefore, brand managers—especially for a brand with higher social status—should put more effort into building and maintaining consumer-brand relationships as they help to reduce negative self-conscious emotions. Moreover, brand managers should be aware of whether the negative brand incident violates consumers' perceived brand image.

The newly identified perception of fairness provides insights for brand managers when designing, communicating and executing remedial tactics. In the product or service failure literature, consumers evaluate a brand's recovery compensation from procedural, distributional and interactional justice. However, the results of this study demonstrate that if the negative brand publicity event evokes a feeling of embarrassment, consumers appraise the fairness of recovery compensation from all justice dimensions: procedural, distributional and interactional. Thus, brand managers

should compensate the embarrassed consumers both rationally and emotionally or socially.

The results depict that restorative justice increases repurchase intentions through the brand relationship quality and emotion recovery. Full moderated mediation occurs in the emotion recovery process. I found a significant indirect effect of brand relationship quality on repurchase intentions through the emotion recovery when all brand remedial tactics were used in public and private brand embarrassment conditions, but not significant in any of the brand remedial tactics. It indicates that building good consumer-brand relationships and minimising the feelings of brand embarrassment are important.

A simple procedure, full compensation, a personalised letter and chief executive officer (CEO) resignation are the brand remedial tactics used in this study. Results show that the use of a simple procedure and CEO resignation as remedial tactics demonstrate restorative justice, have positive effects on brand relationship quality and emotion recovery that lead to repurchase intentions. It indicates that these two tactics are suitable for embarrassed consumers who use problem-focused coping strategies to mitigate the threats to their self-esteem in the context of negative brand publicity. The full compensation triggers more the evaluation of brand relationship quality than restorative justice; the effect of brand relationship quality on repurchase intention goes through the emotion recovery. It suggests that it is a suitable tactic for embarrassed consumers who use emotion-focused coping strategies to mitigate socially related or social image threats. A personalised letter is not an effective remedial tool for a brand to recover from the emotion of brand embarrassment.

In public and private brand embarrassment conditions, full compensation and CEO resignation are the most effective brand remedial tactics to increase repurchase intention because of the high level of emotion recovery. Therefore, when negative brand

publicity has happened, brand managers should simplify the product recall or compensation procedure to diminish the duration of the unpleasant experience. The presentation of full compensation and CEO resignation should be well designed and delivered to the public and to the existing consumers. For the restorative components of compensation, restoring the loss of social image should also be considered, for example, coupons for luxurious dining.

1.6 Outline of the Thesis

Chapter 1 introduces the background to the research topic, outlines the related literature, provides a summary of research gaps, lists the research questions and states the research significance and methodologies. Chapter 2 reviews the literature related to the research topic, provides a comprehensive literature review of brand embarrassment and discusses the relationships between cognitive appraisal theory and justice theory. Chapter 3 identifies gaps in the literature, develops hypotheses and proposes a model of brand embarrassment in negative brand publicity context. Chapters 4 and 5 detail the research plan, including the experimental design, sampling, survey instruments, data collection and data analysis tools for study 1 (Chapter 4) and study 2 (Chapter 5). The respondents' demographic characteristics are presented. The collected data is tested with SPSS and AMOS software. The results are statistically analysed and interpreted, and the hypotheses are also tested. Chapter 6 discusses the findings, academic implications and managerial implications of this study. It also re-examines the literature, hypotheses and proposed model. Research limitations and future research directions are presented at the end of this chapter.

1.7 Chapter Summary

This chapter provides an overview of this thesis, beginning with the significance,

motivations and rationale behind the research topic. The chapter first briefly discusses previous research on the causes of and coping with embarrassment, which leads to the proposition of the research questions. Next, the chapter presents and explains the research method and research context for this thesis, followed by addressing the potential contributions of this research. The next chapter reviews the literature concerning embarrassment in a brand failure context and considers the theories used for the theoretical framework of this research.

Chapter 2: Literature Review

2.1 Introduction

This research aims to investigate customers' emotional reactions to negative brand publicity. Chapter 1 discusses the reasons of examining this research topic and identifies and briefly explains gaps in the literature. This thesis examines the factors that cause brand embarrassment in different social environments and how the embarrassed customers react to a brand's proactive remedy. It focuses on the consumer side of brand embarrassment when encountering the negative brand publicity. This chapter further reviews the relevant literature. Automobile and apparel products are used as they are high involvement products. The embarrassment to be examined is caused by the negative associations with the brand that threatened consumers' image. It is proposed that the extent of brand embarrassment depends on how close the connection between a consumer and a brand, and the type of brand embarrassment.

To achieve the research objectives, this chapter discusses the following content. First, there is a literature review of antecedents and the consequent customers' embarrassment in different domains (specifically the brand domain). Second, the justifications of using cognitive appraisal theory and justice theory as theoretical foundations are provided. Finally, this chapter ends with a discussion of cognitive appraisal theory and justice theory with regard to brand embarrassment that results from a negative brand incident.

2.2 Emotions and Appraisals in Negative Brand Publicity

2.2.1 Negative Brand Publicity

Brand transgression is a broad term for different forms of negative brand publicity. Crisis or negative brand publicity is the term used in a brand transgression context. Brand transgressions can be categorised as relational (e.g. Toyota's gas pedal recall in

2009) or nonrelational (e.g. Korean Air owner family's abuse of its employees, which lead to consumers' outrage in 2018). A performance-related crisis, such as defective products or services, and value-related crisis that a brand evokes due to social/human rights problems are classified as brand-related crises (Dutta & Pullig, 2011). A product-harm crisis at the very least damages the product's customer base (Cleeren et al., 2017). The 'harm' does not necessarily need to be bodily hurt: it could be psychological threats or damage to self-image. Mitroff et al. (1987) distinguished personal crises (e.g. organisational conflicts or terrorist attacks) from impersonal crises (e.g. natural disasters or financial crises). Grappi et al. (2013) revealed that moral transgression occurs when there is a violation of consumers' normative expectations for a company's behaviors, for instance, Facebook's data breaches and Burberry's act of burning its unsold products.

Khamitov, Gregoire, and Suri (2019) depicted the terms 'failure, transgression, crisis, or any other negative incident' as the discipline of negative events in marketing. A brand transgression is defined as an act of violation of the implicit or explicit rules guiding the performance and evaluation of the consumer-brand relationship (Aaker et al., 2004). This is a general term that is used to describe large arrays of negative events. This concept is consistent with Lin and Sung (2014)'s study regarding a negative brand-related incident, such as product failure and poor service to companies' violations of social codes, that leads to significantly negative financial and psychological consequences.

Drawing on the results from the studies of crisis appraisal, emotion types and coping preferences (Choi & Lin, 2009; Jin, 2010; Jin & Pang, 2010; McDonald et al., 2010), Jin, Liu, Anagondahalli, et al. (2014) developed a scale to measure the public's emotions in organisational crises. The public is likely to seek attribution for crisis

responsibility. Three types of crisis emotions appear in their scale: anxiety, fear, apprehension and sympathy are classified as attribution-independent crisis emotions; guilt, embarrassment and shame are classified as internal-attribution-dependent crisis emotions; and disgust, contempt, anger and sadness are classified as external-attribution-dependent crisis emotions.

Lazarus (1991) identified six negative emotions (anger, fear, anxiety, guilt, shame and sadness) in different crisis situations. Anger occurs when individuals are familiar with the risk situation and believe that the situation could have been (better) controlled. Conversely, individuals feel fear when they do not know how to cope with uncertainty triggered by the event (Lerner et al., 2003). Thus, the type of evoked emotions depends on how individuals perceive the situation.

Liu et al. (2018) revealed that consumers experience stronger contempt and weaker pity towards values-related compared to a performance-related negative brand publicity. News that describes immorality makes people feel upset and evokes intense blame (An, 2011). If the crisis is related to individual responsibility, it can increase people's anger towards and blame for an organisation, but they will feel less anger if the organisation takes responsibility for the crisis.

Positive emotions can be evoked as a result of negative brand incidents, such as hope (Jin et al., 2010), relief (Choi & Lin, 2009) and sympathy (Coombs and Holladay, 2005). Individuals' sympathy towards an organisation depends on causal attribution and crisis response (Lee, 2004). Stronger attribution to the crisis reduces individuals' feelings of sympathy towards an organisation (Coombs & Holladay, 2005). This phenomenon may explain why existing customers keep connections with a brand even after negative publicity has occurred; they may think that the brand will proactively take responsibility for its fault(s). Customers' focus may turn to how the brand promptly

deals with the negative situation to lessen any losses they incur.

People who experience low-intensity emotions during a crisis adopt a cognition-oriented approach, while people who experience high-intensity emotions follow an emotion-oriented approach to deal with the crisis (Lu & Huang, 2017). Jin (2009) also revealed that individuals actively engage in a variety of coping strategies to emotionally comfort themselves or adjust their way of thinking to reduce stress instead of passively reacting to an organisation's responses. Sad or frightened people seek emotional support and venting (i.e. emotional coping strategies) to relieve their emotions in a crisis. Rational coping strategies (action and instrumental support) are highly utilised in crisis situations that are highly predictable and poorly controllable. People who experience more intense feelings of sympathy are more likely to adopt cognitive coping strategies, but angry people prefer to adopt defensive strategies to cope with a crisis (Jin, 2014). Compared with the reduction-of-offensiveness brand response strategy, corrective action is more effective to both types of negative brand publicity, particularly for the performance-related case (Liu et al., 2018).

In the last 20 years (1999–2019), 122 brand transgression articles were published in eight marketing journals (JM, JMR, JCR, Marketing Science, JAMS, JCP, JR and JSR). Consumer products (9%) are the fourth commonly used context in brand transgression (BT) studies. Automobiles and/or apparel which people possess in daily life account for a total 11% of BT studies (Khamitov, Gregoire, & Suri, 2019). Sixty-eight percent of BT articles rely on some form of interpersonal relationship theory, such as interpersonal theories of attachment (Paulssen & Bagozzi, 2014), social identity (Lee et al., 2016) and consumer-brand relationships (Fournier, 1998). The majority of scholars investigate individuals' psychological processes and their reactions when facing symbolic transgressions committed by brands. Sixty-eight percent of BT studies

use a scenario-based experiment as the generic method, in which 20.5% contributes to an online setting.

Three timespans occur during consumers' journey in a negative brand event: initial critical negative event, company's or brand's recovery and post-recovery interactions (Khamitov, Gregoire, & Suri, 2019). At the initial negative brand event, brand transgression (BT) and product harm crisis regularly employ an attribution and severity lens (Tsarenko & Tojib, 2015). Brand self-relevance and brand meaning/symbolism are the primary cognitions in a BT study (Guckian et al., 2018; Sayin & Gürhan-Canlı, 2015). At the recovery stage, justice theory is a solid theoretical framework to examine recovery in service failure. The two meta-analyses of complaints in service failures (Gelbrich & Roschk, 2011; Orsingher et al., 2010) provide substantial evidence and validated the sequence of recovery tactics in consumers' responses, justice dimensions and satisfaction as the constructs in the relationship. The violation of the justice norm drives consumers to elicit a strong and negative emotion, such as anger or rage (Gregoire et al., 2010). However, research on brand interventions in brand transgression studies is relatively rare.

Cambra-Fierro et al. (2015) suggest that the nature of recovery should be adaptive and fit the context of the negative event. The recovery tactics could be of a monetary nature (economic vs non-economic) or tangible (tangible vs intangible) in nature. For example, in a service failure recovery, an apology has a shorter decay time compared to a compensation recovery tactic (Fang et al., 2013). At the post-recovery stage, most work was found in a service failure recovery context, for instance examining customer response after an excellent recovery or a poor recovery (i.e. rage and revenge; (McColl-Kennedy et al., 2009), but little research was conducted in the brand transgression (BT) avenue.

In BT studies, most models can be organised in the sequence of cognition, affect and behaviours (Khamitov, Gregoire, & Suri, 2019). Researchers regularly divide cognition into two levels: primary and secondary. The first level of cognition aims to categorise the focal event into broad categories, such as failure severity, locus of control, justice and recovery action. The second level of cognition involves cognition that would induce outward- or inward-focused emotion (e.g. self-threat) (Khamitov et al., 2019). However, not all consumers respond negatively to adverse brand incidents. Affective and behavioural responses, such as satisfaction or desire for avoidance, vary depending on the cognitive appraisal process.

2.2.2 Emotions and Appraisal Theory

Negative brand publicity is a stimulus that may evoke individuals' emotions. Emotion has also been associated with appraisal theory. Emotion appraisal is defined as 'immediate, intuitive evaluations of the environmental changes; used for distinguishing qualitatively among emotions' (Ellsworth & Scherer, 2003, p. 572). Appraisal theory originated in psychology; it proposes that people's emotions are evoked after the evaluations of an event (Scherer, Shorr, & Johnstone, 2001). Since brand crisis and negative brand publicity always happen and bring negative impacts to the company business and long-term growth, in order to keep a sustainable relationship with the consumers after the brand transgression, it is necessary to understand the psychological threats to one's self concept during and after the negative brand incident, which is an implicit responses that easily ignored by brand managers. As not all consumers express their emotions explicitly after their self-concept is being threatened by the negative brand event, to avoid the 'silent' consumers to discontinue the relationship with the brand, this thesis examines what and how individuals evaluate,

affect and respond towards the negative brand publicity, so that the managers can know how to handle the vulnerable consumers.

Lazarus, Averill, and Opton (1970) identified that the nature and antecedent conditions of appraisals are crucial factors in examining the initial emotions that underlie emotional reactions. Emotions occurs when a stimulus arises. For example, people will feel surprised and excited when they receive a call from a company regarding winning a lottery prize. When a public negative publicity happens, the factors that customers consider when evaluating the situation would lead to different types of initial emotions. For example, for Germans, Volkswagen negative publicity is a national embarrassment because they cannot get rid of their German identity. For existing Uber customers, the sexual harassment negative publicity makes them feel angry because they think Uber should be able to prevent harassment in the workplace. Emotions are differentiated along the dimensions of valence and arousal, specifically in the motivational, situational, certainty, legitimacy and agency framework (Roseman, 1984). When individuals evaluate a situation that is considered motivationally inconsistent with their goals, they often feel a negative emotion such as anger (Roseman, 1996). Accountability for the situation is another key component of the appraisal process. If people feel responsible for a desirable situation (e.g. winning a tournament), they may feel proud. The intensities of motive consistency and accountability also influence which emotions are experienced due to a situation (Roseman, 1996).

Lazarus (1991) suggested that emotion appraisal involves three aspects: relational, motivational and cognitive. The relational aspect suggests that emotions always involve an interaction between a person and the environment. The motivational aspect refers to how a person's goals are relevant to the evaluating situation, while the cognitive aspect involves one's evaluation of how relevant and significant a situation is to his or her life

(Lazarus, 1991). Different emotions are elicited when individuals evaluate the situation according to these three categories.

Based on this logic, emotions may be elicited if a brand's customers consider relational factors when evaluating a public negative publicity. During widespread negative publicity, people around the globe know the news of a negative brand incident through online and offline media. They may make comments on the incident, share photos or have discussions within their community. Customers who possess or use the brand's products pay extra attention to the negative brand publicity because the news is directly related to them. Brand embarrassment may be evoked when individuals evaluate the negative brand publicity that threatens their public identity due to their associations with a brand.

Lazarus's (1991) cognitive appraisal framework states that individuals use motivational congruence to appraise a situation and different coping strategies to manage their emotional experiences. According to Lazarus (1991), emotion is a mental state of readiness that forms in response to an appraisal of the environment and an individual's own thoughts. The cognitive appraisal construct aligns this approach to emotional research and is thus a central concept of the appraisal theory of emotion development (Tiedens & Linton, 2001). Each emotion activates a respective cognitive appraisal dimension and corresponding outcomes (Lerner & Keltner, 2000).

Lazarus's (1991) structural approach and Smith's (2000) process model of appraisal theory both provide an explanation for how emotions develop, albeit from different perspectives. Social psychologists have used these theories to explain and predict individuals' coping strategy and their patterns of emotionality. The structural model of appraisal (also named cognitive appraisal theory) focuses on what one is evaluating and aims to explain the relationship between one's appraisals and the emotions they elicit. Lazarus (1991) contends that there are two types of appraisal:

primary and secondary. Primary appraisal refers to whether and how a situation is relevant to an individual's wellbeing. Its components include goal relevance, goal congruence or incongruence and a party's engagement. Goal relevance states that if an event is relevant to an individual's personal goals, an emotion will be generated (Lazarus, 1991). Goal congruency states that a consequent event will be evaluated positively if an individual's wellbeing is congruent with the goal (Lazarus, 1991). Finally, party engagement refers to how much a party contributes to, is responsible for and is involved in the event (Lazarus, 1991).

Secondary appraisal refers to an individual's evaluation of her or his options, the resources she or he has to cope with a situation and their future prospects for wellbeing (Lazarus, 1991). It implies that individuals assess whether action is required in a situation and, if so, what actions should be taken. This process involves the allocation of blame or credit (i.e. accountability for what happened), coping potential (i.e. problem-focused or emotion-focused coping strategies) and future expectancies (i.e. whether and how an individual is expected to respond to a situation; Lazarus, 1991). Each customer may evaluate and respond to the same situation differently; for example, committed customers will spread positive information to others based on previous pleasant experiences they have had with a brand.

Previous studies (Folkman et al., 1986; Sugathan et al., 2017) have shown that there are two stages of emotions when failure occurs; they emerge in response to primary and secondary appraisals. After a failure occurs, the customer first conducts a primary appraisal to evaluate the outcome. If the outcome is negative, the consumers feel disappointment and sadness. In the second stage, customers apply causal reasoning to understand and explain the causes of the failure event; self-directed emotions emerge after this secondary appraisal. This structural model was criticised as a static map and for failing to capture the dynamic nature of emotion. Smith and Lazarus (1990) suggest

that the appraisal of emotion is a cyclical process, where one appraises and copes with the situation, and then she or he appraises the situation again, in an attempt to capture a more long-term emotional response. Smith and Kirby (2000) then expanded the structural model and argue for a two-process model of appraisal that focuses on how one evaluates emotional stimuli. In this model, there are three main components: perceptual stimuli, associative processing and reasoning.

Perceptual stimuli, such as a negative news about a brand—a message shown on social media—are what the individuals pick up from their surroundings (Smith & Kirby, 2000). Associative processing refers to individuals who provide appraisal information that is quickly associated with the given stimulus based on activated memories (Marsella & Gratch, 2009). For example, customers evaluate Brand X as a conscientious firm because Brand X actively donates to charities. Reasoning is a slower and more thorough process that involves logical and critical thinking about the stimulus or situation (Marsella & Gratch, 2009). For example, when customers receive negative brand news from their friends, they call a brand's staff to determine the truth of the news.

Attribution is a reasoning process that can evoke emotional states and behavioural responses. There are three attribution dimensions: locus, stability and control. Locus attributions refer to the causal reasoning process of either the individual (i.e. internal attribution) or another person (i.e. external attribution). For example, a person's success due to her or his own ability is internal whereas success due to others' incapability is external. Stability attribution ascribes the stability of the cause. Control refers to how one alters the causal factor (Ackerman et al., 1999; Weiner, 2014).

After the primary and secondary appraisal, affect and behaviour are the next steps in a brand transgression study. Negative emotions play an important role in predicting consumer behaviour. Richins (1997) introduced the 'Consumption Emotions Set

(CES)' scale to measure consumption-related emotions. The scale contains a set of positive and negative descriptors that aim to describe the emotions directly experienced by consumers who are considering or consuming a product or service. As the CES scale does not contain emotions arising from the brand, Romani et al. (2012) developed a "Negative Emotions Toward Brands (NEB)" scale that represents consumers' negative emotions frequently experienced toward brands. The findings depicted that anger, dislike, embarrassment, worry, sadness and discontent are the six distinctive brand emotions caused by brand-related stimuli. Each brand emotion leads to respective behavioural consequences. For instance, when consumers experience brand embarrassment, they are not likely to make a complaint; they prefer the remedial tactics aimed at restoring their desired personal or social identity without connection to a brand.

Attribution-dependent emotions are categorised as self-directed (targeted inwardly towards the self; e.g. guilt, shame) or externally directed (targeted outwardly towards others; e.g. anger, gratitude; (Tracy & Robins, 2006; Weiner, 2014). Embarrassment is classified as one of the internal-attribution-dependent crisis emotions (Jin, Liu, Anagondahalli, et al., 2014). In attribution theory, external (internal) emotions are mechanisms that allow individuals to protect their ego and self-respect by attributing the failure externally (internally). The emotional response to failure depends on the valence and strength of the outcome (Johnson-Laird & Oatley, 1989; Weiner, 1986). In view of the appraisal theories, the relationship between appraisals and emotions has been examined, including structurally based appraisals that rely on the idea that a person's appraisals on the stimuli or environment cultivate emotional responses. By contrast, the process-oriented model focuses on the underlying appraisal mechanisms, specifically the cognitive principles and operations (i.e. perceptual stimuli, associative processing and reasoning). However, emotion is likely to be felt 'when the requisite

appraisals of that emotion occur' or emotion is described as 'a combination of appraisals' (Ellsworth & Scherer, 2003, p. 575, 586). In other words, while a certain outcome or attribution can elicit an emotion, it may also be induced by salient factors other than appraisals. For example, people would feel embarrassed when they think others might think worse of them due to the brand they use (Cleeren et al, 2017). The salient factor may not solely be the incident itself; it may also be the damage to one's social image because of the connection with negative brand publicity. Thus, people appraise themselves from others perspective and are concerned about the relationship between their self and others.

2.3. Cognitive Appraisal and Brand Embarrassment

Cognitive resources and deliberation influence self-appraisal and resulting embarrassment. High level of cognitive deliberation increases the feeling of consumer embarrassment (Herd et al., 2019). Embarrassment is a self-conscious emotion that is more deliberative in nature and often results from a person's perception of other people's negative thoughts about themselves (Leary, 2007). In earlier embarrassment literature, scholars focused on the effects of personal and external factors that evoke embarrassment and how the embarrassed individuals cope with this feeling. Goffman (1956) first examined the signs of embarrassment in a social interaction setting: embarrassed peoples' faces turn red, and they fumble, sweat and their voice acquires an unusual pitch. Modigliani (1968) described embarrassment from a psychological perspective; it reflects a threat to one's presented image in a social interaction. The perceived presence of others evokes embarrassment (Latane, 1981). Miller (1995) termed embarrassment as a 'uniquely social emotion'; the emotion occurs when individuals receive unfavourable judgements from social members. Therefore, there is a strong relationship between social interaction, self-image and embarrassment. When

people's self-image is threatened in front of their real or imagined social group, they will feel embarrassed.

Embarrassment can be self-provoked and/or provoked by another party (Verbeke & Bagozzi, 2003); it can occur when consumers encounter an embarrassing situation and/or consumption context (Moore et al., 2006). The antecedents of embarrassment include the sources, such as the service provider and other people in the situation; a violation of privacy is the stimulus for feeling embarrassed (Grace, 2007). These studies extended the domain of embarrassment from social psychology to consumer consumption. They also showed that there is a direct and positive relationship between the suitability of brand offerings and customers' emotion. Appropriate branding and communication strategy is crucial to elicit positive emotions from customers towards the brand. Marketing interventions can increase customers' positive attitude towards consumption of the embarrassing object and reduce the level of embarrassment (Iacobucci et al., 2003). However, most studies revealed that embarrassed consumers cope with their feelings immediately by themselves and respond with various behavioural and cognitive coping strategies, such as negative behavioural intentions and word of mouth (Moore et al, 2006; Grace, 2007).

2.3.1. Previous Research on Brand Embarrassment

Brand embarrassment is defined as any form of anxiety or negative emotion that a brand evokes. It occurs when an individual's public identity is threatened in a particular situation (Walsh et al., 2016). The embarrassed individual experiences feelings of awkwardness and discomfort as the result of an encounter with a brand. The negative emotions may arise in anticipation of, during or shortly after the encounter (Walsh et al., 2016). Individuals might feel embarrassed when they think others (real or imagined) evaluate them negatively about their behaviour or social appropriateness or

acceptability (Miller, 1995; Leary, 2007). Brand embarrassment occurs when people think that others might judge themselves negatively about the misbehaviour of a brand that is associated with them. The definition reveals when and why the embarrassment is evoked.

To date, very few studies have examined consumer embarrassment in association with a brand. Consumers may experience brand embarrassment for a variety of reasons. The violation of the norms of brand community is the most important factor. Consumers may feel brand embarrassment if they have a connection with a brand that violates the norms of their group (e.g. sporty consumers may avoid wearing a Fred Perry T-shirt because Fred Perry is a symbol of the skinhead community; (Salzer-Mörling & Strannegård, 2004). Brand embarrassment is not limited to cheap or low-status brands; for example, 'green' consumers who consume high-status products but use them without concern for the environment may also experience brand embarrassment (e.g. environmentally consciousness consumers may feel embarrassed if they purchase a product that violates the norms of their group; (Peattie & Peattie, 2009). Thus, consumers experience brand embarrassment when they purchase, use or display any brands that are not accepted by their group members.

Second, research has explicated the congruency of brand identity and self-identity. Grant and Walsh (2009) conducted an exploratory and qualitative research study on brand embarrassment and found that the personal self and relationships with brands affect brand embarrassment. An individual's level of embarrassment may increase if perceived distinctions in social status and class are apparent. Further, generational and age differences may make adolescents feel embarrassed, as their taste differs from that of their parents (e.g., adolescents will not view the brands of clothing worn by their parents as being 'on trend'). A lack of familiarity with and knowledge about a brand

can result in future embarrassment if an individual's confidence in the brand's image or attributes is insufficient (Grant & Walsh, 2009).

Further, the associations or meanings related to a brand might embarrass some individuals; for example, the symbolic labels of different brands have distinct meanings that may cause embarrassment (Levy, 1959). Unfavourable images of brands can damage the self-esteem, self-confidence and self-perception of those who use the brand's products. It may also eventually lead to the brand having negative associations for individuals. Similarly, the style and tone of an advertisement, for example, the posture of a celebrity in an advertisement, may cause individuals to feel awkward and uncomfortable and thus be sources of brand embarrassment (Grant & Walsh, 2009; Puntoni et al., 2015).

Walsh et al. (2016) developed and validated a scale to measure consumer-brand embarrassment tendencies (BET). Conducted in the United States and Germany, their study showed that four independent variables (i.e. the tendency to conform, brand consciousness, frugality and materialism) have strong relationships with brand embarrassment. BET can also predict individuals' intentions to buy branded products and consumer-brand identification. Walsh and colleagues extended Miller's (1995) study by identifying material possessions as a source of embarrassment; however, Walsh et al. (2016) embarrassment tendency dimensions only involve shoe and apparel brands, and the scale is only generalisable to two western countries (Miller, 1995).

Brand-related factors lead to brand embarrassment in a social brand consumption context (Sarkar & Sarkar, 2017). They found that a poor country of origin, negative brand publicity, low brand prestige, intergenerational gap in the brand image and discernibility of a fake or counterfeit brand make consumers feel embarrassed. In addition, consumers' susceptibility to interpersonal influence, consumer vanity and the anxious attachment style moderate the strength of brand embarrassment, which

eventually affects the consumers' subsequent social behaviour. When individuals perceive a brand to project a negative social self, they tend to isolate from their social group and decrease social consumption of the brand. The qualitative study from Sarkar and Sarkar (2017) indicated that brand attributes can cause negative brand affect in a social consumption context, and consumers' personality factors facilitate their avoidance of the brand.

Individuals seek positive social self-expressiveness. Consumers' susceptibility to interpersonal or social influence (CSSI) measures one's concern for enhancing or maintaining one's self-image in the eyes of others (Carroll & Ahuvia, 2006). Sarkar and Sarkar (2017a) indicate that consumers who score high on CSSI are more prone to brand embarrassment compared to consumers who score low on CSSI. When individuals perceive that the brand is creating an unfavourable social self, the perceived negative brand social self-expressiveness increases the strength of brand embarrassment (Grant & Walsh, 2009; Sarkar & Sarkar, 2017; Walsh et al., 2016). Although consumers embarrassed by a brand showed decreased intention to consume a brand's products publicly, such consumers intended to continue the consumption privately (Sarkar & Sarkar, 2017a). It is possible that the brand attributes may satisfy the consumers' private mental world, which stimulates their inner self-expressiveness (Sarkar et al., 2019). Desirable brand inner self-expressiveness can stimulate brand love (Wallace et al., 2014). Therefore, the strength of brand embarrassment depends on the positivity of brand social self-expressiveness and the brand inner self-expressiveness.

When individuals get used to a brand, the brand becomes part of their life or their self. Brand success represents their own success. Conversely, brand failure induces negative self. Embarrassment occurs when an individual's self-image is damaged in front of social group or significant others. Embarrassment generated by a brand indicates that the brand may have done something that make people feel embarrassed.

In crisis emotion literature, embarrassment is classified as an internal-attribution dependent crisis emotion (Jin, Liu, Anagondahalli, et al., 2014). Brand embarrassment would likely to be elicited if negative brand publicity threatens existing customers' public identity.

Social status, social class, brand knowledge and negative brand associations—such as brand attributes, brand image, brand communication style and attachment style—influence customers' self-concepts and emotion, which elicit different levels of brand embarrassment (Grant & Walsh, 2009; Puntoni et al., 2015; Sarkar et al., 2017). Psychological traits moderate the influence of antecedents on brand embarrassment (Sarkar et al., 2017). When consumers perceive that a highly negative brand may threaten their self, the embarrassed consumers will avoid further connection with the brand to repair their self-esteem or avoid social attention to the self. The negative self-conscious emotion reduces customers' purchase intentions (Walsh et al, 2016) and facilitates their brand avoidance (Sarkar et al, 2017).

Based on the above previous studies, people feel embarrassed when they link and evaluate one's self with 'the others'. 'The others' could be their ideal self, people, tangible possessions (e.g. products) or intangible possessions (e.g. social status). Embarrassment occurs when there is an undesired discrepancy or uncertainty after evaluation that threatens their self-identity, self-image, reputation or social status. Therefore, the level of embarrassment is strengthened when people link and evaluate themselves to a social group and a brand that threatens their self-identity. This fact provides fundamental grounds that a brand incident (favourable or unfavourable), brand relationship with the customers, evaluative process of a brand incident and social relationship with the customers influence consumers responses. People appraise how a situation is relevant to themselves before an emotion is elicited (Lazarus, 1991). For example, loyal customers feel angrier if they receive poor customer service compared

to non-customers. The present research examines how customers' evaluations of negative brand publicity may influence their level of brand embarrassment. Lazarus's (1991) cognitive appraisal theory on brand embarrassment will be explained and discussed in the next session.

2.3.2 Appraisal of Brand Embarrassment in Negative Brand Publicity

Lu and Huang (2017) suggested an emotion-cognition dual-factor model to explain how individuals' emotions influence their interpretations, evaluations and judgements towards an organisation's crisis. They proposed that at the initial stage of a crisis event, the type and intensity of negative emotions is affected by how initial crisis information is framed and online emotional contagion. If individuals receive rationally framed crisis information from organisations or other media, their crisis emotions are mainly evoked by their cognitive appraisal of the information. However, when individuals receive emotionally framed crisis information, anger and sadness are the two dominant emotions during the crisis. In other words, the content and the way a brand presents a crisis affect how individuals appraise the incident.

People become active in social media during and after crises (Sweetser & Metzgar, 2007). Jin, Liu, et al. (2012) developed a social-mediated crisis communication model to show that people are most likely to accept a company's evasive responses when crisis information is delivered through traditional media, provided that the crisis origin is external. Conversely, when the crisis origin is internal (i.e. high organisational responsibility) and the crisis information is sent by a third party using social media, people feel more attribution-dependent emotions (i.e., anger, contempt and disgust; (Jin, Liu, & Austin, 2014)

People experience stronger and more rapid emotional, behavioural and cognitive

reactions in response to negative compared to neutral or positive events (Kramer et al., 2014). Emotional contagion is more likely to occur unconsciously and automatically as people receive exposure and are involved in discussions—and even escalation—from others in digital environments. These factors trigger individuals' initial crisis emotions (Lu & Huang, 2017).

Negative brand publicity represents a negative brand incident. Customers expect others have been and will be exposed to the negative brand news. The greater the severity of the negative brand publicity and the directness to the public, the more customers or non-customers are attracted to get involved in discussions. For example, more there have been more than 5 billion views of the online video that evidenced United Continental's negative publicity.

Consumers use brands to construct a sense of identity (Arnould & Thompson, 2005). When a brand fails to meet an individual's needs (e.g. by providing poor quality services) or has an image, values or morals that are inconsistent with those of its consumers (Hogg et al., 2009; Lee et al., 2009), negative effects may result—the brand can no longer construct or maintain the individual's self-identity. For instance, for customers who have United Continental's credit card, possessing the card would be unable to help them construct or maintain a sense of identity after the negative brand publicity has occurred. Consequently, they chose to disassociate with United by cutting up their credit cards and posting the images of the damaged cards to social media. Their behaviour is to let others know that they do not have any relationships with United.

On the surface, cutting up a card is an outrage behaviour that expresses a strong outcry to negative brand publicity. However, anger is a demanding offence against 'me' and 'mine' (Lazarus, 1991, p. 222). When people experience anger due to a negative brand incident, they engage in two stages of rationalisation. First, people's ego-

involvements (such as esteem, moral values and sense of well-being) are engaged to preserve or enhance their identities. They evaluate the brand and attribute blame if the company has not controlled the negative incident or could have prevented it from happening. When people successfully defend the company, anger can disappear. Otherwise, people will continue to rankle the company (Jin, Pang, et al., 2012). In other words, when people's goals are threatened and there is a loss of ego, they desire comfort and relief from the sadness they feel. When people who are experiencing sadness perceive that the loss can be restored or compensated, their sadness may decrease and be replaced by hope. The company may consider disassociating the situation with hopelessness and depression (Jin, Pang, et al., 2012).

Therefore, before people get angry or develop subsequent emotions, they may first evaluate the factors that influence their ego and affect their identities. Social or public identity could be one of the factors because the negative brand publicity is disseminated to the public (i.e. including members in a social group and significant others). People whose public identity is threatened due to the associations with a brand (e.g. being as the brand's customers) would develop brand embarrassment.

Violations of moral values threaten people's ego-involvement, which prevents them from preserving or enhancing their identity (Jin et al., 2012). When consumers' identity cannot be constructed by using the brand, they cannot show their desired identity in front of others by displaying the brand's products or representing themselves as a brand's member. In the case of cutting up United's credit card, the cardholders can stop their connections with United immediately by destroying the card. However, not all customers can stop their connections with a brand immediately; they might have an active service contract with the brand, where early termination would incur extra costs. When existing customers still possess a brand's products after negative publicity, they

may feel embarrassed because their public identity is threatened—and they cannot avoid this inconvenience. Zhang et al. (2017) found that embarrassed customers prefer small brand logos printed on their clothes to protect their self-esteem. Therefore, before people evaluate and blame brand failure, brand embarrassment is likely to occur when existing customers experience public discussions after a public scandal. After negative brand publicity occurred, press conference is held to report the brand failure followed by remedial actions. It aims to manage the impression of stakeholders and reduce the negative impacts caused by the brand transgression. When the brand offers remedial tactics such as product recalls, monetary compensation, and apology, the affected individuals hope to get corresponding fair treatment to indemnify their tangible and/or intangible loss, and to get rid of negative emotion. Justice theory is widely used to reduce customer dissatisfaction in a service recovery context (Kim, Yoo, & Lee, 2012), and I propose it in the brand publicity recovery context.

2.4 Justice Theory and Brand Embarrassment Recovery

In a branding context, individuals exposed to self-esteem threats prefer the brand with a strong sense of justice and loyalty, who is positioned to fight for consumers' rights (Hartwell and Chen, 2012). As discussed earlier, customers adopt cognition-oriented and emotion-oriented approaches (Lu & Huang, 2017) and actively engage in a coping strategy (Jin, 2009) to deal with their emotions in a crisis. According to Smith's (2000) two-process model of appraisal theory, emotions are evoked when individuals encounter perceptual stimuli and thus experience associative processing and reasoning. Proactive recovery efforts offered by a brand could stimulate customers to provide positive appraisal information associated with the brand and allow them to reevaluate their situation. This phenomenon might occur if a brand announces a remedial

procedure for a product failure and sincerely apologises for their fault immediately after the negative publicity is publicly released. Customers may have reduced negative emotions if the problem is quickly resolved with sincerity.

Individuals have distinct information processing paths, and their coping behaviors align with their thoughts, values and identity. Customers prefer to receive recovery attributes that match the failure type they experience in equivalent values commensurate with the magnitude of the failure (Smith, Bolton, & Wagner, 1999). The more severe the negative brand incident, the more the brand must compensate the affected individuals. Indeed, customers prefer a fair exchange in their relationship with a brand. When a company's behaviors are perceived to be unfair, justice is a basic element that humans desire (Collie, Sparks, & Bradley, 2000).

Rawls's justice theory (1971) is used to measure how the fairness of recovery attributes affects customer satisfaction (Migacz et al., 2018). Over the past 20 years, justice theory has been suggested as an effective evaluative tool and a powerful predictor of customer satisfaction in a service recovery context (Kim et al., 2012). Justice theory has been examined in three dimensions of perceived justice: procedural, distributive and interactional. Perceived justice is defined as a consumers' evaluation of recovery remedies by weighing their inputs against their outputs (Hocutt, Chakraborty, & Mowen, 1997). Procedural justice is described as customers' evaluations of the policies, procedures and decision making of firms used to resolve a conflict. The concept of distributive justice is derived from social exchange theory (Adams, 1965) and is defined as the extent to which customers feel they have been treated fairly in the final recovery outcome (Maxham III & Netemeyer, 2002), where the final outcome is characterised by tangible compensatory rewards such as discounts, refunds, replacements and coupons. Customers are more likely to react positively to

failure recovery when they perceive the recovery efforts to equal, or exceed, the amount of loss they experienced (Lin et al., 2011). Interactional justice is customers' perception of the sincerity and appropriateness of the interaction provided by staff during the recovery. Among these three justice dimensions, the operationalisation of interactional justice has not been consistent; researchers have found distributive justice and/or interactional justice to be more impactful evaluations on recovery attributes compared to procedural justice (McCullough, 2009).

Smith, Bolton, and Wagner (1999) revealed that positive perceptions of distributive, procedural and interactional justice enhance customer satisfaction. The effectiveness of recovery attributes depends on the type and magnitude of failure. When an outcome failure occurs, compensation has a greater and more positive effect on customers' perceptions of distributive justice compared to when a process failure occurs. When the magnitude of the failure is low, a speedy recovery has a greater (positive) effect on customers' perception of procedural justice compared to a higher failure magnitude (Smith et al., 1999).

Both procedural and distributive justice decrease the strength of negative emotions and increase positive emotions. Procedural justice and interactional justice significantly affect post-recovery customer satisfaction in the online shopping context (Kuo & Wu, 2012). The fact that a firm has a very good reputation and distributive justice might reduce the negative effect of emotions on satisfaction: the customers might believe that the firm cares about them and would offer fair refunds after a failure. For a firm with a low reputation, interactional justice enhances the post-recovery satisfaction of customers (Ozkan-Tektas & Basgoze, 2017). Perceived justice has a significant and positive effect on empathy and positive word of mouth (Ortiz et al., 2017).

Procedural and interactive justice influence customer affection, one of the

components used to measure brand attachment (Choi & Choi, 2014). Grounded in the theory of justice, communication-based and value-based fairness positively influence brand attachment and loyalty intention (Hwang et al., 2019). Gelbrich et al. (2016) demonstrated that strong-relationship compared to weak-relationship customers are more satisfied with overcompensation.

Skitka (2003) argued that when individuals' self-relevant values and goals are highly activated, they are most likely to think about justice and fairness. Definitions of fairness and reasoning about justice depend on the layers of identity (i.e. material, social and personal or moral) that dominate one's self-concept. People are concerned about justice for a variety of reasons. For instance, customers activate justice reasoning if the materials (e.g. property, goods and wealth) they acquire and maintain cannot extend their self and serve their long-term material interests.

When social identity needs and goals are more salient, people sacrifice material interests (Van den Bos et al., 1997). People with strong social identity needs care about fair procedural treatment that is relevant to their social identity needs, such as inclusion and status (Tyler & Lind, 1992). Social identity also influences judgements of distributive justice. When people increase self-focused attention, they adhere more to their personal distributive values. In contrast, people with salient group norms are more likely to equally allocate material rewards and to rate equal allocations as more fair than equitable ones (Greenberg, 1983; Hegtvedt, 1987; Kernis & Reis, 1984). This phenomenon shows that salient group norms and social roles—rather than personal values—affect one's judgement of fairness. Justice reasoning is likely to occur if a brand crisis threatens a customer's social identity. The restoration of injustice is expected to repair one's social self and thus reduce the strength of brand embarrassment.

Below is the table summarising the key literature on relevant research constructs and theories related to this study.

Table 2- 1: Brand Embarrassment Key Literature Review

Brand Embarrassment influencing factors / consequences	Approach to brand embarrassment	Findings	Studies
Social factors	Proximity to consumers extended Miller (1995)'s product possession as a source of embarrassment	--results from other people' negative thoughts about themselves --noninteractive social presence, close proximity and strong social influence attenuates consumers' negative emotions --the size of a noninteractive social presence positively influences the strength of negative emotions --purchaser feels embarrassed if he/she is aware of either a real or imagined social presence and when an event threatens an individual's social identity --individuals experience more embarrassment during in-group and equal status out-group conditions than they do during lower status out-group condition. --face to face communication (website and instant messaging) is perceived as a high (low) level of social presence	Argo et al., 2005; Dahl et al., 2001; Edelman, 1987; Eller et al., 2011; Keltner & Buswell, 1997; Kim and Kwon, 2010; Latane & Wolf, 1981; Leary, 2007;

		<p>--target advertising and social context can jointly influence one's embarrassment level</p> <p>--Social influence plays a key role in shaping emotions</p> <p>--one's public identity is threatened in a situation</p>	<p>Puntoni et al., 2015; Xu et al., 2012; Wang et al., 2017</p>
	<p>Interpersonal relationship, judgement, and evaluation</p>	<p>--consumers' susceptibility to interpersonal influence, consumer vanity, anxious attachment style moderate brand embarrassment, and finally subsequent social behavior</p> <p>--strong social identity needs require fair procedural treatment</p> <p>--negative brand social self-expressiveness creates brand hate, and this relationship is mediated by brand embarrassment towards Tata Motor Company in India</p> <p>--consumers' susceptibility to interpersonal influence positively moderates the effect of negative brand social self-expressiveness on brand embarrassment.</p>	<p>Sarkar & Sarkar, 2017; Sarkar, Sarkar, Sreejesh, Anusree, & Rishi, 2020; Tyler & Lind, 1992; van den Bos & Lind, 2002</p>
<p>Perceived Severity</p>	<p>Self-relevancy, justice theory, appraisal towards the failure, negative emotion and affect</p>	<p>--brand failure fosters greater feelings of injustice and betrayal</p> <p>--consumers with high attitude certainty, high brand commitment or high identification with the company are insulated from the effects of negative brand publicity if the failure is moderate, not self-relevant and concerns the product domain</p> <p>--the greater the failure magnitude, the lower the customer satisfaction, and induce negative emotions</p>	<p>Dunning et al., 2004; Hess Jr et al., 2003; Lange & Washburn, 2012; Smith et al., 1999;</p>

		<p>--speedy recovery receives greater perceived procedural justice at low failure magnitude than high failure magnitude</p> <p>--compensation has a greater & more positive effect on perceived distributive justice in outcome failure rather than process failure</p>	<p>Trump, 2014; Wan et al., 2011</p>
<p>Brand-related factors: negative associations to brand, self-connection to a brand, brand responses</p>	<p>Brand marketing communications, corporate brand</p>	<p>--celebrity's posture in an ad., style & tone of ad.</p> <p>--poor country of origin, negative brand publicity, low brand prestige, intergenerational gap in brand image & counterfeit brand evokes embarrassment</p> <p>--marketing interventions increase positive attitude towards consumption of embarrassing object & reduce embarrassment level</p>	<p>Grant & Walsh 2009; Iacobucci et al, 2003; Puntoni et al, 2015; Sarkar & Sarkar, 2017</p>
	<p>develop a scale to measure consumer-brand embarrassment tendency, products brand</p>	<p>--tendency to conform, brand consciousness, frugality & materialism have strong relationship with brand embarrassment</p> <p>--research context is shoe/apparel branded products</p> <p>--focus on the subjects from the US and Germany</p> <p>--embarrassment is one of the six distinctive brand emotions in "Negative Emotions Toward Brands (NEB)" scale, consumers prefer restoring threatened identity without connection to a brand</p>	<p>Romani et al., 2012; Walsh et al., 2016</p>
	<p>Relationship with a brand</p>	<p>--brand's product enables one's to extend or identify their ego & consistent with their self-image</p>	<p>Lingle et al., 1984;</p>

		<p>--customer-brand relationship is primarily driven by desired brand attributes/product functions</p> <p>--social-responsibility-related publicity influences the strength of customer-brand relationship</p>	Thomson et al., 2005; Xie & Peng, 2010
	<p>Brand responses: Image repair theory, Situational crisis communication theory</p>	<p>--when an situation leads to face loss of an individual, use an image-repair coping strategy to cope with negative brand incidents</p> <p>--when consumers experience social exclusion threats, an emotional-coping strategy is an effective remedy</p> <p>--develop a scale to measure public's emotions, embarrassment is classified as an internal-attribution-dependent crisis emotion</p> <p>--strong-relationship customers are more satisfied with overcompensation (100-200% of their economic loss) compared with weak-relationship customers, but same satisfaction level for both customers if they receive partial compensation</p>	<p>Benoit & Pang, 2008; Coombs, 2006; Gelbrich et al., 2016; Han et al., 2015; Jin et al., 2014; MacDonald and Leary, 2005</p>
Affective responses	Justice theory, build relationship	<p>--when customers have positive experience with a brand, tend to trust and form a brand relationship; decrease incident's uncertainty</p> <p>--communication-based & value-based fairness positively influence brand attachment & loyalty intention</p> <p>--For low brand reputation, interactional justice enhances post-recovery customer satisfaction</p>	<p>Beomjoon & Beom-Jin, 2014; Hwang et al., 2019; Kaufman et al., 2006; Kuo & Wu, 2012;</p>

		<p>--procedural justice & interactional justice significantly affect post-recovery customer satisfaction in online shopping context</p> <p>--Procedural, distributive and interactional justice influence attitudinal and loyalty behaviour through trust, customer satisfaction, and commitment</p> <p>--High interactional justice leads to a positive image of a brand, reinforce a high satisfaction level, and loyalty intentions</p> <p>--the effect of brand embarrassment on brand hate is negatively moderated by brand inner self-expressiveness</p>	<p>Ozkan-Tektas & Basgoze, 2017; Sarkar, Sarkar, Sreejesh, Anusree, & Rishi, 2020; Soderlund & Colliander, 2015;</p>
Behavioural responses	Reduce the emotion by themselves; justice theory	<p>--cope the feeling by themselves, reduce behavioral intentions and NWOM</p> <p>--prefer small brand logos to protect self-esteem</p> <p>--predict intentions to buy & consumer-brand identification</p> <p>--purchase more non-embarrassing products to cover embarrassing products in a shopping basket</p> <p>--consumers who activate a problem-focused coping strategy prefer a brand with a strong sense of justice and loyalty to mitigate threatened self-esteem</p>	<p>Blair & Roesse, 2013; Dong, Han, Duhachek, and Rucker, 2015; Huang, & Wyer, 2013; Moore et al., 2006; Walsh et al., 2016; Zhang et al, 2017</p>

In view of consumer behaviour literature, cognitive appraisal theory was used in emotion research. Previous studies focused on the antecedents and consequences of consumer embarrassment in a product or service context. Limited research was found that examined consumers' psychological and appraisal processes associated with a brand.

An embarrassing situation evokes public negative emotions. In January 2018, H & M, the fast-fashion giant, released an image on its website regarding a young African-American child modelling a green sweatshirt that included the slogan "Coolest Monkey in the Jungle". The image was widespread and Twitter users were outraged and claimed the company lacked cultural sensitivity. This negative brand incident led to economic loss (Morse, 2018).

A brand reflects an individual's self-concept (Fournier, 1998; Thomson et al., 2005), which also position their capability and status in front of others. A brand failure keeps customers away, as they stop choosing, using and buying a brand's products. The concern related to product possession and social or public image activates consumers' emotional appraisal. When a negative brand incident occurs, the negative messages spread out on social media, which raises public attention. The impact of virtual or non-virtual social pressure makes the brand's consumers feel uncomfortable and embarrassed. Although the brand's management or responsible person apologise for their fault or mistakes, individual differences affect their judgement, information processing, psychological process and subsequent emotions and behaviour.

People will get angry or feel dissatisfied when the quality of products does not meet their expectations. Sarkar et al. (2020) revealed that negative brand social self-expressiveness creates brand hate, which indicates negative self-brand association threatening consumers' social image. The strength of negative emotions could be as

severe as brand hate. Their findings also depicted that the level of brand embarrassment mediates the relationship. If brand embarrassment cannot be reduced, consumers are likely to hate the brand. This is consistent with Sugathan et al.'s (2017) study on the two stages of emotions when the failure occurs. Consumers undergo different appraisal dimensions in the emotion elicitation process. A high level of cognitive deliberation increases brand embarrassment (Herd et al., 2019).

Consumers' susceptibility to interpersonal influence positively moderates the effect of negative brand social self-expressiveness on brand embarrassment. The effect of brand embarrassment on brand hate is negatively moderated by brand inner self-expressiveness (Sarkar et.al., 2020). When consumers suspect that others think the worst of them, which affects their image or relationship in the social group, the level of brand embarrassment increases. However, when the self is not explicitly represented by the brand, consumers would not have a strong sense of brand hate. Therefore, the relationship between self and brand and how individuals perceive the importance of interpersonal relationships influence both implicit and explicit emotions. The results of Sarkar et al.'s (2020) study is consistent with previous studies for the effect of negative social influence on brand embarrassment (Sarkar et. al, 2017; Wang et. al., 2017). Emotion can be developed and changed during the psychological process. Social influence activates the social-self that first goes to embarrassment, self-relevancy reinforces the perceived brand severity and threatened social-self, which induces stronger negative emotions (Lange & Washburn, 2012; Trump 2014).

External factors (social presence, marketing communications) make people feel embarrassed; self-coping, dissatisfaction, lack of trust and commitment, threatened self-image and public image are the affective and behavioural responses to the embarrassment. Having different concerns affects people's attitudes and how they

evaluate brand-related information, for example, holistic thinkers are concerned with more external-context-based explanations and less susceptible to negative publicity, when compared to analytic thinkers (Dutta & Pullig, 2011). A relationship can be of a communal or transactional type in a consumer-brand context (Aggarwal, 2004); thus, different qualities of brand relationships would affect consumers' thoughts and appraisals of the external factors and their choice of emotional and cognitive coping strategies.

In the previous studies, substantial work has been done for measuring the impact of recovery tactics. Researchers investigate specific effects of constructs (for example, social identity or consumer-brand relationship) on consumer behaviour in service and product failure contexts. The majority of studies focus on a specific timespan of a negative brand event, such as pre-recovery, recovery, or post-recovery. In view of the recent articles about how the objects affect self-views, judgement, and behaviour (Wheeler & Bechler, 2020) and consumers' susceptibility to social influence (Sarkar et al., 2020), objects can carry a different meaning to the owner (private meaning) and others (public meaning), choice of goals (self-verification vs self-enhancement) affect connection to products. Identity motives lead people to dispose of or retain identity-linked products. If a person's identity is firmly attached to a brand, the abandonment of the identity-linked products is symbolic of abandoning a part or whole part of oneself (Trudel et al., 2016). Therefore, when people possess the product because of private meaning and their use, they do not care about other people's comments or would not change their thoughts or blame on the wrongdoers. Even there is social pressure; a positive brand inner self-expressiveness fosters the intention to consume the products privately (Sarkar and Sarkar, 2017). It indicates that consumers can evoke brand embarrassment due to their reason and social identity threats. The dual ties from a

brand and a social group may affect consumers' emotion and responsive strategies.

The present research seeks to identify factors that influence a feeling of brand embarrassment. It is proposed that appraisal theory and justice theory influence the way existing customers appraise negative brand publicity. This chapter discussed the past studies in negative brand publicity context that paved the foundation for developing hypotheses and conceptual frameworks in this thesis.

2.5 Chapter Summary

This chapter reviews the emotion, embarrassment and brand embarrassment literature and discusses how brand embarrassment links to cognitive appraisal theory and justice theory in the context of negative brand publicity. This literature review also serves as the foundation for the construction of a theoretical framework and the development of hypotheses, which will be delineated in the next chapter.

Chapter 3: Theoretical Framework and Hypothesis

Development: Brand Embarrassment in Negative Publicity

3.1 Introduction

This thesis investigates the factors that cause brand embarrassment after a brand crisis and how embarrassed customers react to a proactive brand remedy. Chapter 2 systematically reviewed brand embarrassment and negative brand publicity. It also delineated the research context and fundamental theories used in this thesis, including consumer embarrassment towards negative brand publicity, appraisal theory, and justice theory. It aimed to provide the inspiration and rationale of the brand embarrassment appraisal model, which served as the foundation for developing the two conceptual frameworks in chapter 3. Therefore, the content was separated into two different chapters.

The review identified two research gaps. First, previous studies have mainly focused on how individual and social factors cause a feeling of embarrassment in the context of product purchase and user experience. Some studies highlighted the effects of perceived agency on embarrassment, such as measuring the joint effects of social context and targeted advertising on the strength of embarrassment (Puntoni et al., 2015). While these studies solely measured the emotions at pre- and during purchase consumption stage, they provided little knowledge about consumers' post-purchase stage when consumers have already connected to a brand in certain extent. It creates a research gap in emotion literature. Lazarus's (1991) primary appraisal denotes that emotion is elicited after people evaluate a situation. Understanding the effects of a brand situation on customers with brand relationship would allow researchers to explore the psychological process of emotion elicitation.

Second, Smith and Lazarus (1990) suggested that emotional appraisal is a cyclical

process. In the two-process model of appraisal theory, associative processing and reasoning are the two components that evaluate emotional stimuli (Smith & Kirby, 2000). One's activated memories and critical thinking about the stimulus or situation allow them to reappraise and re-cope with the situation (Marsella & Gratch, 2009). While the embarrassment literature emphasises the antecedents and consequences of embarrassment, an examination of an adverse response from the same influencing source on the emotion recovery remains unknown that create a research gap in emotion literature. For example, if social pressure strengthens embarrassment, it would not be predicted to decrease or prevent embarrassment. Individual factors influence the emotional level. When customers with different brand relationships revisit adverse brand information (i.e. remedial tactics in response to negative brand publicity), their evaluative process and emotion recovery vary because their activated brand memories differ. Narrowing these two knowledge gaps—consumers' post-purchase impacts and affective recovery process—can enrich the embarrassment model and provide implications to marketers on how customers think and evaluate when brand transgressions happened. Therefore, this research study incorporates two novel constructs in the existing customers' appraisal framework after different stages of brand crisis: (1) the relationship between customers and the brand, which accumulate from memories, and (2) the stimulating brand remedy.

In the consumers' emotion literature, threatened social image triggered a feeling of embarrassment. The first conceptual framework (i.e. Fig. 3-1) aimed to examine how the role of social presence affects consumers' (with different levels of consumer-brand relationships) embarrassment. The results showed that the higher the consumer-brand relationship quality, the lower the strength of brand embarrassment. This indicates that the emotion could be reduced or recovered, and related to the brand's responses. To test how the brand's responses regulate the feeling of brand embarrassment, I developed and

tested a second conceptual framework (i.e. Fig. 3-2), demonstrating the effect of brand remedial tactics on emotion recovery and future behavioural intention.

3.2 Primary/Immediate Appraisal and Brand Embarrassment

The feeling of embarrassment highlights the importance of perceived agency (Tracy & Robins, 2007). Puntoni et al. (2015) revealed that targeted advertising and social context can jointly influence an individual's feeling of embarrassment. In emotional appraisals, social context represents the agency. When everyone is being targeted by mass advertisement, individuals tend to feel less distinctive and less embarrassed when they view companions who have the same or a similar social identity compared to people who have a different social identity. Customers feel that they are being targeted because they have certain connections with a brand. If the customers do not have a strong relationship with a brand, they might think that the brand message is not related to them and they would be expected to develop less embarrassment. The social context can be real or imagined others who may or may not be physically present. Given that individuals do not know whether the others also have the same social identity as themselves—especially if negative brand news is widely publicised in all media—there is uncertainty in their appraisal process, a phenomenon that intensifies their embarrassment.

Hung and Mukhopadhyay (2012) found that the appraisal of embarrassment can be viewed from a visual perspective. They suggest that when individuals pay greater attention to their self, they will develop more intense embarrassment, whereas if individuals have greater attention to the situation, they will develop more intense hedonic emotions such as excitement. In other words, embarrassment is more intense for customers who have a greater concern about their self-image and self-identity compared to those who focus on the perceptual stimuli, i.e. a negative brand incident.

To summarise the above antecedents that lead to a feeling of embarrassment, the concept of self, social self, connection with others, perception from the others and self-perception are the determinants that activate individuals' appraisal process. Different evaluative perspectives drive them to distinct emotions.

Lazarus (1991) suggests that emotion appraisal involves relational, motivational and cognitive aspects. It is expected that the relationship between consumer and brand affects the emotion, the type of emotion depends on how consumers perceive or associate themselves with the brand. For instance, if consumers have communal relationship with the brand, they are more willing to forgive a product/service failure and induce weaker level of negative emotion. Moreover, the stimuli from surroundings trigger and motivate how consumers appraise the situation or undergo self-appraisal, if consumers' social group provide support to them and blame the fault to the company, consumers will also attribute the fault to company and not focus on themselves. More positive self-image will reduce the level of embarrassment. Therefore, during negative brand publicity that threatened consumers' social image, it is proposed that the customer-brand relationship, the presence of others and perception of the negative brand incident underlie primary appraisal and elicit emotion. Brand embarrassment is elicited when the negative impacts of these factors cannot satisfy the customers' goal (i.e. the brand no longer delivers the image/status the customers desire and threatens their self-identity). People exhibit distinct customer-brand relationships; consequently, perception will differ depending on the social setting, and the strength of brand embarrassment is expected to be dissimilar. Thus, negative brand publicity is the research context.

Brand transgressions often inspire a public outcry. The lack of explicit emotion does not mean people are satisfied with the brand. Investigating the relationships

between the proposed influencing factors and brand embarrassment may provide insights to managers about the consumers' appraisal process in a brand failure context. Previous studies have not examined how the relationships with others (for example, self to negative publicity, self to a brand and self to social) influence existing customers' appraisal in evaluating and interpreting negative brand publicity situation. The following sections introduce and discuss the influencing factors, followed by the hypotheses developed for this research.

3.2.1 Customer-Brand Relationship and Brand Embarrassment

Love (Shimp & Madden, 1988), commitment (Dick, 1988) and trust (Hess, 1995) have been used to study consumer-object interactions. In a branding context, studies have examined the relationship between individuals and organisations in relation to brand love, brand hate and brand pride (Helm et al., 2016; Hwang & Kandampully, 2012). Brand attack results from the dissolution of a self-relevant customer-brand relationship (Johnson et al., 2011).

Relationships affect and are affected by the contexts in which they are embedded (Berscheid, 1994). Psychological, sociocultural and relational factors shape the significance of a relationship for the individual involved (Holbrook, 1993; Mick & Buhl, 1992). Each type of relationship has different norms and expectations. Meaningful relationships can change an individual's self-concept through expansions into new domains or reinforce an individual's self-concept through mechanisms of self-worth and self-esteem (Aron & Aron, 1996). C. W. Park et al. (2013) proposed that a brand's hedonic, functional and/or symbolic benefits help customers to achieve their self-related goals and thereby bring a brand closer to the self. Individuals purchase a product from a brand because it helps them express who they are (i.e. their actual self)

or who they want to be (i.e. their ideal self). A brand's product enables individuals to extend or identify their ego in a manner consistent with their self-image (Woods, 1960). Ego is a sense of self (Freud, 1961), and ego involvement comprises self-esteem, self-identity and moral values (Zourrig et al., 2009); thus, if a brand maintains and enhances an individual's self-esteem, the individual is more likely to maintain a relationship with that brand. Conversely, if a brand fails to enhance an individual's self-esteem, she or he may decide to sever her or his relationship with it.

A brand reflects an individual's self-concept (Fournier, 1998; Thomson et al., 2005). The theory of self-based customer-brand relationships assumes that the association between a customer and a brand will be stronger if the brand's experiential, functional and symbolic resources are directly relevant to the individual's self-expansion goals (e.g. for a higher social status). Under this theory, positive emotions elicit and facilitate consumers' approach motivations (Park et al., 1986). Conversely, negative emotions are elicited when a brand's resources directly damage an individual's goals (e.g. self-contraction), and these negatively-valenced resources evoke avoidance motivations (Markus & Nurius, 1986; Strong & Aron, 2006) and weaken the customer-brand relationship.

Promotion goals (e.g. self-expansion) and prevention goals (e.g. avoiding self-harm) are associated with different behaviours in the brand relationship realm. Positive brand relationships may activate promotion goals and be associated with pro-brand actions such as advocacy efforts, whereas negative brand relationships may activate prevention goals and be associated with brand avoidance (Chernev, 2004).

Customers build two types of relationships with brands: exchange and communal (Aggarwal, 2004). Exchange relationships involve economic factors and primarily offer utilitarian benefits, whereby people tend to feel satisfied when there is a fair exchange. Communal relationships involve trusting each other in a relationship. The customer-

brand relationship is primarily driven by the brand attributes or product functions that satisfy customers' needs and wants (Lingle et al., 1984). When customers positively experience a brand, they are satisfied with the brand, which evokes strong positive emotions and creates loyalty to the brand. This relationship features trust and commitment (Chang & Chieng, 2006; Nysveen et al., 2013).

The relationship process generates affect and emotions that result in a bond between the customer and brand (Fournier, 1998). However, a close relationship magnifies any negative response to an unfavourable outcome (Aggarwal, 2004; Wan et al., 2011). For example, consumers who have a communal relationship with a brand (i.e. where the brand satisfies them by positioning itself as a supportive and caring friend) express greater dissatisfaction compared to consumers in an exchange-based relationship (Aggarwal, 2004). Moreover, when the relationship is paralleled by a friendship, brand failure fosters greater feelings of injustice and betrayal (Grégoire & Fisher, 2008).

A brand's moral misconduct can erode customers' positive relationship with it (Huber et al., 2010). Brand-self connection and brand prominence represent customer-brand attachment-aversion relationships (C. W. Park et al., 2013). Brands' meanings and associations play an important role in influencing positive and negative associations (Levy, 1959). If customers positively perceive a brand (e.g. because the brand donates money to those in need or to protect the environment), they are likely to associate positive feelings with the brand (i.e. brand love). However, if a brand evokes negative emotions, customers are likely to disassociate themselves from the brand (i.e. brand hate). Thus, negative associations with a brand (e.g. brand embarrassment) could influence consumers' relationships with a brand.

Brand relationships materialise in numerous varieties and forms (Fournier & Alvarez, 2013). Park et al. (2013) proposed that brand-self distance and brand

prominence can serve as component factors to measure attachment aversion customer-brand relationships. The study also revealed that attachment aversion relationships can predict both brand mind shares and brand heart shares.

According to Fournier (1994, 1998), the quality of a brand relationship is a multifaceted and dynamic construct that comprises three main relationship components: (i) affective and socio-motive attachments (e.g. self-connection, love and hate), (ii) behavioural ties (e.g. interdependence and commitment) and (iii) supportive cognitive beliefs (e.g. trust, intimacy and brand partner quality). A strong and stable customer-brand relationship can be developed if these components are strengthened (Kim et al., 2014).

Relationship quality is used to conceptualise the strength of a relationship (Aaker et al., 2004; Hennig-Thurau et al., 2002). Relationship quality encompasses trust, commitment and social benefits. Trust is defined as ‘a psychological state comprising the intention to accept vulnerability based upon positive expectation of the intentions or behaviour of another’ (Rousseau et al., 1998, p. 395). Trust can also be considered as a combination of cognition and emotion (Rousseau et al., 1998). When customers think a brand will offer them benefits rather than harm, they will feel secure and build their trust in that brand. Negative brand events damage customers’ trust, and lack of trust damages established customer-brand relationships and leads to customers’ anger and disappointment (Gargiulo & Ertug, 2006; Perrini et al., 2010).

Forming a relationship facilitates trust. If a high-quality relationship exists, customers will show higher levels of satisfaction, commitment, trust, attachment and emotional intimacy towards the brand. Previous studies have indicated that brand relationship quality is positively related to customers’ favourable behavioural responses, such as greater repurchase intentions, lower willingness to switch brands and higher propensity to provide positive word-of-mouth (Breivik & Thorbjørnsen, 2008;

Smit et al., 2007). Highly committed customers tend to question the validity of the information source or generate counter-arguments that neutralise the effect of negative brand publicity (Swaminathan et al., 2007); however, such customers will also be more likely to take offence if they find themselves the victims of a service failure episode. Further, such customers may feel betrayed if they believe that a firm has intentionally violated what is normative in their relationship (Elangovan & Shapiro, 1998; Ward & Ostrom, 2006). Thus, when existing customers experience negative brand incidents or negative associations, they may feel that they are the victims of the brand or that the brand has violated its commitment to them. Conceptually, this outlook will deteriorate the customer-brand relationship.

Notably, the literature has demonstrated inconsistent findings. Although negative brand publicity and low brand prestige cause brand embarrassment (Sarkar & Sarkar, 2017), customers with extensive brand experience are less likely to consider any given piece of information as diagnostic (or reflective) of the brand's core competence. Due to their extensive prior knowledge about the brand, new information will not be used to update their prior judgements and is more likely to be discounted (Dawar & Pillutla, 2000). Groth (2005) also revealed that customers tend to trust and form a relationship with the brand if they are familiar with it through a positive experience. Therefore, it is argued that if customers feel that they have a strong, high-quality relationship (e.g. high levels of trust and satisfaction and a long-term commitment), they will trust their previous or current experiences with the company. Strong relationship ties encourage information sharing between a brand and its customer, a phenomenon that decreases an incident's uncertainty (Groth, 2005; Kaufman et al., 2006). Customers may also trust that the brand can resolve or effectively argue against any negative incidents or associations and feel confident that the brand will protect their self-worth and self-

esteem by helping them achieve or reinforce their self-concepts (Swaminathan et al., 2007).

In earlier literature (Dittmar, 2007; Reed II & Forehand, 2016), memory serves as the core foundation of identity. When a given identity is at the front of consumers' mind, identity-relevant actions follow. More recently, identity scholars (Belk, 1988; Wallendorf & Arnould, 1988) have argued that if a dimension of identity is made salient (such as moral identity) or activated in the overall self-concept, the respective attitudes, judgements and choices would follow. Salient identities influence consumers to encode and retrieve identity-linked information; consumers are better at recalling and recognising content that is strongly connected to their identity in question (Atasoy & Morewedge, 2018). Consumer identities at an implicit level and at an explicit level are interconnected with one another and may interact in both activation and expression (Dittmar, 2011). Strong identities can overcome negative emotions (Gawronski et al., 2007).

For a brand's consumer, the purchase of the brand's products reflects who they are and what they want to be (Fournier 1998). The relationship between the customer and the brand is strong if the brand meets the customer's utilitarian and/or affective needs. Conversely, the customer-brand relationship may deteriorate if the brand threatens customers' social self or self-identity. Brand embarrassment occurs when an individual's public identity is threatened in a brand-related incident (Grant & Walsh 2009, 2016).

The damage caused by a product-harm crisis can be bodily, psychological or financial (Cleeren et al., 2017), and a poor brand reputation may tarnish consumers' prestige status in their social group. This phenomenon may cause them to feel embarrassed for possessing the brand's products; that is, the crisis causes customers psychological harm. However, how customers respond to the crisis in the presence or

absence of a social group is still being researched in the literature. It is proposed that the level of the customer-brand relationship influences the strength of brand embarrassment in a brand failure context. This is an important but little-studied topic. Lazarus's (1991) cognitive primary appraisal suggests that emotion will be elicited when an event is relevant and congruent to an individual's goal. Individuals build a relationship with a brand because the brand's attributes or products can help them achieve their goal(s). For instance, customers may purchase a luxurious private car due to the brand's prestige status and premium product quality. The duration of a relationship may be short-term (e.g. one-off purchase) or long-term (e.g. repeat purchase). Goal congruency lengthens the customer relationship with the brand. Individuals are expected to be loyal customers of a brand if they think that the brand can represent them in the future (i.e. their future selves) and they have a strong and high-quality customer-brand relationship. Consumers want to have a long commitment to a brand; thus, they may not easily believe what others say about a brand. Consequently, when negative incidents occur such as false reporting to the product quality, such customers will believe that the brand can resolve the negative incidents, or they will argue against any negative associations. Such consumers will also feel confident that the brand will protect their self-worth and self-esteem by helping them to achieve or reinforce their self-concepts; thus, brand embarrassment may not be easily evoked. Thus, it is posited that following a product-harm crisis, a high quality brand relationship reduces a feeling of brand embarrassment. Formally stated:

H1. A high-quality brand relationship reduces the level of brand embarrassment when negative brand publicity occurs.

3.2.2 Perceived Severity and Brand Embarrassment

The severity of an incident refers to the perceived amount of damage caused by the incident (Coombs & Holladay, 2011) and the degree to which the incident breaches an individual's established expectations (Fediuk et al., 2010). The greater the magnitude or severity of failure, the lower the level of customer dissatisfaction (Hess Jr et al., 2003). When individuals make a decision, the severity of the incident relates to the negative impact they suffer (Tennen & Affleck, 1990). The more customers suffer as a consequence of the negative incident, the more severely they perceive the incident. The valence and frequency of a negative brand incident may increase its seriousness and affect customers' purchase intentions (Lau-Gesk & Drolet, 2008); however, the incident's severity depends on how relevant the negative reporting of it is to key brand associations (Dawar & Lei, 2009). It is expected that if customers directly suffer from the negative incident, they perceive it as more severe compared to a negative incident that has not directly affected them. For example, an acceleration problem may be perceived as more serious for a brand such as Porsche rather than Volkswagen because acceleration is one of Porsche's key brand benefit associations. Self-relevant and ethical transgression negatively affects connected customers' brand evaluation (Trump, 2014). The perceived severity of a negative incident increases the strength of an individual's negative emotions (Dunning et al., 2004).

Given that a product-harm crisis is widely disseminated, customers may think that others (e.g. their social group) are talking about the crisis or the brand they use—even if they are not around those individuals. Social identity may be threatened when customers keep receiving negative comments from other people. This phenomenon activates the customers' primary appraisal. Specifically, the negative brand incident is no longer congruent with the customers' goal. The more negative the impacts on them, the stronger the severity they perceive. For example, people possess a branded car

because of the premium product quality and face gain in front of the others. However, if a negative incident (such as false reporting of product quality) threatened their social image, they may perceive the incident as severe. Thus, this research proposes that negative brand publicity affects customers' public identity by increasing their perceived severity of the incident, which consequently evokes brand embarrassment because they believe others may think worse of them. Formally stated:

H2. High perceived severity of negative brand publicity increases the level of brand embarrassment.

3.2.3 Social Presence and Brand Embarrassment

The present study examined how a brand's responses activate a cognitive and affective judgement and elicit an emotion. This extends the theoretical understanding of emotion development after a negative brand incident has happened. Individuals make the judgement and appraise the subsequent event of an incident consistently with the emotion's characteristics (Han et al., 2007; Lerner & Keltner, 2000). People make a judgement based on an agency framework (Roseman, 1984; Smith & Lazarus, 1993). If an unfavourable situation is caused by humans, people will get angry, whereas if the situation is caused by situational non-human factors, people will feel sad (Keltner, Ellsworth, & Edwards, 1993). However, when people blamed themselves for the causes of an event, their judgements, the mindsets they prime, the coping style they activate, and the process of decision-making would vary (Duhachek, Agrawal, & Han, 2012). These studies show that the type of emotion is differentiated by the perceived agency.

The concept of presence is very broad (Lombard et al., 2000). Presence includes several dimensions, such as copresence and social presence (Nowak, 2001). Copresence refers to people who actively perceive others and feel that others are

actively perceiving them (Erving, 1963). There is an interaction and a psychological connection with other people. Social presence refers to the presence with which a person can provide a sense of access to another person's mind (Schroeder, 2002) and the engagement in mutual exchanges in their social relationships (Xu et al., 2012).

Consumers like to use products to signal identity-relevant information in order to project and convey a positive image to others (Xu et al., 2012). Through the purchase of more expensive brand products or the choice of identity-affirming products, it gives a social presence signal, namely that they have status and money and belong to the same group (White et al., 2018). Social presence is one of the influential determinants of consumers' behaviour, apart from the physical presence of another person or group of people that directly influence a consumer. The impact of a passive social presence is vital (Argo, Dahl, & Manchanda, 2005). A passive social presence is a social entity that is physically present but does not have interaction with the focal customer; it is unintentional and even unknown to the social presence (Gardete, 2015).

The impact of social influence affects consumers' sense of connectedness and value expression. It also influences how consumers protect and repair their self from image-related threats and self-view threats. There are three types of social influence: utilitarian, value-expressive, and informational. Utilitarian and value-expressive influences are both normative in nature. The former arises when an individual is motivated to obtain rewards or avoid punishment from a social presence (Chen, 2017). Dating back to Maslow's (1968) hierarchy of needs and Bowlby's (1969) attachment theory, affiliation-related rewards, such as a sense of belonging, are almost as important as an individual's need for food. When a social presence shares something with the consumer either verbally or non-verbally, the consumer will feel a greater sense of connectedness and trust as he/she is being included and respected. The sense of connection can increase consumers' favourable attitudes and purchase intentions

(Woolley & Fishbach, 2017). Consumers are willing to invest in the relationship and forgive the wrongdoer (Umashankar et al., 2017).

Value-expressive social influence relates to an individual's desire to positively manage one's image and self-view in front of other people. Image-related threats occur when there is negative information about the self that may be conveyed to a social presence. One of the sources of the threats is the purchase of certain embarrassing branded products. To minimise giving a negative impression to others or to a social group, consumers may hide the embarrassing products and add non-complementary products to reduce the attention to the focal product (Blair & Roese, 2013). This behaviour is not only protecting one's public image but is also protecting an extension of the self, as close friends are a reflection of the self (Belk, 1988).

Another source of threats to consumers' self-view is a social presence's (in-group vs out-group) product preference. In earlier research, consumers would protect their image and avoid adopting products or brands which were also used by the out-group social presence. It is because consumers do not perceive their self to be similar to the out-group (White & Dahl, 2007). Recent research, however, found that if the dissimilar social presence uses a brand to which the consumers have a strong self-brand connection, they will not disassociate from the brand, but on the contrary, they will upgrade to the brand's more exclusive options so as to differentiate their identity or self from the out-group (Wang & John, 2019).

While social influence is an interactive situation, it also occurs without a social interaction (Bearden & Etzel, 1982). Noninteractive social situations include events where a person is physically present but is neither involved nor communicates with the consumers (Argo et al., 2005). For example, when you are looking for a pair of high-heel shoes, your spouse may accompany you, but she or he does not make any comments on your choice of shoes. A significant portion of a noninteractive social

presence, close proximity and strong social influence attenuates consumers' negative emotions (Latané & Wolf, 1981), all of which increase their tendency to manage their impressions in the social group (Argo et al., 2005). Therefore, when people receive self-relevant negative brand news, the noninteractive social situation strengthens consumers' negative emotions when the news is announced publicly rather than in a private or small social group situation. Failures in impression management endanger one's desired image and evoke embarrassment (Miller & Leary, 1992). The primary concern is what others think of us (Edelmann, 1987).

Customers build a relationship with a brand because of the products' functional and aesthetic attributes, brand image and customer experience, as well as the customer's psychological state in social relationships. Chen et al. (2017) revealed that socially excluded customers are more motivated to develop relationships with anthropomorphised brands (brands that exhibit human-like features) compared to non-excluded customers. Moreover, customers who blame themselves for being socially excluded show greater preference for anthropomorphised brands. Consumers' need for social affiliation and opportunity for social connection with other people mediate and moderate this effect, respectively.

In the embarrassment context, social presence plays an important role in consumer purchases. Argo et al. (2005) defined social presence as the existence of a social audience that can directly observe the consumers' purchase behaviour. Psychologists posit that the social audience does not necessarily need to be physically present: it can be imagined (Edelmann, 1981; Miller, 1996). When the events surrounding a purchase communicate undesired information about the customer—and the purchaser is aware of either a real or imagined social presence—the purchaser can feel embarrassed (Edelmann, 1987; Keltner & Buswell, 1997). During the purchase selection of

embarrassing products, awareness of a real or imagined social presence is a motivating factor in generating embarrassment for customers (Dahl et al., 2001).

Individuals attempt to control other people's impressions of themselves (Leary & Kowalski, 1990) to avoid a negative social image (Tepper, 1994). The literature has shown that consumers adjust their behaviour to convey a positive image in the presence of a social audience, such as when making food choices (Dubois et al., 2011). Embarrassment can be evoked when individuals feel that undesired images or definitions of themselves appear before others in social interactions (Goffman, 1956) that contradict their desired public identity (Dahl et al., 2001).

Embarrassment may arise when an event threatens an individual's social identity. Social identity refers to the aspects of an individual's self-concept based on group membership. This may include a stable identity that is central to one's self (such as being a man) or a short-term identity (such as being a manager during office hours; (Goffman, 1956). The appraisals of out-group members are more extreme or negative compared to the appraisals of in-group members (Linville & Jones, 1980). Individuals experience more embarrassment during in-group and equal-status out-group conditions than they do during lower status out-group conditions in faux pas situations (Eller et al., 2011).

Ellsworth and Scherer (2003) described emotions as a combination of appraisal; a particular emotion is elicited when the requisite appraisals of that emotion occur. The feeling of embarrassment highlights the importance of perceived agency (Tracy & Robins, 2007). Puntoni et al. (2015) revealed that targeted advertising and social context can jointly influence an individual's feeling of embarrassment. Social context is the agency in emotion appraisal. When everyone is being targeted by mass advertisement, individuals tend to feel less distinctive and embarrassed when their viewing companions have the same or a similar social identity compared to the

companions who have a different social identity. Thus, there is an interaction between social context and the direct relationship with the customers that influence one's identity and self-conscious emotion.

In social presence theory, Latané and Wolf (1981) revealed that the impact of social presence greatly influences a person when the size of social presence is large, intimate or strong social influence. The size of a noninteractive social presence (i.e. a social entity is physically present but does not engage with consumers) positively influences the strength of negative emotions (Argo et al., 2005). The ability of customers with a high-quality brand relationship to explain the negative brand incident in their social group to protect their self-image reduces the size of noninteractive social presence and decreases negative emotions.

Social presence can have interaction effects with the emotion's underlying appraisals (locus of causality: situational, external or internal) that influence consumers' coping responses (Yi & Baumgartner, 2004). When the locus of causality of a service failure is externally/internally attributed, social presence leads to less/more vindictive negative word of mouth (He et al., 2019).

When people evaluate an event, all self-relevant information and goal congruency affect their emotions (Lazarus, 1991). It is inevitable that other stimuli will emerge in our daily life. The role of perceived agency greatly influences embarrassment (Tracy & Robins, 2007). Therefore, when the negative impacts of an event threaten one's social identity, self-relevant social cues will be included in the primary appraisal of the negative brand incident.

Although social presence increases embarrassment, if customers have a high-quality brand relationship—they are satisfied with and committed to the brand—they tend to question the validity of the information source or generate counter-arguments

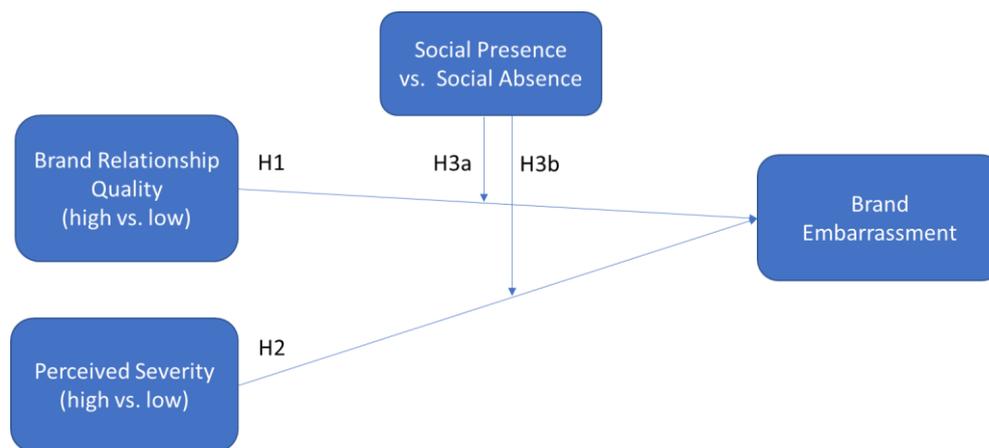
to minimise the effects of negative brand news (Swaminathan et al., 2007). They may question the brand's staff about the causes of the negative incident and explain the reasons for the incident to their social group in person to protect their self-worth and self-esteem. Through presenting an explanation to the people in their social group, customers can control the group's impression of them and the brand. Consequently, they can avoid a negative social image and feel less worried that their public identity is being threatened. Thus, the feeling of brand embarrassment that is evoked by possessing the brand's products after a crisis would be weakened. Conversely, if customers have a low-quality brand relationship (they are less committed to and/or interdependent with the brand), they are unlikely to invest effort to argue against any negative incident or associations because they do not plan to have a long-term brand attachment.

In sum, it is expected that following negative brand publicity such as false reporting of product quality in automobile context, customers with a high-quality brand relationship will experience less embarrassment in a social presence condition than customers with a low-quality brand relationship. Therefore, social presence further reduces the brand embarrassment level for consumers with a high-quality brand relationship. However, high perceived severity increases strengthens an individual's negative emotions (Dunning et al., 2004). Embarrassment occurs when people do not know what others think of them. When negative brand news is released and consumers are not in a social condition, their uncertainty on how others think of them is expected to make them feel embarrassed if they perceive that the incident is severe. It is posited that customers with high perceived severity generate greater brand embarrassment compared to customers with low perceived severity in a social absence condition. Formally stated:

H3a. Social presence moderates the relationship between brand relationship quality and brand embarrassment.

H3b. Social presence moderates the relationship between perceived severity of negative brand publicity and brand embarrassment.

Figure 3-1: Conceptual Framework of Study 1



3.3 Embarrassed Consumers' Coping Process towards Brand Recovery Responses

It is hard for people to control the presence and the size of a social group when negative brand news is released. The literature has indicated that people overcome the embarrassment by preventing themselves from being exposed in embarrassing situations by wearing sunglasses/masks to cover their faces and purchasing more non-embarrassing products to cover embarrassing products in a shopping basket, among other things (Blair & Roese, 2013; Dong, Huang, & Wyer, 2013). These behaviours aim to modulate their embarrassment to a neutral state by communicating a message to others that they do not have any associations with the negative brand publicity. In other words, they are seeking information that supports their self and identity. The information may be the meaning of product itself, positive comments from significant others or other external stimuli that will allow them to regain their pre-incident

emotional states. Thus, the forms and contexts of the communication affect the strength of an emotion. People are motivated to decrease negative states (Gross, 2002). They can engage in reappraisal to modify the emotional impact of a situation. In this thesis, it is proposed that the effects of brand remedial tactics (as a means to rebuild their self-image) delivered after negative brand publicity can reactivate embarrassed consumers' appraisal process and reduce their embarrassment feeling.

Negative emotions have been found to negatively influence the image of a brand (Zhu & Chang 2013), spread negative word-of-mouth and reduce purchase intentions (Jorgensen, 1996). The impact brings spillover effects that modify the performance of other brands in the same product category (Trump & Newman, 2017). Due to substantial impacts on the brand performance, brand recovery is inevitable.

In embarrassment literature, customers actively cope with their embarrassment according to the level of their self-esteem damage. During a brand failure, brand managers proactively offer remedial compensation to reduce customers' negative emotions; however, there is little knowledge about how embarrassed customers interact with brand recovery to cope with their feelings.

3.3.1 Brand Recovery Responses

A company's response strategies to a negative incident may vary from defensive to accommodative (Coombs, 1998). Defensive strategies include attacking the accuser, denial and excuses. However, defensive strategies are ineffective if people perceive the company as being responsible for the incident. Accommodative strategies include ingratiation, corrective action and a full apology. These types of strategies aim to repair image loss. Coombs and Holladay (2005) further suggested a range of actions—such as scapegoating and justification as a defensive response and compensation as an accommodative response—to rebuild a company's reputation after a negative brand

incident (Jin, Liu, & Austin, 2014).

The way to mitigate the effects of negative publicity depends on the nature of the brand event (Dutta & Pullig, 2011). Integrity-based violations, such as corruption, damages stakeholders' trust in a company. To restore the trust and repair the perceptions of the company's integrity and benevolence, the evidence of a company's guilt must be strong. In the short term, an open and honest attitude is more detrimental to a brand than a defensive strategy (Zhu et al., 2017). However, denial is not a successful strategy when paired with evasion of responsibility or reducing offensiveness (Arendt et al., 2017).

Coombs' (2006) theory suggests that the use of a coping strategy depends on the organisation's locus of control. When the company has weak control over the crisis, more defensive coping strategies are recommended, such as attack and denial. Conversely, for strong crisis control situations, more accommodative strategies are recommended, such as a full apology (Jin, Pang, et al., 2012).

Claeys et al. (2010) examined the effect of the type of brand crisis on brand response strategy. Brand crises are adverse events that threaten a brand's reputation. The results indicated that the more severe people judge a crisis to be, the more negative are the perceptions of organisational reputation. Preventable crises most negatively affect a company's reputation when compared with victim and accidental crises. A rebuilding strategy—rather than denial strategies and diminishment strategies—leads to the most positive reputational restoration for preventable crises.

To implement an effective crisis response strategy, other factors, such as the matching of crisis type, the level of crisis involvement and the type of message framing, influence an individual's post-crisis attitude towards the organisation. The results of crisis involvement moderate the effect on the efficacy of message framing (Claeys &

Cauberghe, 2014). In the case of high crisis involvement or rational framing of crisis communication, the matched crisis response strategies increase individuals' attitudes towards the brand. In the case of limited crisis involvement or emotional framing of crisis communication, the attitude towards the brand will not differ whether or not the crisis response strategy is matched to the crisis.

The time to disclose crisis information moderates the effect of crisis response strategies on post-crisis company reputation (Claeys & Cauberghe, 2012). The results showed that if a company's response does not overshadow the negative news, it is better to use a reputation-restoring crisis response strategy than to provide stakeholders with objective information about what happened. Indeed, no strategy may be required at all.

Gender similarity between an organisational spokesperson and stakeholders reduces stakeholders' negative emotions and, consequently, improves a company's reputation (Crijns et al., 2017). In the context of a preventable crisis, gender similarity results in more empathy towards a spokesperson who is using a rebuild rather than a denial strategy.

In the context of the automobile industry, Hearit (1994) examined the effect of apologetic advertisements designed to manage corporate wrongdoing. To reduce public anger and hostility towards a company as a result of corporate wrongdoing, a statement of regret (e.g. 'I won't let this happen again') is recommended because it implies that the wrongdoing has been identified, is under control and is the process of being resolved. This kind of apology limits the damage to a company's image after corporate wrongdoing.

Choosing the right response strategy during a crisis can secure an organisation's reputation (Claeys & Cauberghe, 2015). Simply apologising is not sufficient to

convince consumers about the company's goodwill. Consumers prefer a formal and sincere apology in product harm crisis and product recall situations. The results of Yakut and Bayraktaroglu (2020)'s study further demonstrate that the perceived apology sincerity is affected by the intentionality of a company's wrongdoing; if the wrongdoing was not intentional, it would positively affect consumers' attitudes towards the company and purchase intention. High-reputation companies can also be more effective in crisis management than low-reputation companies.

When coping with negative brand incidents, image repair theory (Benoit & Pang, 2008) and situational crisis communication theory (Coombs, 2006) are dominant. The concepts of face, personal image and reputation are important to many groups of people, including Americans; they pride themselves on being—and are—very sensitive to the feelings of others (Benoit, 1997). When a situation leads to the loss of an individual's sense of face, image-repair coping strategies are appropriate (Benoit & Pang, 2008).

Building a favourable corporate social responsibility image can positively influence customer emotions, satisfaction and identification with the company (Pérez & Del Bosque, 2015). Otherwise, brand dissatisfaction may occur; in the extreme case, it may lead to a sense of brand betrayal and be harmful to both the brand and the brand relationship (Reimann et al., 2018). Social-responsibility-related publicity influences the strength of the customer-brand relationship; brand trust and brand affect explain this relationship (Xie & Peng, 2010). Consumers with a strong customer-brand relationship and brand associations for corporate ability exhibit more favourable responses to a brand crisis related to corporate ability compared to a brand crisis related to corporate social responsibility (Jeon & Baeck, 2016). Brand attachment influences consumer judgements of a firm's ethics. Schmalz and Orth (2012) indicated that consumers' attachments to a brand mitigates their judgements of a brand's unethical behaviors,

contributes to emotional ambivalence and affects purchasing intentions. This buffering role of attachment is limited to moderate unethical actions.

Jin, Pang, et al. (2012) elaborated an integrated crisis mapping model where different crisis types are put into each of the four quadrants. They are extrapolated on two continua—X-axis: public's coping strategy, ranging from conative coping to cognitive coping; Y-axis: low to high level of organisational engagement. They found that the initial or immediate emotion that people felt in all crisis cases was anxiety, but their secondary or subsequent emotions varied among the different quadrants depending on the types of crises. For instance, a reputational crisis (e.g. Hewlett Packard's internal leak case) and technology breakdown (e.g. Dell's battery recall), evoked anger and sadness because the damage to the company reputation links to a person's ego loss and threatens one's sense of identity (Lu & Huang, 2017).

Previous studies have focused on how companies mitigate the detrimental effects of negative brand incidents. An image or brand-building strategy is an effective way to resolve the problems. Customers' cognitive and affective mindsets facilitate the brand crisis recovery process. People react in different ways when they face negative brand incidents (Dutta & Pullig, 2011). Holistic thinkers consider more external-context-based explanations compared to analytic thinkers; the former is less susceptible to negative publicity and experience little or no revision of brand beliefs. This processing style mitigates their negative perceptions towards a brand (Monga & John, 2008). Regardless of the severity levels of brand transgression, extrinsically religious consumers punish corporate brand transgressors more than intrinsically religious consumers (Karaosmanoglu et al., 2018). Park and John (2018) revealed that after a brand transgression, customers with a weak brand relationship but who believe the brand will strive to resolve problems and overcome obstacles become more engaged

and more emotionally attached to a brand compared to customers without implicit beliefs about the relationship.

Consumers with high attitude certainty, high brand commitment or high identification with the company—and who attribute less culpability to corporate social irresponsibility—are insulated from the effects of negative brand publicity (Ahluwalia et al., 2000; Einwiller et al., 2006; Lange & Washburn, 2012; Pullig et al., 2006). However, this minimal impact emerges only when the failure is moderate (Einwiller et al., 2006), not self-relevant and concerns the product domain (Trump, 2014). Although a strong relationship with the consumers is one mitigating factor that attenuates the negative effect, there is little knowledge about the psychological and evaluative process that consumers undergo before they tie up and re-connect with the brand after the negative brand publicity. The fair exchange (consumers loyal to a brand because the brand offers the image or prestige they desire) no longer exists after the negative brand publicity occurs. The following section seeks to examine whether perceived justice impacts consumers' affective and behavioural responses.

3.3.2 Perceived Justice and Brand Embarrassment Recovery

In a branding context, consumers who activate a problem-focused coping strategy prefer a brand with a strong sense of justice and loyalty to mitigate threatened self-esteem (Han, Duhachek, and Rucker, 2015) and protect their rights (Hartwell and Chen, 2012). They hope the brand can offer solutions to positively change the situation. Therefore, it is possible that high perceived justice of brand's recovery communications mitigates consumers' threatened self-esteem caused by the negative brand publicity.

As discussed in the literature, individuals will evaluate a brand from a fairness perspective, particularly in a recovery paradox. Justice reasoning will be activated if

individuals' self-relevant values are threatened. In appraisal theory, emotions may be evoked after individuals' evaluation, interpretation and explanation of their circumstances in a situation (Aronson, 2005). Remedial actions from a brand to embarrassed customers stimulates the customers' appraisal process. Individuals experience their specific emotion, which is determined by how they construe the eliciting situation (Ortony et al., 1988). Customers pay for a brand's product in exchange for the benefits, and negative brand publicity reduces the tangible (e.g. use of product) or intangible (e.g. social status) benefits that they receive. Customers are not in an equal exchange relationship with a brand, and this inconsistency in motives elicits a negative emotion. Conversely, the brand recovery efforts make customers interpret that they can obtain benefits from a brand that will reduce their imbalance relationship and allow them to reach a fairer position. This justice reasoning provides positive associative processing with the brand, a phenomenon that results in more positive emotional states and behavioural responses.

Brand embarrassment occurs when individuals' public identity is threatened due to an encounter with a brand (Walsh et al., 2016). For example, students may feel embarrassed when naming their university if they think that its reputation is not as good as other schools in the social group. The damage to a sense of belonging to the social world can threaten individuals' social identity. Research suggests that information about justice is central to people's evaluations of social situations (Tyler et al., 1997; van den Bos & Lind, 2002). When people's social identity needs (e.g. status) are salient, they care about fair procedural treatment (Tyler & Lind, 1992). Conversely, those who are primarily concerned about themselves may pay less attention to procedural justice. In other words, the way that individuals construct and revise/maintain their sense of identity in a social context varies depending upon their perception of justice information.

Previous research on individuals' crisis coping strategy has focused on the use of a brand or individuals' coping strategies in different crisis situations, as well as the effects of brand communications on crisis emotions. Holistic thinkers are less susceptible to negative publicity because they consider more external context-based explanation than analytic thinkers (Monga & John, 2008). They evaluate relevant information other than what is related to themselves: they do not just rely on self-attention and, for each situation, their negative perception towards a brand would be mitigated. Thus, the way the individuals think in a social context influences how they evaluate, interpret and explain the brand information.

Perceived justice positively influences customer affection (Choi & Choi, 2014), trust (Kim et al., 2009), brand attachment and loyalty intention (Hwang et al., 2019). Strong affective attachment, commitment and trust increase the level of customer-brand relationship (Kim et al., 2014). However, limited research has examined the role of perceived justice of the brand coping accounts on brand embarrassment and their subsequent behaviour in the context of brand failure. People respond differently when they experience negative publicity (Dutta & Pullig, 2011). To narrow the gap in embarrassment literature and answer the third and the fourth research questions, it is posited that after a brand offers recovery accounts, embarrassed individuals evaluate the effects of negative brand publicity from the lens of social self and perceived justice. This reflection leads to different strengths of the customer-brand relationship, intensities of emotion recovery and repurchase intentions. The following paragraphs introduce and analyse the factors that influence embarrassed customers' responses in a brand failure context, followed by the respective hypotheses.

3.3.3 Consumer Reactions to Brand Recovery Responses

People buy a branded product or possess an object that can serve as a tool of identity expression. Whatever a brand or product is, it provides signals to people on what the narrative is, and they have an understanding of the object's associations and connotations (Berger & Heath, 2007). Using or owning a product forms and increases connotative associations between the products and the self (Park & John, 2010). The association can affect subsequent judgement and the owner's behaviour (Chung & Johar, 2018). The increase of object and self-association tends to make people evaluate the object and view oneself more positively. However, the same object can carry a different meaning for the owner (private meaning) and others (public meaning). Private meaning is formed by personal experiences with the object; it is unique and exclusive to the individual. Public meaning is shared by the people in a community or in a social group.

People acquire or abandon products depending on the desire for an affiliation with others (Escalas & Bettman, 2005). Identity goals can be in the form of self-verification (be understood by others) and self-enhancement (aim to feel good about oneself) (Sedikides & Gregg, 2008). The choice of goals can affect people's felt connection with the brands and products used by different reference groups. Escalas and Bettman (2003) found that people with self-verification goals feel more connected to products that are used by the group to which they belong, whereas people with self-enhancement goals are more connected to the products that are used by a group to which they aspire to belong (Escalas & Bettman, 2003). Identity motives can also lead people to disown objects (White & Argo, 2009). The disposal of identity-linked products is different from non-identity products because trashing these products is symbolic of abandoning a part or the whole of oneself (Trudel, Argo & Meng, 2016). People are likely to choose products that boost their self-view if their identity is threatened (Gao et al., 2009).

3.3.3.1 Perceived Justice and Affective Recovery (Brand Relationship Quality Recovery and Emotion Recovery)

Both procedural and distributive justice decrease the strength of negative emotions and increase positive emotions. Procedural justice and interactional justice may significantly enhance post-recovery customer satisfaction in the online shopping context (Kuo & Wu, 2012). It is expected that different customers in distinct situational contexts will respond differently. Gelbrich et al. (2016) revealed that customers with a strong relationship are more satisfied with overcompensation (100–200% of their economic loss) compared with weak-relationship customers. However, there is no significant difference in satisfaction level for both strong- and weak-relationship customers if they receive partial compensation (Gelbrich et al., 2016). Partial compensation (e.g. a simple procedure, personalised apology and/or CEO resignation) may satisfy customers with perceived justice such as procedural justice and interactional justice. For brand embarrassment case, if a brand offers customers compensation with monetary and non-monetary benefits (i.e. 100% product refunds and reduced loss of face, respectively), they will perceive greater distributive justice and will be more satisfied compared to customers who receive partial compensation.

Perceived justice influences trust (Kim et al., 2009). Trust is one of the dimensions in brand relationship quality. Ha and Jang (2009) revealed that the relationship quality moderates the connection between perceived justice and loyalty intentions in a service brand failure situation. Distributive justice positively influences customer satisfaction. High interactional justice leads to a positive image of a brand and loyalty intentions (Su, Hsu, & Swanson, 2014). Moreover, perceptions of interactional justice create a strong emotional bond between brand staff and customers, and this personal and social connection reinforces a high satisfaction level (Beomjoon & Beom-Jin, 2014). In a brand failure context, the breach of trust and damage of the self-brand connection elicits

negative emotions in customers. Thus, it is expected that negative emotions may be reduced when customers perceive high interactional justice. Therefore, the current study posits that high perceived justice of brand coping accounts strengthens the quality of the brand relationship.

3.3.3.2 Affective Recovery and Repurchase Intention

Procedural, distributive and interactional justice influence attitudinal and loyalty behaviour through trust, customer satisfaction, and commitment (Kwortnick & Han, 2011). Distributive justice positively influences customer satisfaction and revisit intentions (Ha & Jang, 2009; Soderlund & Colliander, 2015). Customers perceive greater interactional compared to procedural justice when they consider revisiting the brand (Ha & Jang, 2009).

Perceived justice influences emotions (Chebat & Slusarczyk, 2005). Emotions mediate the effects of perceived justice on subsequent customers behaviour (Cai & Qu, 2018). Hence, if a brand coping account with high perceived justice evokes positive emotions in customers, then favourable outcomes will likely occur. Cai and Qu (2018) revealed that the levels of recovery efforts moderate the effects of perceived justice on customer behaviour. When customers are subjected to a high recovery effort (e.g. a free meal and/or a sincere apology), the effects of distributive and procedural justice via emotions on behavioural intentions is weaker compared to customers who receive a low recovery effort (e.g. a long waiting time and/or a simple apology). These results indicate that a company can reduce the impact of negative emotions on future consumption behaviour by making substantial efforts.

Following the same logic, it is posited that when a brand offers coping accounts with appropriate fairness, the embarrassed customers will experience fewer negative

emotions and exhibit favourable consumption behaviour. In other words, an increase in perceived justice of brand coping accounts will reduce the negative emotion.

Although the literature has shown us that there is a linkage between perceived justice and loyal behaviour in service settings, there is little knowledge about the interaction effect of perceived justice and consumer reactions in a brand failure context.

3.3.4 The role of restorative justice and brand relationship quality on emotion recovery process and repurchase intention

Past crisis studies have focused on the impact of the crisis on consumer responses to the affected brand or firm during pre-recall and/or post-recall periods. During pre-recall periods, consumers' prior expectations, brand commitment, experienced brand quality and brand familiarity affect their brand purchase, brand perception and risk attitude (Cleeren et al., 2008; Lei et al., 2012; Zhao et al., 2011). Pre-recall brand strength provides a buffer against the negative impact of the crisis (Germann et al., 2014). Dawar and Pillutla (2000) manipulated a firm's remedy to study the interaction effect between firm response and prior consumer expectations. The results showed that when the firm response fits consumers' prior expectations, post-crisis brand equity is strengthened. Germann et al. (2014) revealed that high levels of brand commitment attenuate negative consumer responses in low-severity product recalls but augment them in high-severity product recalls.

In the embarrassment literature, studies have mainly focused on consumers' cognitive and coping process before or during product consumption. A feeling of embarrassment will last for a certain period if individuals perceive that an embarrassing situation is severe, but there is little post-purchase knowledge about consumers' interactive responses to a brand's actions when an embarrassing brand incident occurs. The embarrassed consumers' reactions to and evaluations of a brand's recovery actions

are still under-developed. Do the embarrassed consumers give a second chance to the brand? Answering this question is crucial because it will help managers to understand and cope with the implicit emotions of vulnerable consumers and narrow the academic research gap.

Brand embarrassment occurs when individuals' public identity is threatened due to an encounter with a brand (Walsh et al., 2016), namely a damaged sense of belonging to the social world that threatens individuals' social identity. Research suggests that information about justice is central to people's evaluations of social situations (Tyler et al., 1997; van den Bos and Lind, 2002). When people's social identity needs (e.g. status) are salient, they care about fair procedural treatment (Tyler & Lind, 1992). Conversely, people who are primarily concerned about themselves may pay less attention to procedural justice. Thus, the way the individuals construct and revise/maintain their sense of identity in a social context influences their perception of justice information.

Individuals who reformulate the meaning of a situation reduce its emotional effect (adopt cognitive reappraisal), a phenomenon that changes their perception, influences their subjective judgement of the probability and utility of outcomes and modulates their risk taking (Miu & Crişan, 2011). A brand's remedial strategies with gain appeals (e.g. extra money, exceptional fairness and/or time saving) should modulate the impacts of a negative brand incident and, consequently, customers will re-evaluate the seriousness of the incident. If the results of evaluation turn out to be less negative, customers' negative emotion will be reduced, an outcome that results in more favourable subsequent behavioural outcomes.

Perceived justice positively influences customer affection (Choi & Choi, 2014), trust (Kim et al., 2009), brand attachment and loyalty intention (Hwang et al., 2019). Prior research has not addressed what a brand should do when they suspect a customer feels embarrassed. In the brand crisis literature, transgression types include brand,

product, and service failures (e.g. Aaker et al., 2004; Ahluwalia et al. 2000). Different recovery approaches are suggested: cognitive vs. emotional, monetary vs. non-monetary compensation and personal vs. impersonal communication (Jin, Pang, and Cameron 2012; Yuan, Cui, and Lai 2016). People evaluate negative publicity in different ways, which influences the type and strength of the emotions, coping behaviors and subsequent behavioural responses (Monga & John, 2008). A high sense of perceived justice of the brand recovery increases satisfaction and repurchase intention. High quality brand relationships (dimensions include satisfaction, trust and self-connective attachment) reduce negative emotion (Hwang et al., 2019; Kim et al., 2014). Although prior work has offered evidence that brand recovery decreases negative emotions, the question of whether and how other negative and self-conscious emotions can be reduced—and whether the perceived justice of the brand recovery motivates embarrassed consumers to repurchase—have not been examined. This thesis proposes that to deal with psychological harm caused by negative brand publicity, identity-oriented remedial compensation will reduce consumers' embarrassment and foster positive attitudinal and behavioural responses. The stronger the identity link to the brand's product, the stronger the negative emotions experienced when trashing an identity-linked product. The disposing behaviour seems like trashing a part of the self, which consumers always try to avoid (Trudel, Argo, & Meng, 2016).

Several studies examined the favourable and unfavourable effects of a prior relationship on consumer responses and evaluation of a negative event. The valence of the responses depends on whether the negative event confirms or violates the norms associated with a given relationship (Aggarwal, 2004; Reimann et al., 2018). Trust and commitment are the basic relational constructs in a brand transgression situation. Researchers often contrast the effects of multiple relationships on consumer behaviour, such as on exchange vs communal brand-consumer relationships (Aggarwal, 2004), on

self-relevant vs self-neutral relationships (Johnson et al., 2011) and on relationships linked to actual vs ideal self-identity (Gaustad et al., 2019). Results of Gregoire and Fisher's (2008) study reveals that a strong prior consumer-brand relationship facilitates consumers' acceptance of a failure and is positively associated with a favourable consumer response. However, consumer-brand connections are dynamic and fluid, and there remains room to examine how consumer-brand relationships would change over time (Park & MacInnis, 2018).

Customers who have a strong brand relationship are more satisfied with overcompensation compared to customers who have weak brand relationship (Gelbrich et al., 2016). In other words, the more the customer suffers during the negative brand incident, the more compensation a brand needs to offer. Prior studies have highlighted the fair allocation of costs and benefits in equitable exchange relationships (Adams, 1965; Deutsch, 1985). Therefore, when a customer elicits brand embarrassment, offering reimbursement beyond the monetary value of the product should compensate for potential psychological threats, such as loss of face, threatened self-esteem, damaged self-image and loss of trust.

When the self-concept of consumers (with strong self-brand connection) is shaken or threatened, consumers will cope with the threats by actively repairing their self-image and acquiring conspicuous products for social signalling purpose (Song et al., 2017). However, their findings contradict Gao et al.'s, (2009) study showing that the self-concept threats increase conspicuous consumption. The possible explanation for these two studies is due to whether the threat is on account of the social aspect of the self or whether the motivation to repair the damaged self-image is activated (Lee & Shrum, 2012).

Relational orientation governs how consumers perceive the unfairness of a brand's behaviour. For consumers who have a communal interpersonal relationship, they focus

on pursuing and fulfilling strong social relationships (Abele & Wojciszke, 2014). Communal people are especially sensitive to other people's cues indicating that they also want to get along. Moreover, they are sensitive to positive indicators and interpret product price decreases as a brand's image and goodwill management tool, leading to a higher perception of fairness for a humanised brand (Kwak et al., 2015). Interdependent consumers value social relationships and expect to get favourable treatment from relationship partners. Consumers are more likely to interpret a violation of social expectation if the brand's procedural communication is injustice.

Literature revealed that justice or fairness motivates people to increase the likelihood to make purchase (Hwang, Baloglu, & Tanford, 2019). Cognitive appraisal theory suggests that emotion evokes after the primary appraisal of external encounters. Secondary appraisal depicts the evaluation of individuals' coping options (Scherer, Shorr, & Johnstone, 2001; Lazarus, 1991). One of the components of cognitive appraisal is goal congruence in primary appraisal process (Lazarus, 1991). When the brand remedial tactic is served as external encounters, individual's cognitive appraisal occurs which triggers individuals to evaluate whether their current situation meets their goal, if the goal is being met, individuals will feel delighted and satisfied. In consumption context, individuals pay for the service or products, the transaction is fairly treated. For example, consumers spend \$5,000 to purchase a branded jacket, they expect the quality and functions of the jacket are the same as stated in the promotional materials or in product label. If they do not receive what they expect, they will ask for refunds, there is an exchange relationship between consumers and the brand (Aggarwal, 2004). A fair deal is tied in this exchange. Therefore, fairness is one of the goals for all consumption and should be included in the purchase decision-making process. In a service recovery context, fair or overcompensation can recover the service failure (Lin, Wang, & Chang, 2011). The compensation is served as the tool to restore the unfairness

(the service provided is not what the consumers expected) (Maxham & Netemeyer, 2002). When the failure is resolved and the goal is achieved, it makes customers satisfied with the brand as no unfairness or injustice occurred (Kim, Yoo, & Lee, 2012). In the earlier chapter, it is delineated that consumer-brand relationship can be in the form of exchange and communal. When the relationship is not solely an exchange relationship but involve different weights of affective attributes (e.g., trust, satisfaction, attachment, and commitment) in the relationship, the consumers' evaluation, cognitive and affective responses will vary. Some consumers create loyalty to the brand, but some consumers feel injustice and betrayal (Chang & Chieng, 2006; Gregoire & Fisher, 2008; Nysveen, Pedersen, & Skard, 2013). In practice, managers provide compensation to vulnerable consumers when negative brand publicity or failure happens. Face loss or damaged social image caused by the brand negative associations make people feel embarrassed. High quality of consumer-brand relationship induces positive emotions and/or reduces negative emotion, that eventually lead to a favourable or less negative behaviour (Breivik & Thorbjornsen, 2008; Smit, Bronner & Tolboom, 2007). It is proposed that when a brand offers remedial tactic with high restorative justice that recover the feeling of brand embarrassment, consumers who are attached to the brand will not directly make the repurchase decision, rather they will first evaluate through their relationship quality with the brand, and their emotional impacts. Both the brand relationship quality and emotion recovery can influence the relationship between restorative justice and repurchase intentions.

Moreover, emotion appraisal is defined as an immediate evaluation of the environmental changes (Ellsworth & Scherer, 2003), and the appraisal involves three aspects: relational, motivational and cognitive (Lazarus, 1991). Mental distraction can effectively mitigate the feeling of embarrassment (Herd et al., 2019). It is proposed that consumers who evaluate the brand remedial tactics either from justice (cognitive) or

relationship (relational) aspects influence consumers repurchase intentions, through the reduction of brand embarrassment feeling. Formally stated:

H4. Brand relationship quality and emotion recovery mediate the relationship between restorative justice and repurchase intention

H4a. Brand relationship quality mediates the relationship between restorative justice and repurchase intentions

H4b. Emotion recovery mediates the relationship between restorative justice and repurchase intentions

3.3.5 Impact of the brand embarrassment type and brand remedial tactics on emotion recovery process and repurchase intentions

In negative brand publicity context, consumers receive lots of brand information online and offline. Consumers worry about how others think worse of them because of the close relationship with the brand. Others may isolate or exclude them in the social group. When consumers experience social exclusion threats, an emotional-coping strategy is an effective remedy (Han et al., 2015). This type of consumers is less likely to approach others, they hope the brand can proactively provide care to them and give them more social support (MacDonald and Leary, 2005). Embarrassment occurs when their self-esteem is lowered or social image is threatened (Miller, 1995). When consumers experience self-esteem threats (discussed earlier) or social image threats in negative brand publicity context, brand embarrassment occurs. Embarrassment can be self-provoked and/or provoked by another party (Verbeke & Bagozzi, 2003), it indicates that the brand embarrassment occurs could be in a private or public situation. Consumers prefer choosing the brand or accept the brand communications based on the psychological threats they experience (Ulqinaku, Sarial-Abi & Inman, 2019). It is

expected that the effectiveness of the brand remedial tactics and emotion recovery level depends on the brand embarrassment type (i.e., psychological threats they experience privately or publicly) and consumers preference for coping strategy (problem-focused or emotional focused).

Situation plays an important role in the model of embarrassment. Miller (1996) suggested that three kinds of situations trigger embarrassment: faux pas, sticky situations and being the centre of attention. Faux pas triggers are described as situations in which people 'act out a social failing' (Sabini et al., 2000, p. 216). Sticky situations occur when someone challenges one's roles, such as when a doctor fails to cure a patient. Centre of attention refers to a person who is being targeted and raise a public attention.

When people are in the observer's perspective, they may be conscious about themselves. As mentioned earlier in this thesis, consumers tend to manage their impressions when the size of their social group increases (Argo et al., 2005). When they think that self-image is salient, they are motivated to reduce the difference between their current self and their ideal self in a social presence situation.

Media types influence how people perceive the levels of social presence. Face-to-face communication is often perceived as a high level of social presence (Kim & Kwon, 2010) , while computer-mediated communication, such as a website and instant messaging, is regarded as a lower level of social presence (C. Xu et al., 2012). However, adding images, photos and writing to messages posted on Facebook or social media provides a higher level of interaction and thus increases the sense of social presence (Gefen & Straub, 2003; Kaplan & Haenlein, 2010). Indeed, how the message is delivered influences how people perceive the levels of social presence. Therefore, when negative brand publicity is relevant to a person, she or he perceives a high level of social presence when there is a myriad of brand news and photos on their social media

account. Social forces increase consumers' negative emotions and decrease positive emotions (Argo et al., 2005). Following this logic, the information—and the channels through which customers receive it—affect their evaluation of a situation.

People prefer resource exchanges that are 'in kind' (Foa & Foa, 1976). In exchange for a loss suffered, customers prefer to receive resources that match the type of loss (Smith et al., 1999). For example, if a brand failure leads to a loss of an economic resource, as part of the recovery efforts customers prefer to receive an economic resource (such as money, refunds) in exchange for the loss suffered. When a negative brand incident causes customers to feel embarrassed, they suffer a social loss (e.g. loss of face in front of their social group) and an economic loss (e.g. cannot use the product after buying it). Thus, they prefer receiving both social and economic resources to reduce their negative emotions.

A quick response enhances customers' positive evaluations (Smart & Martin, 1992). The use of a simple procedure shows the thoughtfulness of a brand with regard to the customers' situation. Customers can speed up the handling process if a company provides them with an easy product refund procedure. Although this coping arrangement does not have as much interaction as face-to-face communication, interaction still exists because customers need to react and follow the instructions provided by a brand. In this brand failure case, it is expected that the simplicity of the recovery process (e.g. product refunds) will reduce customers' waiting time and also demonstrate the appropriateness of the utilised coping method. Therefore, simplifying the handling procedure is predicted to positively affect the customer's perception of justice.

Compensation is the most important recovery dimension associated with customers' perceptions of distributive justice (Tax, Brown, & Chandrashekar, 1998). Compensation can take the form of discounts, free merchandise, refunds, coupons or

other means in response to the negative impacts caused by a brand failure. Customers who have a strong brand relationship are more satisfied with overcompensation compared to customers who have a weak brand relationship (Gelbrich et al., 2016). In other words, the more the customers suffer during a negative brand incident, the more compensation a brand needs to offer. Therefore, when a customer has a feeling of brand embarrassment, apart from offering a compensation in the same monetary value as a product, an extra amount should be offered to compensate psychological threats such as loss of face, threatened self-esteem, damaged self-image and loss of trust. It is expected that full compensation (i.e. both monetary and non-monetary compensation) will result in high justice evaluations.

Past studies have focused on the tone and manner used in communicating brand coping message (e.g. politeness, courtesy, concern, effort; see Kelley, Hoffman, & Davis, 1993). However, social force and bloggers are currently very powerful, and negative word-of-mouth reduces a customer's loyalty intention (Hwang et al., 2019). A tailor-made, sincere and personalised apology provides a more positive impression of the quality of interpersonal treatment to gain positive word-of-mouth.

The effectiveness of brand coping attributes depends upon the strength of evidence about the company's guilt towards the failure/incident. Kim et al (2004) found that if there is no evidence of the accused party's culpability, a denial is more effective than an apology. On the contrary, an apology is more appropriate if evidence of guilt is proven because denial would be perceived as insincere or inappropriate.

When the negative brand incident is true, in order to be a responsible brand, the CEO cannot attribute the fault to others. To show that she or he is determined to solve the brand failure, a CEO should not deny and take all the responsibility for the brand failure. To avoid continuous damage to the brand's reputation and any negative associations to the brand, the CEO may be asked to resign from the company. The

sincerity and appropriateness of the interaction provided by staff during the recovery will give customers a positive perception of justice (McCollough, 2009).

After negative brand publicity occurs, the brand representative communicates the negative incident and remedial messages to the public. Short et al. (1976) characterise the concept of social presence as a vital factor in a communication medium. The theory of social presence assumes that the information that a sender delivers influences recipients' understanding of the message. Previous studies take social presence as a medium that provides human contact, sensitivity, sociability (Steinfeld, 1986; Yoo & Alavi, 2001) and human warmth (Fulk et al., 1987; Zhang et al., 2012). Thus, the social context influences individuals' sensitivity to a situation. For example, individuals who are aware of their self-expression are more sensitive to other peoples' facial expressions, postures and non-verbal cues.

Individuals attempt to control other people's impressions of them (Leary & Kowalski, 1990) to avoid a negative social image (Tepper, 1994). The literature has shown that consumers adjust their behaviour to convey a positive image in the presence of a social audience, such as when making food choices (Dubois et al., 2011). Individuals may feel embarrassed when they perceive that undesired images or definitions of themselves appear before others in social interactions (Goffman, 1956) that contradict their desired public identity (Dahl et al., 2001).

Mercedes' product-harm crisis focused a great deal of effort on corrective actions (e.g. inviting the media to test the car) to prevent further bad press and to rebuild its brand and product image (e.g. releasing positive brand news; Ihlen (2002). When using an apology strategy to cope with a product-failure crisis, self-attribution by a business affects consumers' attitudes and behaviors. Internal (external) attribution leads to positive (negative) change in brand attitudes. Dispositional attribution displays more positive brand attitude than situational attribution. Sincere apologies based on internal

and dispositional attribution are more effective to restore consumer confidence (Yuan et al., 2016).

Turk et al. (2012) found that good pre-crisis company-stakeholder reputation, CEO visibility during the immediate response to a crisis and the use of a defensive crisis response positively affect stakeholder attitudes and their intention to purchase. The communicated emotion (i.e. shame and regret) in crisis responses positively affects corporate reputation (van der Meer & Verhoeven, 2014). By using a diminish or rebuild crisis-response strategy, the public feels less anger (affective responses); this phenomenon increases the acceptance of the organisational message (cognitive responses).

Ellsworth and Scherer (2003) described emotions as a combination of appraisal: a particular emotion is elicited when an individual performs the requisite appraisals of that emotion. The feeling of embarrassment highlights the importance of perceived agency (Tracy & Robins, 2007). Puntoni et al. (2015) revealed that targeted advertising and social context can jointly influence individual's feeling of embarrassment. Social context is the agency in emotion appraisals. When everyone is being targeted by mass advertisements, individuals tend to feel less distinctive and embarrassed when their viewing companions have the same or a similar social identity than when the companions have a different social identity. Hence, there is an interaction between social context and the direct relationship with the customers.

The conventional emotion models reveal that emotion is classified according to the dimensions of valence and arousal (Russell, 1980; Smith & Ellsworth, 1985), but what makes people regulate their emotion in terms of valence and arousal is still underexplored. In crisis management, brand managers build and restore brand reputation by controlling and managing others' impression of the brand. Managers need

to turn people's negative emotions into a less negative state. However, there is little knowledge about how a negative emotion caused by an institution-type agency can be elicited and regulated.

Social influence plays a key role in shaping emotions (Wang et al., 2017) and consumer behaviour (Argo et al., 2005). Prior studies have provided evidence that a feeling of embarrassment elicits in both social presence and perceived social presence (i.e. no physical presence of others) conditions (Goffman, 1956; Latane, 1981). Social force and bloggers are very powerful. After the bloggers give negative comments on a brand/products/services, their followers, supporting media or public would discuss and widespread, the negative word-of-mouth discourages consumers' loyalty intention (Hwang et al., 2019). It indicates that the negative comments from the social group trigger consumers' negative emotion and behaviour and become difficult to recover their emotion if more and more people are talking about the negative comments associated to them. Furthermore, it may deteriorate their consumer-brand relationship.

Research on embarrassment suggest that embarrassment occurs in a public (social) context and due to others' appraisal. When individuals perceive undesired appraisal by others or concerns about how others might appraise them, that loss their self-esteem (Edelmann, 1987; Modigliani, 1971), cannot sustain their desired image or impressions or drop their societal role (Goffman, 1955; Joosse, 2012), strong embarrassment will be elicited. Embarrassment would also occur in both public and private context when there is a self-perceived discrepancy between one's personal standards and how one has behaved (Babcock and Sabini, 1990), and due to both other- and self-appraisal (Krishna, Herd, and Aydinoglu, 2015). Krishna et al. (2015) highlights that embarrassment can occur due to the combination of two (other- and self-) appraisal, which extended Modigliani (1971) claims that "esteem in the eyes of the other" affects "esteem in the eyes of self". However, the appraisal process in embarrassing

transgression in both public and private context is still unexplored, more empirical work is required (Krishna et al., 2018).

Emotions can mediate the relationship between identity and reinforcement/elevation and dilution/suppression. For example, empathy is a mediator for the effects of social emotions on charitable behaviours (Zhou et al., 2012). Emotion can also motivate behaviour that suppresses an undesirable identity (such as embarrassment) (Blair & Roese, 2013). When consumers have higher levels of public self-consciousness, they will purchase non-embarrassing products to mitigate anticipated embarrassment, as the behaviour is perceived to dilute the undesired identity communicated during purchase. Consumers can hide or avoid buying the products but cannot control external feedback from other consumers or the media (Reed et al., 2012), which is the most onerous identity threat to consumers. However, newer evidence (Angle & Forehand, 2016; White et al., 2012) depicts that threats can also cause consumers to purchase products linked to the threatened identity as it signals commitment and reinforces the identity. Therefore, consumers' attitudes towards identity threats leads them to different subsequent responses.

For consumers with a weak self-identity association, valence threats increase their dilution/suppression response, whereas for consumers with a strong self-identity association, the threats increase their reinforcement/elevation response (Angle & Forehand, 2015; White & Argo, 2009). Consumers are more readily affected by negative external threats to their identity (e.g., social comparisons to in-group referents). When the consumption behaviours are public, highly visible or easily observable in the marketplace (Dahl et al., 2012; McShane et al., 2012), the strength of identity threats is even worse.

The internet, social media and public news widely spread lots of positive and negative information to more extensive territories; social density in the virtual world is

becoming greater than before. Consumers' territory is an extension of the self. If social presence crosses one's territorial boundary, a space violation creates a threat to consumers' self-view. Crowded social density heightens self-awareness (Uhrich & Tombs, 2014), decreases perceived control (Consiglio et al., 2018), creates cognitive distraction (Hock & Bagchi, 2018) or prompts avoidance behaviour (Huang, Huang, & Wyer, 2018). Social judgements based on the appearance of one's clothing can have a significant impact on consumers' subsequent behaviour (Arndt et al., 2019). Consumers are likely to abandon their purchase to protect identity threats if their boundaries are crossed by crowded social presence (Ashley & Noble, 2014).

Therefore, it is expected that the impacts of brand embarrassment type: public and private (i.e., brand embarrassment evokes in social presence condition 'public' or social absence condition 'private') changes the emotional and behavioural intentions. Social influence shapes emotions (Wang et. al., 2017). Trust, customer satisfaction (dimensions of brand relationship quality) affect brand loyalty and brand commitment (Garbarino & Johnson, 1999; Sirdeshmukh, Singh, & Sabol, 2002).

The nature of decision contexts influences the outcomes of an emotion. When customers' appraisal were associated with fairness or justice of the remedy offered by an institutional agency (i.e., a brand), the decision contexts were linked with self-concept. The remedy contexts involve giving the victims face gain, for example, the senior management of a company apologises for their fault through public media, the customer enjoys a luxurious dinner with their beloved or there are product recalls and refunds. Customers are concerned about whether their threatened self-image and social/public image have been restored, which leads to changes in brand embarrassment level and repurchase intentions.

Adequate brand communications and brand positioning help individuals to engage in problem-focused or emotion-focused coping to mitigate the effects of psychological

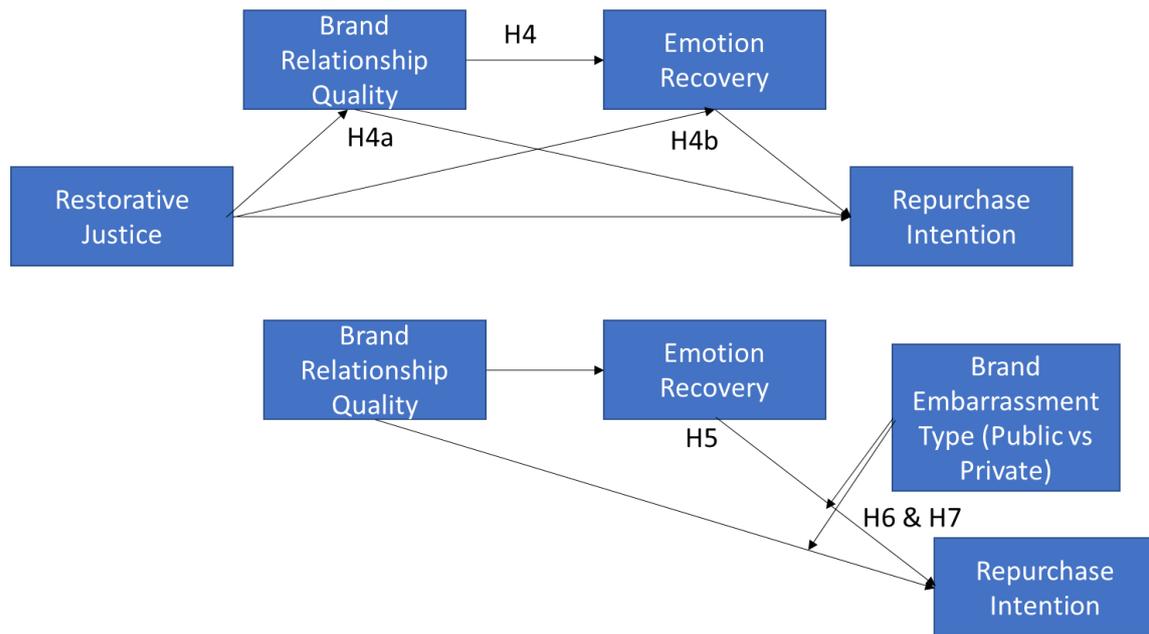
threats (Ulqinaku et al, 2019). Brand communications with a strong sense of justice and loyalty mitigate the effects of self-esteem threats (Hartwell and Chen, 2012). For the brand communications showing care and giving social support alleviate the effects of social threats (MacDonald and Leary, 2005). In negative brand publicity context, consumers experience private brand embarrassment which lowered their self-esteem and/or experience public brand embarrassment which influence their social image. Cognitive resources and deliberation influence self-appraisal and resulting embarrassment (Herd, Aydinoglu & Krishna, 2019), it is posited that when consumers are facing a brand remedial tactic, they evaluate whether the brand coping solution can mitigate their psychological threats, by appraising the perceived justice, current and future consumer-brand relationship. It is proposed that brand embarrassment type (private or public) influence the effects of emotion recovery process and future repurchase. Therefore, the effects of brand embarrassment type on the relationship between brand relationship quality, through recovering the brand embarrassment feeling, and the intentions to repurchase vary for different brand remedial tactics. Formally stated:

H5. Emotion recovery mediates the relationship between brand relationship quality and repurchase intentions

H6. Brand embarrassment type moderates the mediating effect of emotion recovery on the brand relationship quality and repurchase intention

H7. Brand embarrassment type moderates the mediating effect of emotion recovery on the brand relationship quality and repurchase intention in all brand remedial tactics

Figure 3-2: Conceptual Framework of Study 2



3.4 Chapter Summary

This chapter describes the development of seven hypotheses for the brand embarrassment framework. It proposes that (1) the customer-brand relationship, perceived severity and social presence influence the strength of brand embarrassment; (2) brand relationship quality and emotion recovery affect the relationship between restorative justice and repurchase intentions; and (3) the effects of brand embarrassment type on emotion recovery process vary under different brand remedial tactics. The next two chapters will provide descriptions and explanations of the research method and design for hypothesis testing; then, the research instrument, source of measurements, scale purification and analytical methods will be presented. Finally, the data will be presented and discussed.

Chapter 4: Methodological Approach and Quantitative

Approach of Immediate Appraisal Model

4.1 Introduction

After the review and discussion of the literature in Chapter 2, hypotheses and a brand embarrassment framework in the brand failure context are developed. Previous studies reveal that the presence of a real or imagined person evokes a strong feeling of embarrassment when consumers encounter an embarrassing consumption situation. The strength of embarrassment is affected by how consumers perceive the situation. When the feeling of embarrassment is caused by the associations of a brand, brand embarrassment will be evoked. There is increasing attention to brand embarrassment since 2015, and most of the past studies are qualitative studies (Grant & Walsh, 2009; Sarkar et al., 2017). Although some quantitative studies have been carried out, they also focus on the antecedents and consequences of brand embarrassment but contribute little knowledge about the interaction effect of consumer reaction and brand responses on emotion recovery (references). This study examines, from another angle, the difference of the consumers' appraisal process and responsive behaviour relevant to contextual factors (e.g., the presence of other people) after a brand failure occurs. To test the conceptual framework and provide empirical evidence for the study, a quantitative research design is used to understand the brand embarrassment model in negative brand publicity. Study one is designed to answer the first and second research questions. Study two, to be delineated in the next chapter, aims to test and answer the third and the fourth research question.

This chapter provides a description and explanation of the research method and research design used in this study. Second, the research instrument, procedures, sampling method, source of measurements, common method variance, and scale

purification are presented. Third, the methods of analysis, hypothesis testing, results, and data interpretation are delivered and discussed.

4.2 Research Philosophy

Questions of paradigm are primary to questions of method (Guba & Lincoln, 1994). Positivism and interpretivism are the two main streams of research paradigms (Burrell & Morgan, 1992). The former research approach emphasises time- and context-free generalisation and abstraction, and it ignores respondents' ability to respond to problematic situations (Nagel, 1989), while the latter approach aims to understand and interpret the meanings of human behaviour in a particular context (Hudson & Ozanne, 1988).

Healy and Perry (2000) reveal that a research method used should be based on the type of research and paradigm. They classify research types as theory-building research (i.e., emphasis on meaning) or theory-testing research (i.e., emphasis on measurement). Constructivism, positivism, critical theory, and realism are the basic belief systems of the paradigm. Constructivism posits that a reality consists of 'multiple realities' that are mentally constructed by people (Guba & Lincoln, 1994), and it ignores the concerns of 'real' dimensions of business, for instance, economy and technology. The critical theory paradigm emphasises the assessment and changing of society, which does not explain a phenomenon or individual behaviour (Healy & Perry, 2000). Exploring a 'real' world is the belief of the realism paradigm (Godfrey & Hill, 1995). In view of these four paradigms, constructivism, positivism, and critical theory are inappropriate for the consumer behaviour context, as this study examines individuals' behaviour and real-life experiences in a particular situation. Therefore, the realism paradigm is the most appropriate research paradigm for the present study.

Healy and Perry (2000) portrayed some methodological approaches for theory-

building research and theory-testing research under the realism paradigm. These are in-depth interviewing, focus groups, instrumental case research, surveys, and structural equation modelling (SEM).

4.3 Research Approach

Researchers can choose a quantitative, qualitative, or mixed methods approach to conduct their studies. Quantitative research aims to make predictions and use statistical results to prove whether the developed hypothesis is supported or not supported. When the constructed theories are tested and validated, researchers can understand how and why phenomena occur. Moreover, quantitative research is good at dealing with larger samples as larger sample sizes increase generalizability and gain statistically valid results (Bryman & Bell, 2015). Quantitative research is more scientific, objective, fast, focused and acceptable than qualitative research. If researchers do not have ideas on what to expect, qualitative research could assist them to define the problem or develop an approach to the problem (Bryman & Bell, 2015).

Embarrassment is a well-defined construct in psychology literature. The measurement of embarrassment is well established and tested in quantitative methods, in particular, experiment design (Dahl, Manchanda, & Argo, 2001; Herter, Borges, & Pinto, 2021; Song, Huang, & Li, 2017). Moreover, the conditions that cause embarrassment and embarrassment recovery are the emphasis of this thesis. Quantitative research is the best method to test the causal relationships between variables (Nayebi, 2020). Therefore, a quantitative method was used in this thesis. In the future, an in-depth qualitative study could be conducted as it can provide a deep insight into how embarrassment is formed in other research contexts.

In cognitive appraisal studies, researchers use different methods to collect and analyse data. Each of these methods has its advantages and disadvantages—their

success depends on the research questions and the items being measured. Interviewing allows researchers to understand respondents' thoughts and feelings in detail; however, when the questions are related to sensitive or personal information, respondents may tell lies or hide their true feelings, which reduces the reliability of the data. An online anonymous survey would be a better data collection method as respondents do not need to worry about how others think of them. Focus groups, surveys, and experiments are the three most common data collection methods (Brumbaugh & Rosa, 2009; Grace, 2007). Focus groups are suitable for exploratory research, although some group participants may conceal their real thoughts and feelings if they worry about what the others might think of them. Surveys can be conducted online or face-to-face; participants can choose the option(s) that best represents their thoughts or feelings by using a Likert scale or another type of rating scale. However, researchers are not able to compare the responses between participants and non-participants, which means that the survey's results are not generally convincing enough for generalisation, unless the sample size is robust (Bryman & Bell, 2015).

In an experiment, subjects are randomly assigned to treatment or control conditions, and the intervention, treatment, or stimulus in each condition is varied (Campbell & Stanley, 2015). Researchers can control independent variables in an experiment, which allows them to eliminate undesired extraneous variables (Kirk, 1982). The experimental design enables researchers to check and verify the results in their future studies (Bernard & Bernard, 2012). Experiments can be undertaken in a controlled or uncontrolled environment. There are three settings in the design of experiments: a laboratory, the field, or online. In a laboratory experiment, participants may complete an assigned task in a controlled environment. Typically, a control group is set in this environment. Comparing the measurements between the control and treatment group increases the reliability of the results. However, laboratory experiments

in consumer research suffer from the limitation of external validity (Campbell & Stanley, 2015). In reality, unexpected circumstances often occur, and people respond differently in unplanned situations. For example, if someone was shopping in a supermarket, comments from other shoppers could influence their decision-making. This unplanned situation would not happen in a controlled environment, as researchers would control participants' behaviour. A field experiment could remove this disadvantage by being conducted in real-world environment, such as a shopping mall. The data collected would be more realistic, particularly in a human behaviour context; it might also cost less, as no incentive would be required for each participant. Nonetheless, limited control (i.e., limited internal validity) is the disadvantage of using field experiments (Campbell & Stanley, 2015). For example, researchers need to seek approval from relevant organisations if they choose to run an experiment in a location such as a shopping mall, and they need to prevent violations of participants' privacy. In these traditional experimental approaches, university students are popular subjects used in past emotion and consumer research studies; however, this limits the generalisability of the sample populations.

In controlled experiments, randomised and factorial experiments are commonly used. Randomisation involves randomly allocating experimental units across treatment groups. It minimises selection bias and allows researchers to determine any effects of the treatment when compared with the control group, while other variables are kept constant. Factorial design enables researchers to test the effects of two or more manipulations at the same time on the dependent variable. This design can involve factors with different numbers of levels. For example, in a hypothetical factorial experiment, the researcher proposes that three independent variables (A, B, and C, with two levels each—'yes' or 'no') will affect a dependent variable. In this situation, each independent variable is a factor in the design, and each factor has two levels. This is a

$2 \times 2 \times 2$ factorial design—eight experimental conditions. A 2×2 design is widely used because it is the most efficient and straightforward design (Collins et al., 2014). Factorial design not only compares individual experimental conditions with each other directly, as does a randomised experiment, but also compares the combinations of experimental conditions.

The choice of experimental design depends on the context of the questions being asked, the selection of the response variable, the choice of factors and levels, and the study's practical implementation (Charness et al., 2012; Montgomery, 2017). The purpose of this study is to examine which factors and how the different levels of proposed factors influence the strength of customers' emotions and subsequent behaviour during a negative brand incident (NBI) that makes them feel embarrassed.

This study used a factorial 'between-subject' design because this study tests the effects of two manipulations at the same time on the dependent variables (enabling the researcher to assess both the main effects of the independent variables and the interactions among variables). This research seeks to trace cause-and-effect relationships in a cognitive appraisal process when a NBI occurs; therefore, a web scenario-based experiment was used in this study.

A web-based experiment improves the external validity of an experiment because respondents are not required to come to the laboratory, and it allows them to answer questions in more familiar and natural situations and at a convenient time (Reips, 2000). A scenario-based design is commonly used in a web-based experiment as the results from the design can be extrapolated to a real-world setting (Kim & Jang, 2014). Scenarios are the 'descriptions of possible futures that reflect different perspectives on the past, the present and the future, which can serve as a basis for action' (Van Notten et al., 2005, p. 176). Scenarios can be hypothetically designed. Hypothetical scenarios have been adopted in consumer research pertaining to the failure recovery paradox,

which provided a scenario-building guideline for this study. The hypothetical scenario-based approach recreates brand negative publicity scenarios for the participants. This thesis aims to examine individuals' cognitive, emotional, and affective responses when a brand negative publicity event occurs. A web scenario-based experiment is used.

4.4 Research Instrument of Study 1

4.4.1 Study Design and Procedures

This thesis aims to emphasise the two-decision process in a brand failure context: 1) what and how the factors influence the strength of brand embarrassment (pre-recovery stage) and 2) how embarrassed customers respond to brand remedial action (at the recovery stage). For each of the two studies, one experimental design was carried out.

As discussed in the earlier section of this chapter, web scenario-based experiments were used for data collection. By using a scenario-based approach, respondents can focus on the embarrassment-induced stimuli. The content of scenarios was based on real brand negative publicity and previous empirical studies. To avoid any ambiguity in understanding the scenario context, a manipulation check and a pilot test were first conducted before the main study, and the scenarios, instructions, and scale items were all presented in a clear and simple manner, kept specific and self-explanatory.

Participant questionnaires were designed using Qualtrics. Human have limited cognitive resources; they prefer making less effort to find the optimal solution (Simon, 1957). In this study, participants are required to read a scenario before answering the questions. It takes around 6 minutes to complete the questions. Participants might provide random answers in order to reduce their effort (Krosnick et al., 1996). When participants fail to follow instructions or respond in an instructed manner, it reduces the validity of the data. To ensure the quality of data, an instructional manipulation check

(IMC) was employed (Oppenheimer et al., 2009). It aims to check whether the participants respond correctly as stated in the question. This type of question is presented in a way that is similar to the other questions in terms of sentence length and response format, such as a Likert scale. In this thesis, an IMC question was asked in the middle of the experiment: 'It is important that you pay attention to this study. Please tick "strongly disagree".' If the participant does not respond correctly, the survey is removed.

This research examines how a brand negative publicity event evokes emotion that influences a customer's cognitive and affective response. The brand negative publicity event was primed as a stimulus. The priming effect refers to how the exposure of one stimulus influences a respondent's responses to another stimulus. The order of the measurement of the predictor and criterion variables may affect the responses (Meyer & Schvaneveldt, 1971). To reduce the common method bias resulting from the priming effects, a randomisation technique was used in the experiments. Scenarios were randomly assigned to participants to reduce the bias.

A consent question, 'Participation in the study is entirely voluntary. You can withdraw at any time during the survey. Note that clicking the proceed button ">>" below constitutes implied consent to take the survey,' was asked at the beginning of the study so that individuals can refuse to participate in the questionnaire. Participant responses remain anonymous. The results obtained were reported in an aggregate form without identifying a person individually.

After participants gave their consent, they were randomly assigned to one of the scenarios for each experimental study. Relevant variables and demographic information, such as gender, age, and education, were then asked and measured after reading the scenario. Respondents could stop doing the experiment at any time without penalty or explanation. After completing the questionnaire, a monetary reward (1 pound) was

offered to each participant with a valid and completed survey.

Selection and Information of Brand Failure

In the brand crisis management literature, the automobile industry was investigated frequently, such as the case of Toyota (Hearit, 1994). An automobile brand is considered for this study for three reasons: (i) possessing a world-class automobile can effectively show one's personal success and higher social status, while the poor brand image after a crisis threatens one's social identity, which causes embarrassment, (ii) this choice offers more realism, as similar situations have happened, and (iii) the choice offers relevance to the constructs chosen for this study.

Brand Embarrassment Scenario Design

In this research, a NBI is used as a stimulus for customers' behaviour. Prior to the main study, Study 1 aims to test whether individuals experience embarrassment during the NBI. Creating experimental conditions that are close to this situation enables the researcher to combat the threats caused by interactive testing (pre-testing affects participants' reaction to the treatment) and selection effects (such as improper selection of participants that cannot be generalised) (Sekaran & Bougie, 2016). To avoid any bias perceived by the participants, an anonymous brand name with no personality—'Brand X'—is used in the scenario. A situation of brand embarrassment has been designed by the author of this thesis. Using the same scenario in the main study may also reduce the differential effects by using different instruments.

Participants were asked to imagine themselves as a senior manager because when people have a high social status, they are more aware of their social identity. They are likely to experience greater emotional responses when the brand no longer represents themselves. The primary information for the two scenarios is for the participants to

imagine that they are a senior manager of a company and that they possess a renowned and high-quality Brand X private car. They are facing widespread Brand X negative publicity due to false and exaggerated reporting of Brand X products. Below is the context of the two scenarios.

Scenario 1

You are a senior manager of a company. You purchased a private car from the reputable Brand X. You love and trust Brand X a great deal and will commit to the brand. However, this morning, negative publicity broke out about false reporting of Brand X products. A news report stated that the quality of the product is not as high as is stated in the sales brochures. For example, the car's wheels are assembled from used wheels and materials, and the leather of the seats is not authentic. The Brand X negative publicity has attracted widespread public attention. Your subordinates are also now talking about the Brand X negative publicity.

Scenario 2

You are a senior manager of a company. You purchased a private car from the reputable Brand X for daily use. You are not satisfied with the quality of the product and will not commit to the brand. This morning, negative publicity broke out about false reporting of Brand X products. A news report stated that the quality of the product is not as high as is stated in the sales brochures. For example, the car's wheels are assembled from used wheels and materials, and the leather of the seats is not authentic. The Brand X negative publicity has attracted widespread public attention. You know that no subordinates are in the office at the moment, and no one will be back to the office today.

4.4.2 Manipulation Checks and Pilot Test

The aim of study 1 is to answer the first and second research questions: ‘Why does brand embarrassment happen?’, ‘What factors influence consumers’ feelings of brand embarrassment?’ In the literature, when customers trust and commit to a brand, they are not easily affected by negative news of a brand, and less negative emotions will be elicited; individuals feel less embarrassed when they are certain about other people’s thoughts and are able to explain the situation. Therefore, it is proposed that individuals feel less embarrassed when they have a strong relationship with a brand and are in a social presence condition. Conversely, individuals feel more embarrassed when they have weak relationship with a brand and are in a social absence condition. Study 1 tested the potential importance of the perceived severity of the incident and customer–brand relationship (CBR) quality (IV) as factors influencing the strength of brand embarrassment (DV) under different social settings. A manipulation check was conducted prior to the main study.

The objectives of this manipulation check were to test whether 1) the self-designed scenarios measure a feeling of brand embarrassment and 2) the scenarios are realistic. Sixty-nine participants (including peers and students) were invited to do the manipulation check. Nine cases were discarded due to incompleteness. Sixty participants were asked to fill in a survey. Thirty participants from Prolific’s participant pool were randomly assigned to one of the two scenarios and asked to rate the severity and embarrassment levels of the scenario on a scale of 1 to 5 (where 1 = not severe at all and 5 = significantly severe). Perceived severity was measured using a one-item scale developed by Philippe et al. (2013). The item read: ‘I perceive the incident that evoked the brand embarrassment to be severe.’

A 2 × 2 between-subjects experiment was carried out in study 1: (high CBR versus

low CBR) × (social presence versus social absence). To complete a manipulation check for the social presence and brand relationship quality (BRQ) factors, participants were asked to indicate their awareness of other people mentioned in the scenario (Dahl et al., 2001). Coding was applied to their responses. If respondents' embarrassed feelings were a result of thoughts of social presence, they would receive a coding of '1'. If their feelings were not caused by social presence, a code of '0' would be assigned. To check the BRQ, a question was asked: 'How high do you perceive the level of quality of your relationship with Brand X? (1 = low quality, 2 = moderate quality, and 3 = high quality)'. Moreover, a reality check was conducted to test whether the brand embarrassment scenario is realistic. A question was asked: 'Do you believe the scenario presented above is realistic? (1 = No and 2 = Yes)'. Finally, participants were asked to indicate their personal profile, such as gender and age.

The sample size of the pilot study is 60 with 50% female, and 70% of respondents' age falls in the range of 25–44 years. Results show that 89% of respondents thought that the scenario looks like a real-life scenario. In scenario 1, respondents agreed that it elicited a certain degree of brand embarrassment ($M = 2.87$) and perceived the NBI as less severe. They were aware of social presence in the scenario, and the relationship with the brand was of moderate to high quality. Respondents in scenario 2 elicited a stronger brand embarrassment ($M = 3.13$) and perceived the NBI as severe. They were aware of social absence and perceived low BRQ in the scenario.

A *t*-test was conducted to test (1) the mean differences between two types of CBR on brand embarrassment (i.e., two conditions) and (2) the mean differences between the interaction of CBR and social presence on brand embarrassment (i.e., four conditions). CBR (high vs low) and social presence (social presence vs social absence) are categorical variables. Brand embarrassment is a dependent variable. The *t*-test results show non-significant mean differences in two conditions ($t(58) = -.472, p = .639$) and

four conditions ($F(1,55) = .097, p = .757$).

For the effects of perceived severity and social presence on brand embarrassment, F-test results show that no significant interaction effect was found ($F(5, 50) = 1.31, p = .970$). However, there is a significant main effect of social presence on brand embarrassment ($F(2, 50) = 3.55, p = .036$) and a significant main effect of perceived severity on brand embarrassment ($F(3,50) = 26.86, p = .000$). These findings can be explained by the small sample size, and this problem can be resolved in the main study by collecting more samples.

4.4.3 Measurements

Independent/Moderated Variables

In study 1, questions about BRQ, perceived severity, and brand embarrassment were sourced from a well-established scale. CBR can be built through the use of the brand's product or service, Kim, Lee, and Lee's (2005) CBR scale was adopted, as it covers both product and service usage experience dimensions. Kim et al.'s (2005) scale comprises a four-item measure for self-connective attachment (including 'I am intrigued by this brand because it shows who I want to be', 'This brand goes so well with my lifestyle that I would feel empty without it', 'Since this brand shows who I am, I would feel empty without it', and 'I like this brand because it makes me feel more special than other people'), a six-item measure for satisfaction (including 'This brand is exactly what I want', 'I don't regret choosing this brand', 'I really like this brand', 'Using this brand is a good experience for me', 'The performance of this brand is better than I expected', and 'I really enjoy using this brand'), a three-item measure for behavioural commitment (including 'I don't have to consider other brands because I have this one', 'I want to keep using this brand', and 'I enjoy my relationship with this brand, so I want to keep buying it'), a three-item measure for trust (including 'This

brand always cares about the consumers' needs', 'This brand keeps its promises', and 'Whatever happens, I believe that this brand would help me'), and a three-item measure for emotional intimacy (including 'I am familiar with this brand', 'This brand makes me feel comfortable', and 'This brand fits me naturally').

A widely used question from Philippe, Keren, and Zeelenberg (2013), 'I perceive the negative incident evoking brand embarrassment to be of', was asked to measure the perceived severity (where 1 = no severity at all and 5 = substantial severity).

Social presence (i.e., subordinates are now talking about the negative publicity in the office) and social absence (i.e., no subordinates are in the office) conditions were presented to examine how the product-harm crisis information from a reputable brand threatened individuals' public identity and affected their feeling of embarrassment. The details of the scenarios and the items in each scale are listed in Appendix B.

Dependent Variable

To assess the strength of brand embarrassment, the dependent variable, Grant and Walsh's (2009) eight-item Brand Embarrassment Scale was utilised (including 'I do not want my friends and acquaintances to see that I buy products from Brand X that make me feel embarrassed', 'I feel embarrassed because of the brands I use', 'When friends and acquaintances comment on Brand X that I use, it makes me feel uncomfortable', 'I will avoid using Brand X products in the presence of friends and acquaintances in the future', 'I find buying products (from Brand X) embarrassing', 'Shopping at Brand X retailer makes me feel uncomfortable', 'I feel embarrassed when I believe that others think worse of me because of the Brand X I use', 'Using Brand X products in the presence of friends and acquaintances is embarrassing to me', and 'I avoid using Brand X products in public'). All scales were adapted from the marketing literature and measured using a five-point Likert scale (where 1 = strongly disagree and 5 = strongly

agree).

4.4.4 Sampling and Sample Size Determination

Many sampling methods are available for research projects such as this, including probability methods, quota methods, selective methods, convenience methods, and ethnographic methods (Bryman & Bell, 2015). Each of these has its advantages and disadvantages, and the best situation for their use. Convenience sampling has been criticised for its low representativeness of a population, but this problem can be resolved if a large online crowdsourcing platform is used, as researchers can select different backgrounds of the subjects from the platform to diversify the population (Cherkassky & Mulier, 2007). The four types of probability sampling are simple random sampling, stratified sampling, systematic sampling, and cluster sampling. The choice of sampling for research depends on the time and funding available to access the whole population from which participants will be selected (Bryman & Bell, 2015). If the whole population is available, simple random sampling is the most appropriate method. If the researchers want to investigate specific population sub-groups, stratified sampling is the most appropriate method. Researchers would use systematic sampling (i.e., collecting the data for every n th person) if a stream of representative people is available (e.g., tourists at Disneyland). Researchers would use cluster sampling if the population groups are separate and difficult to access (e.g., spread across many provinces in China). In a factorial experiment, randomisation is the cornerstone underlying the use of statistical methods in experimental design. By properly randomising the experiment, researchers can ‘average out’ the effects of extraneous factors that may be present and consequently invalidate the results of the experiment (Montgomery, 2017). Thus, to avoid selection bias, participants are randomly assigned to each experimental condition (Collins, 1992).

To determine sample size, Kline (2015) reveals that 200 cases is the approximate median sample size in surveys of published articles employing SEM in a quantitative study. Scholars (Hair et al., 1998; Schreiber et al., 2006) have used the number of variables in the study as an indicator (10 samples for one attitudinal variable). Roscoe (1975) suggested that it is appropriate to have a sample size larger than 30 and smaller than 500. According to the central limit theorem, the minimum sample size is 30 (Kish, 1965). A power analysis also enables researchers to determine the number of participants needed in a study (Cohen, 1988) (Bartels & Rips, 2010). Power analysis is used to anticipate whether the study will yield a significant effect. G*Power is a free program that covers statistical power analyses for different statistical tests, such as F-test, *t*-test, and Z-test.

In a factorial experiment, the sample size needed for the experiment is determined by using the effect size (Collins, 1992). An effect size is defined as the difference in mean outcomes between the treatment and control group. Effect size calculation varies depending on the use of statistical tests (analysis of variance [ANOVA], *t*-test, regression, or correlation). In this study, ANOVA will be used to calculate the main effects and interactions effects in a factorial design. Cohen (1969) proposed the effect size conventions as follows: 0.1 is a small effect, 0.25 is a medium effect, and 0.4 is a large effect. If theoretical considerations suggest that there should be a small interaction, 0.1 is the expected effect size. The sample size can be calculated by entering required information, such as the expected effect size, alpha level (e.g., .05), desired power level (ability of the study to detect a result that exists in nature—0.8 is often used in practice), and the type of statistical test to be used (e.g., ANOVA or regression). If the total sample size is 2,000 for two groups of participants, 1,000 participants will be allocated for each group. Small effects require a larger investment of resources (such as a large sample size) than do large effects. The selection of an effect size reflects the

need for balance between the size of the effect and the resources available for the study. The principle of replication is assumed to be satisfied when conducting an experiment. Replication refers to an independent repeat run of each factor combination. This repeated measure increases the sample size. Replicating each combination allows researchers to obtain an estimate of the experimental error, which aims to determine whether observed differences in the data are statistically different. Moreover, replication permits researchers to obtain a more precise estimate of the true mean response for one of the factor levels in the experiment. If researchers analyse an unreplicated factorial design (no replication measures for each factor combination), the analysis will be dominated by some of the main effects and low-order interactions, while most high-order interactions will be negligible (Collins, 1992), which may lead to misleading conclusions. However, Daniel (1959) suggested that a normal probability plot can be used to solve this problem. Daniel revealed that significant effects will have non-zero means and will not lie along the straight line in the normal probability plot. Thus, the apparently negligible effects can then be combined as an estimate of experimental error. Therefore, in this study, the estimates of the effects were examined by using a normal probability plot. In consideration of resource availability, no replication was employed.

Based on Roscoe's (1975) suggestion on the determination of sample size, the sample size for a manipulation check in this study is 60 (30 participants for each condition, i.e., high severity or low severity of NBI). For the sample size of the main study, 1,290 participants (145 participants for each condition) are required, as there are 29 attitudinal items in study 1 (20 items from the emotion scale and 9 items from the brand embarrassment scale).

75% of people aged 17 and over in England had a full driving license (Department of Transport, 2020). Apparel product is a type of consumer products used in brand transgression research (Khamitov, Gregoire, & Suri, 2019). This research focuses on the UK market and the product brand in the automobile and apparel context as these are material possessions in daily life. The research population of this study is the private car owners and people who possess a branded jacket. Through an online scenario-based experiment, study 1 (n=274) assesses social presence and social absence conditions in automobile context. In study 2 (n=1041), the four brand remedial tactics in the apparel context are simple procedure, full compensation, personalized letter, and CEO resignation. The use of both product categories can improve the richness of the data.

Sample

To increase the study's generalisability at minimal cost over a short timeframe, sourcing participants online is the most appropriate method for this study. Research found that the psychometric properties of offline data collection (e.g., in-person paper-and-pencil method) and online data collection are largely equivalent (De Beuckelaer & Lievens, 2009).

To conduct rigorous research, quality control is vital. If the survey participants do not pay attention to the research and answer the questions carelessly, the data will be useless. Prolific Academic is one of the most trustworthy platforms to conduct an online experiment in the United Kingdom. It is widely accepted as a data collection source in well-known marketing journals such as the Journal of Marketing (Eggert et al., 2019; Wong et al., 2020) and the Journal of Consumer Psychology (Shoham et al., 2017; Whelan & T. Hingston, 2018).

When online survey participants are repeatedly exposed to research materials, this can lead to the problem of 'non-naiveté', which can reduce effect sizes and undermine

statistical power (Chandler et al., 2015). This problem can be solved by using a feature of the website Prolific Academic called 'a number of previous submissions' to filter participants based on the number of studies they have previously completed (e.g., fewer than 10).

Researchers can choose the profile of the respondents, for example, their occupation, gender, age, income and ethnicity, except the family life-cycle stage. All people in Prolific Academic's subject pool were included, as the research context is related to a product brand in the automobile and apparel industry. However, the subjects who marked with 'low credibility' in Prolific Academic's record were excluded from my mailing list. More than two genders in the questionnaire were provided to avoid gender discrimination. The wide range of participants' backgrounds available in the Prolific Academic participant pool reduces the threat of selection bias effects, participants were randomly drawn from the pool, as this can increase the generalisability (Behrend et al., 2011; Mason & Suri, 2012). In the Prolific Academic's subject pool, the number of eligible respondents is 26,251.

Due to time and budget constraints, an online platform, Prolific Academic's service was used to collect the data in the United Kingdom. Before the questionnaires were sent to the respondents, a top-up deposit was offered, which served as the respondent's incentive if they provided satisfactory data quality. After they completed the questionnaires conscientiously, £1 was paid electronically via their Prolific Academic account, this is the standard amount of incentive to avoid bias and thank respondents for their participation.

Prior to the main study, a manipulation check was conducted to ensure the feeling of brand embarrassment was evoked. Participants who completed the manipulation check or study 1 were removed from the subject pool of study 2 so that their primitive responses could be received.

Since the participants could receive monetary incentive electronically after they signed up and completed the online questionnaire, many people in the subject pool were undergraduate students, postgraduate students, and working adults; therefore, most respondents were condensed into the age range of 18–34. This age distribution was good for this study because young people may not have encountered many embarrassing situations before. If the situation is new for them, they will elicit an intense feeling of embarrassment. Conversely, when persons get older (age => 45), they are more likely to have experienced different types of embarrassing situations, thus evoking a weaker feeling of embarrassment. To avoid ‘uncool’ feeling, the social bias issue was controlled.

Table 4-1 summarises the sample demographic profile of study 1. It depicted that the age of the respondents mainly fell in the range of 18–44, more than 50% of the total respondents were at the undergraduate degree level, and the rest was at the postgraduate or above level, which suggests that the respondents were well-educated persons and able to understand the questions regarding negative brand publicity. Over 70% of respondents were white (57.3% from the UK, 16.1% from the US), with the rest was coming from Asia and other countries. People in Western countries drove the results. They were more willing to express their thoughts and feelings, which were the crucial elements in this research. Nearly 60% of the respondents with an annual income between GBP10,000 to 39,999 indicated that they could afford to buy a branded product in either the apparel industry or automobile industry. This sample profile was deemed as appropriate for the research context.

Table 4-1: Demographic Profile (Study 1)

Sample Demographic Profile (Study 1)		
Demographic Profile	No.	Percentage (%)
Gender		
Male	129	47.1
Female	145	52.9
Age		
18 - 24	40	14.6
25 - 34	134	48.9
35 - 44	65	23.7
45 - 54	23	8.4
55 - 64	11	4
65 or older	1	0.4
Education		
Undergraduate degree	152	55.5
Postgraduate degree	108	39.4
Doctorate degree	14	5.1
Ethnicity		
White (United Kingdom)	157	57.3
Asian (China)	2	0.7
Asian (Other than China)	14	5.1
White (United States)	44	16.1
Other	57	20.8
Annual Income (Pounds)		
Below 10,000	52	19
10,000 - 19,999	55	20.1
20,000 - 29,999	64	23.4
30,000 - 39,999	39	14.2
40,000 - 49,999	21	7.7
50,000 - 59,999	19	6.9
60,000 - 69,999	4	1.5
More than 69,999	20	7.3

4.5 Common Method Variance and Remedies

In behavioural research, one potential problem is a common method variance. The variance is attributed to the measurement method (Podsakoff, et al., 2003).

Measurement error contains two elements: 1) random error and 2) systematic error. Random errors are found when repeated measures of a constant attribute or quantity are taken, and this type of error leads to inconsistency in measured values (Streiner, 2003). Systematic errors are not determined by chance. These can cause the observed correlations among variables to differ from their true population values. Common method variance is a form of systematic error variance (Doty & Glick, 1998).

Contaminating factors affect the validity of experiments. These include the effects of history, maturation, testing, selection bias, mortality, statistical regression, and instrumentation. Different experimental designs encounter different types of effects. For example, if an experiment is extended over a certain period, history, mortality, and maturation effects may confound the results. To reduce these biases, it is suggested to enhance the level of sophistication of the experimental design. Although more sophisticated designs increase the internal validity of the experimental results, they are expensive and time consuming (Collins, 1992).

Although procedural remedies could minimise the bias of common method variance, they could not eliminate all the potential bias in a research project. Harman's single factor test is one of the most widely used techniques to address the issue of common method variance (Podsakoff et al., 2003). This technique is to load all the variables involved in the study into an EFA and to determine the number of factors that account for the variance in the variables. If the results show that a single factor emerges from the factor analysis or a factor accounts for the majority of the variance in the data, it is considered to be problematic, and the common method variance is considered to be present (Podsakoff et al., 2003).

Using Harmon's one-factor test, no common method bias was found when measuring all attitudinal variables (i.e., BRQ and brand embarrassment).

4.6 Scale Purification

4.6.1 Factor Analysis

This thesis involves several variables, such as BRQ, with five dimensions; perceived justice, with three dimensions; and brand embarrassment. To prevent the potential problems of ‘factor indeterminacy’ (Stevens, 1996), factor analysis and principal component analysis (PCA) are the two commonly used statistical procedures for factor reduction. Researchers use these two techniques interchangeably, the common goal of which is to reduce a set of p observed variables to a set of m new variables (where $m < p$) that accounts for most of the variability in the pattern of correlations (Tabachnick et al., 2001). However, their analytical procedures are different. In factor analysis, shared variance is analysed, but in PCA, it aims to identify a smaller number of uncorrelated variables (namely ‘principal components’) from a large number of observations. All variance in the variables are used (Tabachnick et al., 2001). Using fewer robust statistically valid and reliable variables can improve the reliability and validity of hypothesis testing. Some researchers argue that PCA is preferable, and it is widely used as a factor reduction tool in exploratory data analysis (Guadagnoli & Velicer, 1988; Steiger, 1990). Therefore, PCA is employed for factor reduction in this thesis.

In this thesis, there are 18 items in experiment 1. The total sample size is 274, which exceeds the minimum size and was therefore deemed as appropriate for the PCA. Bartlett’s test of sphericity and Kaiser-Meyer-Olkin (KMO) are designed to measure sampling adequacy (Hair et al., 2006). The significant results ($p < 0.05$) of Bartlett’s test show that the data is appropriate for factor analysis (Dziuban & Shirkey, 1974) and confirm that the variables are correlated, but the correlation between two variables may be influenced by others. The value of KMO measures the fitness of data for factor analysis (Kaiser, 1970). Pallant (2013) suggests that a low KMO value (near 0)

indicates that the correlations between the variables are not clustered among a few variables (i.e., the sum of the partial correlations is large in comparison with the sum of the correlations), while a high KMO value (near 1) indicates a good fit for the factor analysis. Hutcheson and Sofronious (1999) suggest that it is marvellous if the KMO value is at 0.9 or above. They also provide different descriptions for different ranges of the KMO value: meritorious for the range of 0.8–0.9, mediocre for the range of 0.6–0.7, and unacceptable for values under 0.5.

4.6.2 Reliability and Validity of the Quantitative Study

Preliminary analyses were conducted to describe the characteristics of the sample (such as age and gender) and to check for any violation of the assumptions underlying the statistical techniques to be used (such as the normality and reliability of a scale). Reliability and validity tests are important before conducting further statistical analyses in a quantitative research. According to Kline (2015), reliability refers to the extent to which results are consistent over time and accurate in their representation of the total population.

To test the goodness-of-fit of the data, it is important to check the scale's internal consistency (Pallant, 2010). Cronbach's alpha coefficient is the most commonly used indicator of internal consistency (Cronbach, 1951). The alpha measures the inter-item correlations between 0 and 1, where 0 means no correlation and 1 refers to perfect correlation between items. It is suggested to have an alpha value at or above 0.7 (DeVellis, 2016). If the alpha value is below 0.7, to increase the consistency and reliability of the measure, researchers can remove items with relatively low correlation until the maximum alpha value is obtained (Ghauri & Grønhaug, 2005). This reliability analysis was conducted for each of the scales in this study, with adjustments made to optimise the alpha value if the value was lower than 0.7. Cronbach's alpha coefficient

is one of the most frequently used methods for reliability checking (Cronbach, 1951). It is acceptable to have an alpha value of 0.7 or above (Nunnally, 1978). All the measurement scales in this study are above the 0.7 cut-off point.

Researchers can use validity tests to assess whether the measurement instruments measure what they purport to measure (Hair et al., 2006). Face validity and construct validity are the two general types of validity in research. Face validity refers to the extent to which the content of the measuring items is consistent with the theoretical definition of the construct (Gravetter & Forzano, 2015). As all the measuring items used in this study were adopted or modified from the previous studies and have been tested in different research contexts, the face validity of the scales is deemed as appropriate. Construct validity refers to the extent to which a measure evaluates the theoretical construct as it is supposed to be. Correlation analysis can be conducted to assess this validity (Hair et al., 2006).

Raykov (2001a) argues that Cronbach's alpha coefficient underestimates the true reliability in the results; therefore, to improve the reliability and validity of this study, a more rigorous approach using AMOS, by measuring composite reliability (CR), average variance extracted (AVE), maximum shared variance (MSV), and average shared variance (ASV), was adopted (Gaskin, 2012).

Confirmatory factor analysis (CFA) is a type of structural equation model which is conducted in AMOS. It is designed to analyse a priori measurement models in which both the number of factors and their indicators are specified (Kline, 2015). CFA requires empirical or theoretical foundation to guide the specification of the factor model (Hoyle, 2000).

CR is a much less biased alternative method to measure the reliability of the factors. The desirable value is above 0.75 (Peterson & Kim, 2013). AVE is the average amount of variance in the indicator variables (items) that a construct explains (Hair et al., 2006).

It is a measure to assess convergent validity. This validity refers to the degree to which two measures of constructs are actually theoretically related (Campbell & Fiske, 1959). As mentioned earlier, MSV and ASV were adopted in this study (Gaskin, 2012). MSV aims to measure the extent to which the factor is explained by items of other constructs. When AVE is higher than MSV (i.e., the AVE for construct A and the AVE for construct B both need to be larger than the shared variance between A and B), and the square root of AVE is greater than the inter-construct correlations, discriminant validity occurs (Fornell & Larcker, 1981; Straub et al., 2004). This research used the Stats Tools Package to test the discriminant validity. The following tables present a summary of the results for the measurement reliability and convergent validity of the full sample data and brand embarrassment scenarios datasets in both experiments.

Table 4-2: Summary of Factor Loadings, Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (Study 1)

Scale (Source)	Item content	Factor Loadings (N=274)		
		Cronbach's Alpha	Composite Reliability	Average Variance Extracted
Brand Relationship Quality (Kim, Lee, & Lee, 2005)	Satisfaction	0.905	0.914	0.683
	I do not regret choosing Brand X	0.736		
	I really like Brand X	0.798		
	Using Brand X is a good experience for me	0.899		
	The performance of Brand X is better than I expected	0.841		
	I really enjoy using Brand X	0.890		
	Trust	0.876	0.885	0.720
	Brand X always cares about the consumer's needs	0.870		
	Brand X keeps its promises	0.875		
	Whatever happens, I believe that Brand X would help me	0.685		
	Self-connective Attachment	0.859	0.859	0.753
	Brand X goes so well with my lifestyle that I would feel empty without it	0.892		
Given that Brand X represents who I am, I would feel empty without it	0.913			
Brand Embarrassment (Grant & Walsh, 2009)		0.920	0.917	0.613
I do not want my friends and acquaintances to see that I buy products from Brand X that make me feel embarrassed	0.832			
I feel embarrassed because of the brands I use	0.819			
When friends and acquaintances comment on Brand X that I use, it makes me feel uncomfortable	0.767			
I avoid using Brand X products in the presence of friends and acquaintances in the future	0.785			
I find buying products (from Brand X) embarrassing	0.826			
I feel embarrassed when I believe that others think the worse of me because of the Brand X I use	0.836			
Using Brand X products in the presence of friends and acquaintances is embarrassing to me	0.900			

The CFA results provide evidence for the convergent and discriminant validity of the theoretical constructs and the reliability of the scales (Raykov, 2001b). Table 4-2 depicts the standardised loadings of the measured variables, variance extracted, and composite reliability for each construct. The standardised loadings were in the range of .736 and .913. The composite reliabilities, ranging from .859 to .917, exceed .6, the recommendation from Bagozzi and Yi (1988). The variance extracted also exceeds the criterion of .5 (Fornell & Larcker, 1981), ranging from .613 to .753. The results show that all the scales have met the measurement requirements.

In other words, satisfaction, trust, and self-connective attachment are the dimensions of the BRQ's scale in this research context. The alpha value of each dimension of the scale is above 0.7, showing that the inter-items are correlated, increasing the reliability of the measure. The brand embarrassment scale is also reliable, as the inter-items of the scale are highly correlated (alpha value is 0.92).

Table 4-3: Results of Discriminant Validity Test (Study 1)

	CR	AVE	MSV	MaxR(H)	Brand Emb	Sat	Trust	Attachment
Brand Embarrassment	0.917	0.613	0.065	0.924	0.783			
Satisfaction	0.914	0.683	0.627	0.933	-0.253	0.827		
Trust	0.885	0.720	0.561	0.896	-0.253	0.749	0.849	
Self-connective Attachment	0.859	0.753	0.379	0.859	-0.008	0.616	0.551	0.868

The figures shown in Table 4-3 demonstrate no discriminant validity concerns for the full sample dataset. The CR of all constructs is above 0.75, showing the high reliability of the constructs. The low MSVs show that the factors are not likely to be explained by items of other constructs; that is, the item in satisfaction, for example, is not measuring a feeling of brand embarrassment. These results depict that the constructs used in the brand embarrassment model are reliable and valid.

Results of Scale Purification

To purify the scales, EFA and confirmatory factor analysis are conducted. In study 1, BRQ, perceived severity, and brand embarrassment are the variables in the pre-recovery brand embarrassment model. All measuring items of each variable are selected for factor reduction. Few items (all commitment and intimacy items, one brand embarrassment item, one attachment item, and three satisfaction items) are deleted due to low standardised loadings in EFA. After deletion of the items, the final model includes the measures of dimensions of BRQ (satisfaction, trust, and attachment), perceived severity, and brand embarrassment.

4.7 Methods of Analysis

This research aims to understand what and how factors with different levels affect customers' negative emotions and behavioural responses when a NBI occurs. In view of the choice of research methods, time and budget constraints, and the use of experiments in the previous relevant studies (Hsiao et al., 2015; Sarial-Abi et al., 2017; Sugathan et al., 2017; Trump, 2014), a factorial 'between-subjects' experimental design and online questionnaire will be used in this study to examine the effect of CBR on brand embarrassment following a NBI.

R and SPSS are the common analytical software tools used for data analysis in experimental studies. R is open source and free, and it can analyse large quantities of data; it also enables users to write their own programs, although this requires some programming skills. SPSS is easy to use, although a license fee is required, and users cannot write their own programs. Most marketing scholars use SPSS instead of R for data analysis. Because of this study's scope and time constraints, SPSS will be chosen to analyse the study data.

The choice of statistical tests depends on the testing hypotheses, the research

design, and the research questions to be answered (Pallant, 2010). To estimate the main effect for a factor, the interaction effects, and whether there is a statistically significant difference among a number of groups (treatment and control groups), ANOVA or regression analysis can be used for a factorial experiment (Montgomery, 2013). An interaction plot is a useful exploratory analysis tool to illustrate and explain the interaction effects between factors (Pallant, 2010). In SPSS, several analytical tools will be used for this study: one-way ANOVA, two-way ANOVA, mixed between-within-subjects ANOVA, and multivariate ANOVA (MANOVA).

ANOVA is used when comparing the mean scores of more than two groups. One-way ANOVA involves measuring the effect on a continuous dependent variable of one categorical independent variable (a factor) that has several different levels. For example, it can be used to compare customers' quality of brand relationship (two levels: high and low) on their brand embarrassment feeling. This analysis allows the researcher to test whether there are significant differences in the mean scores on brand embarrassment across two groups of customers (one with a high quality of CBR and one with a low quality of CBR).

Two-way between-groups ANOVA allows researchers to simultaneously test the effect of each of two independent variables on a dependent variable ('main effect') and identify any interaction effect (which occurs when the effect of one independent variable on the dependent variable depends on the level of a second independent variable). Between-groups indicates that different people are in each of the groups. For example, the influence of the CBR on brand embarrassment is different if the customers are in a social presence condition or a social absence condition. MANOVA is used when comparing the effects of different treatments on a variety of outcome measures or two or more dependent variables.

Before the conclusions from the ANOVA can be adopted, residual analysis is

required to ensure the underlying model is adequate (Montgomery, 2017). Under ANOVA, the F ratio is calculated. This ratio represents the variance between the groups divided by the variance within the groups. A large F ratio indicates that there is more variability between the groups (caused by the independent variable) than there is within each group. A significant F-test means that the null hypothesis can be rejected (Pallant, 2010).

Structural Equation Modelling (SEM)

Although many experimental studies in the literature used ANOVA or MANOVA to analyse the data, a multiple regression model is an alternative method to test the experimental data. In the model, a variable can be either an independent variable or a dependent variable. A variable may be an outcome with respect to some variables, but it may also become a predictor for other variables. For example, in this research context, BRQ may arouse a feeling of brand embarrassment, which further affects repurchase intention. This regression model requires researchers to run the test several times, which is quite inconvenient and time consuming. Moreover, the multiple regression model assumes that the predictors do not have measurement error, which is not realistic.

SEM is designed to test the hypotheses but also overcome the limitations of measurement error and the restrictive assumption of homogeneity that happens in ANOVA (Bagozzi & Yi, 1989). SEM involves a diverse set of mathematical models and statistical methods (such as CFA, path analysis, partial least squares path analysis, and latent growth modelling) that allow researchers to examine structural relationships (Kline, 2015). To test the brand negative publicity appraisals model for both the full sample and brand embarrassment scenario conditions, SEM is the appropriate tool, as it can estimate the multiple and interrelated dependence in a single analysis.

SEM consists of two components: a measurement model and a structural model

(Tabachnick et al., 2001). The measurement model concerns the relationships between measured variables and latent variables. Measured variable refers to a type of variable that can be observed or measured directly. A latent variable is a kind of variable that cannot be observed directly and is, rather, inferred from the observed variables. The structural model includes only the relationships between latent variables. The latent variables are free of random errors, as the error has been estimated and removed. SEM allows the derivation of more unbiased and realistic estimates for the relationships between latent constructs (Tabachnick et al., 2001).

In this study, a hypothesised causal model was developed. SEM allows researchers to test the developed model using sample data, which indicates a structure of the covariance matrix of the measures (Kline, 2015). After the model parameters have been estimated, the model-implied covariance matrix and data-based covariance matrix can be compared to see whether they are consistent with each other. Acceptable model fit indices provide an explanation for the relationships between the hypothesised model and empirical data, but the model fit is unable to confirm the hypothesised model with reality when the true model is unknown (Kline, 2015). This thesis focuses on the cognitive appraisal process after a brand negative publicity has occurred; therefore, a SEM that provides model fit information is deemed an appropriate statistical method.

Model fit indices indicate the goodness of model fit. Standardised root mean square residual (SRMR), root mean square error of approximation (RMSEA), and comparative fit index (CFI) are the other most widely accepted fit indices. SRMR is defined as the standardised overall difference between the observed and the predicated correlations (Kline, 2015). A zero value indicates a perception of fit. SRMR with a value close to 0.08 or below is suggested to be an acceptable fit (Hu & Bentler, 1999). RMSEA measures the degree to which the sample variances and covariances are different from the corresponding estimated variances and covariances. This

measurement is under the assumption that the researcher's model is correct (Kline, 2015). MacCallum, Browne, and Sugawara (1996) suggested three cut-off points of 0.01 (excellent), 0.05 (good), and 0.08 (mediocre) to indicate the goodness of fit. Confidence interval measures the level of precision in the RMSEA estimation (Kline, 2015). It is suggested to have a lower bound equalling zero or less than 0.05 and an upper bound less than 0.08.

CFI is designed to evaluate the percentage of lack of fit of a null model with respect to the existing model (Kline, 2015). The CFI first compares the covariance matrix predicted by the model with the observed covariance matrix and then compares the null model with the observed covariance matrix. Hair et al. (2006) suggested a cut-off point of 0.9 as an acceptable fit, indicating that the existing model can reproduce 90% of the covariance in the data. A value of CFI close to 1 represents an excellent fit. Results of model fit indices ($n = 274$) for study 1 are: $C_{min}/DF = 1.764$ ($p = .152$); $CFI = .993$; $GFI = .992$; $AGFI = .962$; $RMSEA = .053$, indicating a good fit of the measurement model (Byrne, 2013).

4.8 Hypothesis Testing and Results

This thesis aims to examine the cognitive appraisal process at two stages in the context of brand failure. After the literature review section, hypotheses are developed. Study 1 aimed to test H1, H2, H3a, and H3b, which examine the effects of BRQ, social presence, and their interactions on participants' strength of brand embarrassment. Including social factor in the analysis aided in assessing whether any differences in the strength of brand embarrassment were due to social presence or social absence. The following section uses SEM to analyse the data and discuss the test results with respect to the hypotheses.

H1 High quality of brand relationship reduces the level of brand embarrassment when brand-related negative publicity occurs.

H2 High perceived severity of brand negative publicity increases the level of brand embarrassment.

H3a Social presence moderates the relationship between brand relationship quality and brand embarrassment.

H3b Social presence moderates the relationship between perceived severity of brand negative publicity and brand embarrassment.

In study 1, gender, age and ethnicity were the control variables for the model (Fig.3-1). An independent samples t-test was used to compare the strength of brand embarrassment reported by male participants ($n = 129$) and female participants ($n = 145$). The result of Levene's test was non-significant; thus, equal variances can be assumed. The t-test was statistically insignificant for male participants ($M = 3.17$, $SD = 0.94$) and female participants ($M = 3.37$, $SD = 0.99$), $t(272) = -1.72$, $p > 0.05$ (two-tailed).

To compare the strength of brand embarrassment reported by the participants across different age groups, a one-way between groups analysis of variance (ANOVA) was conducted. The ANOVA assumptions of normality and homogeneity of variance were not violated, and the F test was not significant, $F(5, 268) = 1.27$, $p = 0.28$.

An independent samples t-test was used to measure the difference of brand embarrassment level between UK participants ($n = 157$) and non-UK participants ($n = 117$). The result of Levene's test was non-significant; thus, equal variances can be assumed. The two-tailed t-test was statistically non-significant for UK participants ($M = 3.31$, $SD = 0.89$) and non-UK participants ($M = 3.23$, $SD = 1.07$), $t(272) = 0.67$, $p > 0.05$.

The Effect of BRQ on Brand Embarrassment

A linear regression analysis was conducted to test the predictive power of the BRQ on brand embarrassment. It aims to test hypothesis 1. BRQ is an independent variable. Brand embarrassment is a dependent variable. The results reveal that the standardised coefficient of BRQ is $-.236$, $F(1, 272) = 16.063$, $p = .000$. This indicates that high quality of brand relationship reduces the level of brand embarrassment.

The Effect of Perceived Severity on Brand Embarrassment

To examine the predictive power of perceived severity on brand embarrassment, linear regression was carried out. It is designed to test hypothesis 2. Perceived severity is an independent variable. Brand embarrassment is a dependent variable. The results reveal that the standardised coefficient of perceived severity is $.268$, $F(1, 272) = 21.092$, $p = .000$. This indicates that high perceived severity increases the level of brand embarrassment.

The Influence of Social Presence on the Relationship between BRQ and Brand Embarrassment

To test the effects of social availability on the relationship between BRQ and brand embarrassment, AMOS SEM Multigroup analysis was used. BRQ is independent variable, brand embarrassment is dependent variable, and the moderator is social context. Data preparation included (1) mean-centring the continuous independent variable, BRQ into two equal groups (high vs low), and (2) social context (social presence and social absence were coded as 1 and 2 respectively). Social presence refers to the respondents' feeling of brand embarrassment as a result of thoughts of social presence. Social absence means respondents' brand embarrassment feeling did not come from thoughts of social presence.

A 2 (high BRQ vs low BRQ) \times 2 (social presence vs social absence) between-subject experiment was conducted. The dependent variable was brand embarrassment. For the effect of BRQ (BRQ), high BRQ consumers induced weaker feelings of brand embarrassment compared to low BRQ consumers in both the social absence condition ($M_{\text{lowBRQ}} = 3.34$, $M_{\text{highBRQ}} = 2.78$, $t(91) = 2.901$, $p < 0.01$) and the social presence condition ($M_{\text{lowBRQ}} = 3.70$, $M_{\text{highBRQ}} = 3.26$, $t(157) = 3.343$, $p < 0.01$). This shows that social presence makes customers feel more embarrassed. In other words, social presence negatively moderates (dampens) the relationship between BRQ and brand embarrassment. H3a is therefore supported.

The Influence of Social Presence on the Relationship between Perceived Severity and Brand Embarrassment

This study aimed to examine the effects of perceived severity, social presence, and their interactions on brand embarrassment. To further understand how social availability influences brand embarrassment if customers perceive a NBI at different severity levels, a T-test was conducted. Similar to the data preparation for hypothesis 1, the perceived severity of NBI is divided into two equal groups (low and high) by using a visual binning method. Social presence is coded as 1, and social absence is coded as 2. Severity of NBI is the independent variable, and brand embarrassment is the dependent variable. The results showed that a significant effect of perceived severity on brand embarrassment occurs only in the social absence condition ($M_{\text{low severity}} = 2.87$, $M_{\text{high severity}} = 3.34$, $t(91) = -2.255$, $p = 0.027$). This indicates that in the social absence condition, customers with high perceived severity experience stronger brand embarrassment than customers with low perceived severity. H3b is supported.

4.9 Data Interpretation and Discussion

In the embarrassment literature, a real or imagined person evokes an individual's feeling of embarrassment. However, little knowledge exists about how brand-related factors influence brand-evoked embarrassment. The purpose of study 1 is to investigate the role of social presence in the relationship between BRQ or perceived severity and brand embarrassment, which represents the preliminary study for study 2. The results of study 1 provide insights on the context of brand embarrassment scenarios used in study 2.

All hypotheses 1 and 2 were supported. The findings of hypothesis 1 demonstrate that three dimensions of BRQ have significant effects on brand embarrassment, but in different directions. Self-connective attachment positively affected brand embarrassment, while satisfaction and trust negatively influenced brand embarrassment. Self-connective attachment refers to an individual's emotional and affective connections with a brand. They think that the brand represents one's actual self or ideal self; they treat the brand like a buddy and feel lonely and lost without it. This kind of attachment, with minimal brand–self distance, shows that the brand greatly occupies their mind and heart (Park et al., 2013). When consumers fully engage in a close relationship with a brand, it is possible that they think others (real or imagined others) would evaluate them negatively when negative brand publicity happens, which explains why self-connective attachment is positively associated with brand embarrassment.

However, this effect may not be strong, as CBR is not built in a day. The CBR quality depends on the satisfactory nature of the consumers' past experience with a brand, for example, product usage, service experience, and brand image, which makes consumers believe that the brand cares about them and treats them as fairly as it promises, either in a communal relationship or an exchange-based relationship. The effects of strong satisfaction and trust over past experience increase the BRQ, which

eventually makes the consumer experience less feeling of brand embarrassment. The findings of hypothesis 2 show that the severity of the NBI positively predicted the strength of brand embarrassment. Therefore, these results depict that cognitive and affective information are processed when embarrassed consumers appraise negative brand publicity.

In addition to the two evaluative factors that influence the strength of brand embarrassment—the quality of the CBR and perceived severity—the impact of social presence also plays an essential role in the brand negative publicity appraisal process. Hypothesis 3 posits that social availability (social presence vs social absence) influences the relationships between perceived severity/BRQ and brand embarrassment to different degrees.

In the BRQ context, results indicate that customers with low BRQ have greater feelings of brand embarrassment than customers with high BRQ in both the social presence and social absence conditions. As discussed earlier, the consumer satisfaction and trust accumulated from past consumer–brand experiences are the key drivers of BRQ reducing brand embarrassment. The results of hypothesis 3a further demonstrate BRQ’s effect on the reduction of brand embarrassment, even in a social presence condition. For consumers with a low level of BRQ (i.e., low satisfaction, trust, and self-connective attachment), the widespread nature of a NBI makes them somewhat embarrassed. It is possible that they will further the brand–self distance and reduce brand mind shares and brand heart shares, as suggested by Park et al. (2013).

In the social absence condition, customers with high perceived severity experience stronger brand embarrassment than do customers with low perceived severity. Social presence increases customers’ feeling of brand embarrassment even when they perceive the NBI at a low severity. This indicates that social presence makes consumers feel uncomfortable: when consumers see other people grouping together, they think others

talk about the brand that represents themselves, and they worry that others evaluate them negatively because of their associations with the brand. This uncertainty threatens the consumers' social image and self-identity, and the self-relevance causes them to perceive the NBI as more severe. Therefore, the results explain that when a NBI receives widespread publicity, more consumers experience a feeling of brand embarrassment, and the strength of brand embarrassment continues to increase as they think more and more people think worse of them. The power of social presence not only strengthens brand embarrassment but also triggers other people's perceived severity towards the NBI and negative emotional responses.

In summary, the results of the hypotheses suggest that social presence or absence affects the feelings of embarrassment evoked by a brand. The dimensions of BRQ would change in evaluating the brand failure context. When customers' psychological states are threatened by external stimuli, their strength of brand embarrassment varies when the customers have different perceived severities of the NBI or different levels of BRQ.

Previous research suggests that individuals feel embarrassed when they are aware of either a real or an imagined social presence during an embarrassing purchase (Dahl et al., 2001) or when they are being targeted by companions who have a different social identity (Puntoni et al., 2015). In contrast to prior research finding that the self-social relationship influences a feeling of embarrassment, study 1 finds that the quality level of the CBR affects the strength of the embarrassment. Although high BRQ customers can protect their social image by validating the source of information or counter arguing the negative information in brand news (Swaminathan et al., 2007), this result further indicates that customers with high BRQ have weaker feelings of brand embarrassment than customers with low BRQ in both the social presence and social absence conditions. The results of study 1 also demonstrate that for consumers in the social presence

condition, brand embarrassment occurs even when the consumers do not perceive the NBI of high severity. This embarrassment may be directly due to the threatened social self when the consumer possesses a luxury brand X product. To verify this effect, another symbolic brand can be tested in study 2.

Previous studies revealed that when a company commits an error (which it should be able to avoid and control), such as product harm or unethical behaviour, the public or consumers attribute the blame to the company (Lange & Washburn, 2012; Lei et al., 2012). Existing customers become the victims of the brand fault or failure and think that they are being deceived. Some of the customers feel angry, make complaints, or ask for monetary and/or non-monetary compensation, but some of them simply discontinue their connection with the company by ceasing to make purchases. If no remedial action is taken by the company, whatever the behavioural actions the customers take, the quality of the relationship between the customers and the brand is no longer as good as it was before the brand negative publicity. This research suggests that the BRQ is not solely a measurement of emotional/behavioural outcomes but also serves as an evaluative factor in a cognitive appraisal process under a brand-evoked identity-threatened situation. The results of this research show that brand embarrassment (i.e., brand-evoked emotion) is negatively affected by the BRQ. The number of evaluative dimensions of BRQ in the brand failure context is fewer than those in a service failure context. For customers who possess the brand's products at the time brand negative publicity occurs, they appraise their relationship with the brand in terms of satisfaction, trust, self-brand connection, and commitment. No 'intimacy' (i.e., one of the dimensions of BRQ) is considered in their appraisal process.

In the crisis management and emotion literature, the antecedents and consequences of crisis and negative emotions have been well studied, but understanding of how existing embarrassed customers react to brand recovery responses is still lacking.

Perhaps the coping responses for brand embarrassment and evaluative criteria for brand remedial actions may differ from other emotion research in service failures. To better understand customers' responses to brand recovery actions, next chapter delineates how the brand recovery responses cope with brand embarrassment. Study 2 then tests these predictions and further examines the effects of brand embarrassment on consumers' responses.

4.10 Chapter Summary

This chapter presents the quantitative approach for study 1. Before data analysis, the sampling method, characteristics of the participants, scenario-based web experiment design, adoption of measurement scales, common method variance and remedies, scale purification process, and method of analysis were elaborated. To test the theoretical framework and provide empirical evidence for the pre-brand recovery appraisal process, a regression test and *t*-test were utilised, followed by the presentation of the data analysis results and a discussion of the data's interpretation. The next chapter will proceed to the quantitative approach for study 2.

Chapter 5: Quantitative Approach of Brand Embarrassment

Recovery Process

5.1 Introduction

In appraisal theory, individuals appraise a situation in two stages: primary appraisal and secondary appraisal. The primary appraisal leads to emotion elicitation, and the secondary appraisal results in behavioural responses. Study 1 explored the factors (BRQ, perceived severity, and social presence) that evoke brand embarrassment. In order to reduce the unfavourable impacts of the NBI, such as negative word-of-mouth and damage to the brand's reputation, the management of the company delivers a sincere apology after admitting fault (Jin et al., 2012). This depicts that the brand's customers process both negative and positive brand information (negative brand news and brand remedial tactics) within a very short time (e.g., identity threats/being deceived vs additional monetary or non-monetary compensation). The appraisal process is expected to be different from that of customers who evaluate only one type of information as they reappraise the situation.

After testing the first and second research questions in Chapter 4, this chapter aims to answer the third and the fourth research questions pertaining to how the brand embarrassment being recovered and its effect on consumers' subsequent responses, as well as the differences in the emotion recovery process under different brand remedial tactics.

First, this chapter provides a description and explanation of the research design for study 2. Second, the research instrument, procedures, sampling method, source of measurements, common method variance, and scale purification are presented. Third, methods of analysis, hypothesis testing, results, and data interpretation are delivered and discussed.

5.2 Research Instrument

5.2.1 Study Design and Procedures

The research approach, research instrument, sampling, and sample size determination of study 2 are same as for study 1 but in a different context. Participants who completed manipulation check or study 1 were removed from the subject pool of study 2 so that I can receive their primitive responses. In study 2, it aims to examine how company recovery activities influence embarrassed customers' attitudinal and behavioural responses after a brand failure. An online scenario-based experiment was conducted. After receiving consent from the participants, they were randomly assigned to one of eight scenarios. Relevant variables and demographic information were then asked for and measured after reading the scenario. After participants completed the questionnaire, a monetary reward (1 pound) was offered to each participant with a valid and completed survey.

Selection and Information of Brand Failure

As in study 1, to avoid subjective bias to a specific brand, a fictitious brand was used instead of a real brand. In the brand crisis management literature, the automobile industry was used frequently (Hearit, 1994). To generalise the results, an apparel product was chosen, as people feel more attached and tend to display more passion because of its symbolism (Das et al., 2018).

Brand Embarrassment Scenario Design

The results of study 1 showed that brand embarrassment occurs in both the social presence and social absence conditions. Brand embarrassment was evoked when consumers believed a real or imagined person thought worse of them. The context of study 2's scenario was chosen based on the results from study 1, in which social

availability influenced customers' strength of brand embarrassment. The primary information of the scenario describes an individual's situation, facing Brand X negative publicity news that was circulating in social media, written as, 'You are wearing a Brand X leather jacket. A friend of yours posts some photos on social media revealing how Brand X have been selling fake instead of real leather jackets as they claimed.' Participants are instructed to read a scenario and imagine themselves as the person who is wearing a Brand X jacket. To increase realism, the story was written in the second person (i.e., use of 'you' to represent the customer wearing a Brand X jacket).

The experiment had a 2 (brand embarrassment: direct vs indirect) × 4 (remedial tactics: simple procedure, full compensation, personalised letter, or CEO resignation) between-subjects design. The brand embarrassment conditions were divided into two (direct vs indirect). The direct brand embarrassment condition was manipulated by adding social presence (i.e., 'You are having lunch with a friend') in the situation. No social presence (i.e., 'You are having lunch alone') was added in the indirect brand embarrassment condition. The scenario ends with one of the four brand coping methods, which were randomly assigned. The four coping methods were a simple refund procedure ('A hyperlink was provided in the email. You were asked to simply click the link and complete a simple form.'), full compensation ('You are given both monetary and non-monetary compensation [100% of the product price and two hotel dinner coupons].'), a personalised letter ('letter from Brand X with the CEO's hand-written signature. The letter demonstrated his sincere apology for the brand failure. '), and the CEO's resignation ('Brand X's CEO intended to resign from the company as a consequence of the brand failure'). Below, the full version of each scenario is depicted.

Two types of brand embarrassment:

(Direct brand embarrassment) Imagine you are having lunch with a good

friend. You are wearing a renowned Brand X leather jacket with a prominent brand logo. Another mutual friend posts some photos on social media revealing how Brand X have been selling fake instead of real leather jackets as they claimed. Your friend shows you the post and looks at your jacket.

(Indirect brand embarrassment) Imagine you are having lunch alone and you are wearing a Brand X leather jacket. A friend of yours posts some photos on social media revealing how Brand X have been selling fake instead of real leather jackets as they claimed.

Four brand remedial tactics:

(Simple procedure) After this incident, you received an email from Brand X regarding a procedure for refunds. A hyperlink was provided in the email. You were asked to simply click the link and complete a simple form.

(Full compensation) After this incident, you received an email about the compensation to be offered by Brand X. You are given both monetary and non-monetary compensation (100% of the product price and two hotel dinner coupons).

(Personalised letter) After this incident, you received a personalised letter from Brand X with the CEO's hand-written signature. The letter demonstrated his sincere apology for the brand failure.

(CEO resignation) After this incident, you saw a news report indicating that Brand X's CEO intended to resign from the company as a consequence of the brand failure.

5.2.2 Manipulation Checks and Pilot Test

The manipulation of brand embarrassment was effective. In response to the items with a five-point Likert scale, 'I feel embarrassed because of the brand I use', 'I avoid using Brand X products in public', and 'using Brand X products in the presence of

friends and acquaintances is embarrassing to me’, a significant difference was found between the direct embarrassment condition (i.e., embarrassment caused by actual social presence) and the indirect embarrassment condition (i.e., embarrassment caused by imagined social presence) ($t(48) = -2.23, p = .03; M_{\text{direct}} = 2.72$ vs $M_{\text{indirect}} = 3.41$).

For the manipulation of brand coping methods, the questionnaire asked about the importance of brand coping profiles. Questions included, ‘A simple procedure is an important brand coping method’, ‘Full compensation is an important brand coping method’, ‘A personalised apology is an important brand coping method’, and ‘CEO resignation is an important brand coping method.’ Results show that the importance of each coping method was high (scored over 4 out of 5). Respondents rated the realism of the coping methods above midpoint. The questions for realism checks included, ‘I think a brand embarrassment scenario like this does occur in real life’ and ‘I think a brand coping method like this does occur in real life.’ Over 85% of respondents thought that the scenarios were realistic.

5.2.3 Measurements

Independent/Moderated/Mediated Variables

In this study, a scenario was divided into two parts: (1) a brand embarrassment situation and (2) brand coping methods. After reading the brand embarrassment scenario, as in study 1, the respondents were presented with the brand embarrassment measures using Grant and Walsh’s (2009) nine-item, five-point Likert scale (where 1 = strongly disagree and 5 = strongly agree). To avoid receiving incorrect answers due to mental fatigue after completing 36 questions, one attention check question was added: ‘It is important that you pay attention to this study. Please tick “Strongly Disagree”.’ (Oppenheimer et al., 2009). Results showed that this checking was effective, as 54 out of 1,110 cases were removed due to this reason.

Respondents were then presented with a description of a brand remedial tactics, followed by the measures of perceived justice, BRQ, brand embarrassment (termed as ‘emotion recovery’ in this brand negative publicity context), and repurchase intentions. The perceived justice scales consisted of three dimensions of justice: distributive justice was measured by using Oliver and Swan’s (1989a, 1989b) and Tax et al.’s (1998) four-item scale (including ‘The outcome I receive is fair’, ‘I do not get what I deserve [R]’, ‘In solving the problem, Brand X gives me what I need’, and ‘The outcome I receive is not right [R]’); procedural justice and interactional justice were assessed by using Tax et al.’s (1998) two-item (including ‘The length of time taken to reduce a feeling of embarrassed customers is longer than necessary [R]’ and ‘Brand X shows adequate flexibility in dealing with a feeling of embarrassed customers’) and four-item scales (including ‘Brand X staff is appropriately concerned about a feeling of embarrassed customers’, ‘Brand X staff do not put the proper effort into mitigating a feeling of embarrassed customers [R]’, ‘Brand X staff communications with me are appropriate’, and ‘Brand X staff do not give me the courtesy I am due [R]’), respectively. All scales were measured with a seven-point Likert scale (where 1 = strongly disagree and 7 = strongly agree).

Items for measuring BRQ were, again, adapted from Kim, Lee, and Lee’s (2005) five-point Likert scale, including a four-item measure for self-connective attachment, a six-item measure for satisfaction, a three-item measure for behavioural commitment, a three-item measure for trust, and a three-item measure for emotional intimacy. The degree of brand embarrassment was also asked to measure the impact of brand coping on the brand embarrassment feeling. A seven-point Likert scale was used (where 1 = not at all and 7 = extremely).

Dependent Variable

Repurchase intention was measured by using a three-item (including ‘I will purchase again with Brand X in the future’, ‘I will consider Brand X as my first choice when purchasing products again in the future’, and ‘I will visit Brand X next time I purchase’) seven-point Likert scale developed by Zeithaml et al. (1996).

5.2.4 Sample

In study 2, 1,110 people were recruited from the Prolific Academic online platform to take part in the experiment. As in study 1, respondents were members of the Prolific subject pool. Due to a wrong answer selected in the attention check question or invalid answers or incompleteness, 69 cases were removed. The final sample size was 1,041, in which 517 participants were randomly allocated to the social presence condition and 524 participants were allocated to the social absence condition.

Table 5-1 shows a demographic profile of the full sample dataset. For nearly half of the respondents, their age falls within the range 25–34 years. The mean age of the respondents is 31.6 years, and the sample is 54% female. Table 5-2 lists the differences between the demographic profiles of the two brand embarrassment types datasets (public brand embarrassment vs private brand embarrassment). Public brand embarrassment refers to the individual’s brand embarrassment caused in a social presence condition, and the private brand embarrassment refers to the individual’s brand embarrassment occurred in a social absence condition. Around 520 participants are allocated in each of the brand embarrassment types, and the ratio of male to female participants is 45:54 for each situation. As in the full sample dataset, for 48% of the respondents, their age falls within the range of 25–34.

In study 2, the sample demographic profile was similar to that of study 1 (age range: 18–44; more undergraduate respondents and white persons). The gender

percentage (female 54% vs male 46%) represented the research population. The main difference between study 1 and study 2 was the ethnicity of the respondents. In study 2, the respondents were randomly allocated to the social presence (SP) condition or social absence (SA) condition. Comparing with study 1, the SP condition contained more respondents who came from the US and other countries, and only 48% of respondents came from the UK. In the SA condition, more Asians participated in the online experiment (7% vs 5.8% in study 1). As the changes were insignificant, the full sample of study 2, SP condition sample, and SA condition were deemed as appropriate for further analysis.

Table 5- 1: Demographic Profile of Full Sample Dataset (Study 2)

Sample Demographic Profile (Study 2)			
Full Sample Dataset (N=1041)			
Demographic Profile		No.	Percentage (%)
Gender			
	Male	477	45.8
	Female	564	54.2
Age			
	18 - 24	175	16.8
	25 - 34	501	48.1
	35 - 44	226	21.7
	45 - 54	89	8.5
	55 - 64	43	4.1
	65 or older	7	0.7
Education			
	Undergraduate degree	635	61
	Postgraduate degree	406	39
Ethnicity			
	White (United Kingdom)	532	51.1
	Asian (China)	9	0.9
	Asian (Other than China)	56	5.4
	White (United States)	193	18.5
	Other	251	24.1

Table 5- 2: Demographic Profile of Two Brand Embarrassment Types Datasets (Study 2)

Sample Demographic Profile (Study 2)

Demographic Profile	Social Presence Condition (N=517)		Social Absence Condition (N=524)	
	No.	Percentage (%)	No.	Percentage (%)
Gender				
Male	238	46	239	45.6
Female	279	54	285	54.4
Age				
18 - 24	87	16.8	88	16.8
25 - 34	249	48.2	252	48.1
35 - 44	111	21.5	115	21.9
45 - 54	42	8.1	47	9
55 - 64	25	4.8	18	3.4
65 or older	3	0.6	4	0.8
Education				
Undergraduate degree	306	59.2	329	62.8
Postgraduate degree	211	40.8	195	37.2
Ethnicity				
White (United Kingdom)	248	48	284	54.2
Asian (China)	1	0.2	8	1.5
Asian (Other than China)	27	5.2	29	5.5
White (United States)	108	20.9	85	16.2
Other	133	25.7	118	22.5

5.3 Common Method Variance and Remedies

A common method variance is one potential problem in behavioural research (Podsakoff et al., 2003). As in study 1, procedural remedies, such as an instructional manipulation check and statistical remedies, were carried out in this study. Using Harmon's one-factor test, no common method bias was found when measuring all attitudinal variables (i.e., perceived justice, BRQ, brand embarrassment, and repurchase intention). Table 5-3 shows the results of Barlett's test and KMO indices for the full dataset and scenario datasets, suggesting a good fit of data for factor analysis.

Table 5- 3: Results of KMO and Barlett's Test for Full Sample Dataset and Two Social Situations Datasets (Study 2)

Results of KMO and Barlett's Test for Full Sample Dataset and Two Situational Datasets (Social Presence and Social Absence Conditions)

	KMO value	Barlett's Test Significance
Full Sample	0.919	0.000
Social Presence Condition	0.913	0.000
Social Absence Condition	0.899	0.000

5.4 Scale Purification

5.4.1 Reliability and Validity of the Quantitative Study

Before testing the hypotheses, the reliability and validity of the scales were checked. In this thesis, there are 37 items in experiment 2. The total sample size is 1,041, which exceeds the minimum size and is therefore deemed appropriate for the PCA. Due to results of exploratory factor analysis (EFA), some items in the BRQ scale were discarded due to low or cross loadings.

In this thesis, the research context is negative brand publicity. Study 2 aims to examine how brand remedial tactics recover consumers' brand embarrassment. Thus, the term 'emotion recovery' is used to describe the reduced levels of brand embarrassment. The weaker the strength of the brand embarrassment, the higher the emotion being recovered.

SEM using AMOS version 22 was carried out to test the structural model. CR of the scales and the AVE for each factor met the respective minimum cut-off (Hair et al., 2012), which suggests that the scales for the full sample data had high reliability and no validity concerns. Table 5-4 and Table 5-5 show the details.

Table 5- 4: Summary of Factor Loadings, Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (Full Sample Dataset of Study 2)

Constructs[Abbreviation], Scale Source and Items	Factor Loadings (N=1041)		
	Cronbach's alpha	Composite reliability	Average variance extracted
Brand Embarrassment[BEM] (Grant & Walsh, 2009), the scale to measure 'Emotion Recovery'	0.956	0.954	0.698
1. I do not want my friends and acquaintances to see that I buy products from Brand X that make me feel embarrassed	0.847		
2. I feel embarrassed because of the brands I use	0.900		
3. When friends and acquaintances comment on Brand X that I use, it makes me feel uncomfortable	0.877		
4. I avoid using Brand X products in the presence of friends and acquaintances in the future	0.819		
5. I find buying products (from Brand X) embarrassing	0.874		
6. Shopping at Brand X retailers make me feel uncomfortable	0.785		
7. I feel embarrassed when I believe that others think the worse of me because of the Brand X I use	0.827		
8. Using Brand X products in the presence of friends and acquaintances is embarrassing to me	0.907		
9. I avoid using Brand X products in public	0.822		
Perceived Justice (Oliver & Swan, 1989 and Tax et al., 1998)	0.866	0.867	0.567
1. Brand X shows adequate flexibility in dealing with a feeling of embarrassed customers	0.826		
2. The outcome I receive is fair	0.848		
3. In solving the problem, Brand X give me what I need	0.78		
4. Brand X staff is appropriately concerned about a feeling of embarrassed customers	0.743		
5. Brand X staff communications with me are appropriate	0.805		
Self-connective Attachment[ATT] (Kim, Lee, & Lee, 2005)	0.882	0.886	0.662
1. I am intrigued by Brand X because it shows who I want to be	0.531		
2. Brand X goes so well with my lifestyle that I would feel empty without it	0.868		
3. Given that Brand X represents who I am, I would feel empty without it	0.914		
4. I like Brand X because it makes me feel more special than other people	0.83		
Trust (Kim, Lee, & Lee, 2005)	0.841	0.842	0.64
1. Brand X always cares about the consumer's needs	0.700		
2. Brand X keeps its promises	0.772		
3. Whatever happens, I believe that Brand X would help me	0.650		
Satisfaction[SAT] (Kim, Lee, & Lee, 2005)	0.934	0.935	0.643
1. Brand X is exactly what I want	0.588		
2. I do not regret choosing Brand X	0.772		
3. I really like Brand X	0.913		
4. Using Brand X is a good experience for me	0.840		
5. The performance of Brand X is better than I expected	0.629		
6. I really enjoy using Brand X	0.884		
7. I want to keep using Brand X	0.911		
8. I enjoy my relationship with Brand X, so I want to keep buying it	0.820		

Table 5- 5: Summary of Factor Loadings, Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (Two Social Situations)

Constructs[Abbreviation], Scale Source and Items	Social Presence Condition Factor Loadings (N=517)			Social Absence Condition Factor Loadings (N=524)		
	Cronbach's Alpha	Composite Reliability	Average Variance Extracted	Cronbach's Alpha	Composite Reliability	Average Variance Extracted
Brand Embarrassment[BEM] (Grant & Walsh, 2009), the scale to measure 'Emotion Recovery'	0.955	0.953	0.695	0.956	0.954	0.700
1. I do not want my friends and acquaintances to see that I buy products from Brand X that make me feel embarrassed	0.829			0.884		
2. I feel embarrassed because of the brands I use	0.880			0.931		
3. When friends and acquaintances comment on Brand X that I use, it makes me feel uncomfortable	0.880			0.895		
4. I avoid using Brand X products in the presence of friends and acquaintances in the future	0.805			0.819		
5. I find buying products (from Brand X) embarrassing	0.856			0.893		
6. Shopping at Brand X retailers make me feel uncomfortable	0.812			0.756		
7. I feel embarrassed when I believe that others think the worse of me because of the Brand X I use	0.854			0.817		
8. Using Brand X products in the presence of friends and acquaintances is embarrassing to me	0.903			0.904		
9. I avoid using Brand X products in public	0.852			0.785		
Perceived Justice (Oliver & Swan, 1989 and Tax et al., 1998)	0.870	0.863	0.559	0.861	0.863	0.561
1. Brand X shows adequate flexibility in dealing with a feeling of embarrassed customers	0.836			0.792		
2. The outcome I receive is fair	0.846			0.848		
3. In solving the problem, Brand X give me what I need	0.817			0.754		
4. Brand X staff is appropriately concerned about a feeling of embarrassed customers	0.655			0.773		
5. Brand X staff communications with me are appropriate	0.798			0.777		
Self-connective Attachment[ATT] (Kim, Lee, & Lee, 2005)	0.890	0.894	0.679	0.875	0.879	0.646
1. I am intrigued by Brand X because it shows who I want to be	0.462			0.566		
2. Brand X goes so well with my lifestyle that I would feel empty without it	0.808			0.886		
3. Given that Brand X represents who I am, I would feel empty without it	0.887			0.918		
4. I like Brand X because it makes me feel more special than other people	0.840			0.814		
Trust (Kim, Lee, & Lee, 2005)	0.854	0.854	0.661	0.829	0.83	0.619
1. Brand X always cares about the consumer's needs	0.568			0.765		
2. Brand X keeps its promises	0.627			0.784		
3. Whatever happens, I believe that Brand X would help me	0.589			0.649		
Satisfaction[SAT] (Kim, Lee, & Lee, 2005)	0.933	0.931	0.658	0.935	0.935	0.645
1. Brand X is exactly what I want	0.548			0.635		
2. I do not regret choosing Brand X	0.675			0.826		
3. I really like Brand X	0.908			0.900		
4. Using Brand X is a good experience for me	0.836			0.843		
5. The performance of Brand X is better than I expected	0.573			0.703		
6. I really enjoy using Brand X	0.885			0.884		
7. I want to keep using Brand X	0.920			0.884		
8. I enjoy my relationship with Brand X, so I want to keep buying it	0.868			0.768		

Table 5-4 and Table 5-5 demonstrate the standardised loadings of the measured variables and the variance extracted and CR for each construct in the model (full sample dataset and two brand embarrassment types datasets). The results show that all the scales have met the measurement requirements: the standardised loadings fall within the range 0.531–0.956; the CR exceeds .6, as recommended by Bagozzi and Yi (1988), ranging from 0.839 to 0.954; and the AVE ranges from 0.565 to 0.698, which exceeds the criterion of .5 (Fornell & Larcker, 1981).

As in study 1, satisfaction, trust, and self-connective attachment are the dimensions of the BRQ scale. The alpha value of each dimension of the scale is above 0.8, showing that the inter-items are correlated. The inter-items of the brand embarrassment scale are highly correlated, as the alpha value is 0.92. Therefore, both scales are deemed reliable scales for this study.

Two new constructs were discovered after factor analysis. They are deployed from Oliver and Swan's (1989) and Tax et al. (1998)'s dimensions of perceived justice (i.e., procedural justice, interactional justice, and distributive justice), which consist of both positively worded measuring items and negatively worded measuring items. The first construct is made up of the three dimensions of perceived justice (**positively worded**). The second construct comprises the three dimensions of perceived justice (**negatively worded**). Results show that the combination of the procedural justice, interactional justice, and distributive justice reflects the measurement of the perceived justice of the brand remedial tactics, so, it is renamed as restorative justice for this research. For each of the constructs in this framework, Cronbach's alpha, CR, and AVE far exceed the minimum requirements.

Table 5-6 and Table 5-7 demonstrate no discriminant validity concerns for the full sample dataset and two social situations datasets. The CR of all constructs exceeds 0.75, showing the high reliability of the constructs. The low MSV shows that the factor is not likely to be explained by other constructs' items; that is, the item in trust is not measuring a feeling of brand embarrassment. These results depict that the scales of constructs used in the brand embarrassment model are reliable and valid. The CR of the scales and the AVE for each factor in the social presence and social absence conditions met the respective minimum cut-off (Hair et al., 2012), which suggests that the scales had high reliability and no validity concerns.

Table 5- 6: Results of Discriminant Validity Test (Full Sample Dataset of Study 2)

Discriminant Validity for Full Sample Dataset

	CR	AVE	MSV	MaxR(H)	BEM	SAT	RJ	ATT	TRUST
BEM	0.954	0.698	0.158	0.960	0.835				
SAT	0.935	0.643	0.558	0.942	-0.398	0.802			
RJ	0.867	0.567	0.349	0.875	-0.012	0.315	0.753		
ATT	0.886	0.662	0.384	0.896	-0.010	0.620	0.140	0.814	
TRUST	0.842	0.640	0.558	0.843	-0.208	0.747	0.502	0.581	0.800

Notes: BEM: Emotion Recovery, SAT: Satisfaction, RJ: Restorative Justice, ATT: Self-connective Attachment

Table 5- 7: Results of Discriminant Validity Test (Two Social Situations)

Discriminant Validity for Social Presence Dataset

	CR	AVE	MSV	MaxR(H)	BEM	SAT	RJ	ATT	TRUST
BEM	0.953	0.695	0.211	0.961	0.833				
SAT	0.931	0.658	0.558	0.936	-.459	0.811			
RJ	0.863	0.559	0.408	0.865	-.021	0.361	0.747		
ATT	0.894	0.679	0.397	0.902	-.039	0.630	0.133	0.824	
TRUST	0.854	0.661	0.658	0.857	-.275	0.811	0.520	0.615	0.813

Notes: BEM: Emotion Recovery, SAT: Satisfaction, RJ: Restorative Justice, ATT: Self-connective Attachment

Discriminant Validity for Social Absence Dataset

	CR	AVE	MSV	MaxR(H)	BEM	SAT	RJ	ATT	TRUST
BEM	0.954	0.700	0.132	0.960	0.837				
SAT	0.935	0.645	0.477	0.943	-.364	0.803			
RJ	0.863	0.561	0.294	0.878	0.005	0.285	0.749		
TRJ	0.838	0.564	0.294	0.841	0.116	-.143	-.542		
ATT	0.879	0.646	0.332	0.894	0.016	0.576	0.127	0.804	
TRUST	0.830	0.619	0.477	0.830	-.145	0.691	0.495	0.539	0.787

Notes: BEM: Emotion Recovery, SAT: Satisfaction, RJ: Restorative Justice, ATT: Self-connective Attachment

In earlier hypothesis development, it is posited that in a post-recovery appraisal, consumers reappraise and re-evaluate their situation after a brand delivers them a remedial offer, which influences their perceived justice, the level of brand embarrassment, the brand relationship quality (including satisfaction, attachment and satisfaction), and repurchase intentions. After confirming the appropriateness of the measurement model, SEM was used to test the theoretical framework, and the whole cognitive and affective process at once. The structural model with five constructs (i.e.,

restorative justice, brand relationship quality, emotion recovery, brand embarrassment type, and repurchase intentions).

Partial least squares (PLS) is one of the structural equation modelling (SEM) methods. PLS-SEM serves as a distinct method for analysing composite-based path models. Hair, Risher, Sarstedt, and Ringle (2019) suggest that it is suitable for researchers to use PLS or PLS-SEM when the research is based on secondary data and lacks normality. As the second conceptual framework (Fig. 3-2) includes a nominal variable (brand embarrassment type), a covariance-based SEM was used to test the model fit (Table 5-8), and the causal relationship between variables (Table 5-9).

The hypothesised relationships were examined by using AMOS Graphics 26, using the ML estimation. Table 5-8 shows that the structural model fit indices are within the acceptable range. A good fit occurs between the observed data and the proposed model. The fit indices of the structural model is: $CMIN/DF = 0.247$, $CFI = 1.00$, $RMSEA = .000$, $LO90 = .000$, $HI90 = .065$, $SRMR = .000$. The normal chi-square is smaller than value of 3 suggested by Carmines and McIver (1981).

The fit indices of the structural model in the social presence condition are as follows: $CMIN/DF = 0.427$, $CFI = 1.000$, $RMSEA = .000$, $LO90 = .000$, $HI90 = .068$, $SRMR = .000$. Results also indicate that the structural model in the social absence condition is a good fit: $CMIN/DF = 2.699$, $CFI = 0.998$, $RMSEA = .057$, $LO90 = .000$, $HI90 = .117$, $SRMR = .000$. Therefore, both models were adopted in the present study. It also indicates a good model fit that can take the sample size into consideration.

Table 5- 8: Model Fits for the Structural Model (Study 2)

Fit Indices	Measurement Model	Structural Model
CMIN/DF	2.570	0.247
CFI	0.946	1.000
RMSEA	0.039	0.000
LO90	0.037	0.000
HI90	0.041	0.065
SRMR	0.000	0.000

5.4.2 Methods of Analysis

Study 2 aims to examine how restorative justice influences emotion recovery and what the role of brand embarrassment types in the emotion recovery process. As mentioned in the literature, it is argued that there is an effect of brand relationship quality and emotion recovery, together with the type of brand embarrassment, on the relationship between restorative justice and repurchase intention.

5.4.2.1 Tool for mediation and moderation analyses

To measure the mediating and moderating effects in the relationships, researchers adopt path analysis (Edwards & Lambert, 2007) and measure conditional indirect effect (Preacher et al., 2007) in the last 15 years. Conditional process analysis is commonly used in the empirical literature of many disciplines, including in social psychology (Kung et al., 2016), cognitive psychology (Rodriguez & Berry, 2016), business, marketing, and management (Karnal et al., 2016), and communication (Gvirsman, 2014).

When one's research goal is to describe the conditional nature of the mechanism(s) by which a variable transmits its effect on another and testing hypotheses about such contingent effects, conditional process analysis is used (Hayes et al., 2017). It combines and focuses on the estimation and interpretation of the conditional nature (the moderation component) of the indirect and/or direct effects (the mediation component)

of X on Y in a causal system. Since study 2 aims to examine what and how the brand embarrassment is recovered and the interaction with brand embarrassment type after the negative brand publicity happened, conditional process analysis is deemed appropriate for the mediation, moderation and moderation mediation analyses. Technically, the moderating variable (brand embarrassment types) is a categorical variable in the mediating relationships, Hayes (2017)'s PROCESS bootstrapping is the adequate analytical tool.

5.5 Hypothesis Testing and Results

This part of the thesis aims to examine the cognitive appraisal process at the post-recovery stage in the context of negative brand publicity. After the literature review section, H4 through H7 is developed. H4 through H6 test the consumers' affective and behavioural responses after appraising brand remedial tactics. H7 compares the effects of brand embarrassment types and brand remedial tactics on the consumer appraisal process in two brand embarrassment types (public brand embarrassment vs. private brand embarrassment).

Gender, age and ethnicity were the control variables for the model (Fig. 4-1) in study 2. An independent samples t-test was used to compare repurchase intention reported by male participants ($n = 477$) and female participants ($n = 564$). The result of Levene's test was non-significant; thus, equal variances can be assumed. The two-tailed t-test was statistically non-significant for male participants ($M = 3.75$, $SD = 1.42$) and female participants ($M = 3.58$, $SD = 1.50$), $t(1039) = 1.83$, $p > 0.05$.

To compare repurchase intention reported by the participants in different age groups, a one-way between groups analysis of variance (ANOVA) was conducted. The ANOVA assumptions of normality and homogeneity of variance were not violated, and the F test was not significant, $F(5, 1035) = 2.04$, $p = 0.07$.

An independent samples t-test was used to compare repurchase intention reported by UK participants (n = 532) and non-UK participants (n = 509). The result of Levene's test was non-significant; thus, equal variances can be assumed. The t-test was statistically non-significant for UK participants (M = 3.70, SD = 1.48) and non-UK participants (M = 3.61, SD = 1.45), $t(1039) = 1.06$, $p > 0.05$ (two-tailed)

5.5.1 Full Sample of Brand Embarrassment Recovery Process

5.5.1.1 Causal Relationships between Variables

First, casual relationships between variables were measured. Restorative justice, brand relationship quality, and emotion recovery were taken as independent variables, while repurchase intentions was a dependent variable. Table 5-9 shows that brand relationship quality (beta =1.481, $p < 0.01$) and emotion recovery (beta =.149, $p < 0.01$) increase repurchase intention. Brand relationship quality increases emotion recovery, but restorative justice cannot reduce the negative emotion. Restorative justice only enhances the brand relationship quality. Therefore, if brand managers solely deliver problem-focused brand communications, the embarrassed consumers in the negative brand publicity event will not consider future purchase unless they can manage their consumer relationship and mitigate the consumers' brand embarrassment feeling.

Table 5- 9: Results of causal relationship between variables

Path		Estimate	S.E.
RestorativeJustice	--> BrandReQuality	0.427***	0.046
BrandReQuality	--> EmotionRecovery	0.467***	0.057
RestorativeJustice	--> EmotionRecovery	0.042	0.088
RestorativeJustice	--> RepurchaseIntention	-0.186***	0.057
EmotionRecovery	--> RepurchaseIntention	0.149***	0.02
BrandReQuality	--> RepurchaseIntention	1.481***	0.038

*** Significant at 0.01 level; ** significant at 0.05 level; * significant at 0.10 level

5.5.1.2 *Brand relationship quality and emotion recovery as mediators in the relationship between restorative justice and repurchase intention*

H4: Brand relationship quality and emotion recovery mediates the relationship between restorative justice and repurchase intention

H4a: Brand relationship quality mediates the relationship between restorative justice and repurchase intention

H4b: Emotion recovery mediates the relationship between restorative justice and repurchase intention

H5: Emotion recovery mediates the relationship of brand relationship quality and repurchase intention

As discussed in the literature and hypotheses development sessions, our argument is that in the relationship between restorative justice and repurchase intentions, the brand relationship quality and emotion recovery are taking mediating role. When a brand has high quality of relationship with the consumers, it is insufficient to increase the repurchase intentions unless the brand embarrassment feeling is recovered. These relationships indicate mediation occurs (antecedent variable X transmits its effect on a consequent variable Y through one or more intermediary variable(s)). The mediation analysis was performed by Hayes (2018)'s PROCESS approach, based on 95 percent bias-corrected confidence intervals with 2000 times bootstrap resampling.

Table 5- 10: Summary of the mediation results of brand relationship quality and emotion recovery (full sample model)

Direct Effect			b	CI
RestorativeJustice	-->	BrandReQuality	0.2165	[.1775, .2556]
BrandReQuality	-->	EmotionRecovery	-.5147	[-.6782, -.3512]
RestorativeJustice	-->	EmotionRecovery	-.2918	[-.4031, -.1806]
RestorativeJustice	-->	RepurchaseIntention	-.0277	[-.0789, .0235]
EmotionRecovery	-->	RepurchaseIntention	-.0856	[-.1123, -.0589]
BrandReQuality	-->	RepurchaseIntention	1.4864	[1.4103, 1.5625]
Indirect Effect				
RestorativeJustice	-->	BrandReQuality --> EmotionRecovery --> RepurchaseIntention	0.6681	[.5161, .8287]
RestorativeJustice	-->	BrandReQuality --> RepurchaseIntention	0.6324	[.4946, .7764]
RestorativeJustice	-->	EmotionRecovery --> RepurchaseIntention	0.0357	[.0034, .0711]
BrandReQuality	-->	EmotionRecovery --> RepurchaseIntention	0.0699	[.0455, .0975]

The mediation bootstrapping results (table 5-10) indicated that brand relationship quality and emotion recovery are the serial mediators in the relationship between restorative justice and repurchase intention (b=0.6681, CI [0.5161, 0.8287]), supporting H4.

The indirect effect of brand relationship quality for restorative justice on repurchase intention is significant (b=0.6324, CI [0.4946, 0.7764]), supporting H4a. Moreover, the indirect effect of emotion recovery for restorative justice on repurchase intention is significant (b=0.0357, CI [0.0034, 0.0711]), supporting H4b. These effects indicate full mediation occurs as the direct effect between restorative justice and repurchase intention is insignificant.

In the relationship between brand relationship quality and repurchase intention, bootstrapping results showed that the indirect effect of emotion recovery in the relations (b=0.0699, CI [0.0455, 0.0975]) is significant, supporting H5. However, this effect indicates a partial mediation as there is a significant direct effect of brand relationship quality on repurchase intention (b=1.4864, CI [1.4103, 1.5625]).

5.5.2 Impact of the situational factor – brand embarrassment type

H6: Brand embarrassment type moderates the mediating effect of emotion recovery on the relationship between brand relationship quality and repurchase intention

After the discussion of literature in chapters 2 and 3, the argument is brand embarrassment type influences the effect on repurchase intention. In the research framework of study 2, it is proposed that moderated mediation would occur. Repurchase intention (namely Y) served as a consequent variable in the analyses. Brand relationship quality is the independent variable (X) in H6. Emotion recovery (denotes as M) is the mediator in the relationship between X and Y. Brand embarrassment type (W) was experimentally manipulated (public brand embarrassment is 1 and private brand embarrassment is 2) and functioned as a moderator in the analyses.

To examine the effect of brand embarrassment type on emotion recovery process, the moderated mediation analysis was performed by Hayes' (2009) PROCESS approach (model 15). The focus of the analysis is to estimate and interpret the conditional direct and indirect effect. This conditional process model comprises of three analyses: 1) the indirect effect of X on Y through M; 2) the interaction effect of M and W on Y; and 3) the interaction effect of X and W on Y. It is based on 95 percent bias-corrected confidence intervals with 2000 times bootstrap resampling.

Table 5- 11: Summary of the moderating effects of brand embarrassment type on the relationship between brand relationship quality and repurchase intention

Direct Effect			b	CI
BrandReQuality	-->	EmotionRecovery	0.4732	[.3649, .5815]
EmotionRecovery	-->	RepurchaseIntention	0.1983	[.1423, .2543]
BrandReQuality	-->	RepurchaseIntention	1.4154	[1.3150, 1.5158]
Indirect Effect				
BrandReQuality --> EmotionRecovery --> RepurchaseIntention			0.0699	[.0455, .0975]
Interaction Effect				
BrandReQuality x BrandEmbarrassmentType --> RepurchaseIntention			0.0778	[-.0688, .2244]
EmotionRecovery x BrandEmbarrassmentType --> RepurchaseIntention			-.1044	[-.1840, -.0248]
Moderated Mediation Effect				
BrandReQuality --> EmotionRecovery --> RepurchaseIntention				
		Brand Embarrassment Type: Public	0.0938	[.0601, .1337]
		Brand Embarrassment Type: Private	0.0444	[.0161, .0777]
		Index of moderated mediation	-.0494	[-.0944, -.0098]

The PROCESS moderation results (table 5-11) showed that there is a significant interaction effect between emotion recovery and brand embarrassment type on repurchase intention ($b = -.1044$, $t(1035) = -2.5744$, $p < .05$). It indicates that brand embarrassment type is a moderator in the relationship. This study also seeks to examine the moderation effect in the mediating relationship. The bootstrapping results revealed that the moderated mediation index is $-.0494$ ($CI = [-.0944, -.0098]$), supporting H6. Results reveal that brand embarrassment type influences the mediating effect of emotion recovery on repurchase intentions. Public brand embarrassment exerts greater impact than private brand embarrassment.

Table 5- 12: Summary of the moderating effects of brand embarrassment type on the relationship between Restorative Justice and Repurchase Intention

Direct Effect			b	CI
RestorativeJustice	-->	EmotionRecovery	0.2403	 [.0690, .4115]
EmotionRecovery	-->	RepurchaseIntention	0.355	 [.2696, .4404]
RestorativeJustice	-->	RepurchaseIntention	0.384	 [.1382, .6299]
Indirect Effect				
RestorativeJustice --> EmotionRecovery --> RepurchaseIntention			0.0357	 [.0034, .0711]
Interaction Effect				
RestorativeJustice x BrandEmbarrassmentType --> RepurchaseIntention			0.0319	[-.3066, .3703]
EmotionRecovery x BrandEmbarrassmentType --> RepurchaseIntention			-.0338	[-.1536, .0860]
Moderated Mediation Effect				
RestorativeJustice --> EmotionRecovery --> RepurchaseIntention				
		Brand Embarrassment Type: Public	0.0853	 [.0095, .1659]
		Brand Embarrassment Type: Private	0.0772	 [.0084, .1565]
		Index of moderated mediation	-.0081	[-.0432, .0251]

Side test: Although emotion recovery mediates the relationship between restorative justice and repurchase intention (H4b), there is no interaction with the brand embarrassment type. The PROCESS mediation bootstrapping results (table 5-12) revealed that the moderated mediation is insignificant ($b = -.0081$; $CI = [-.0432, .0251]$). It indicates that brand embarrassment type is not a moderator in the relationship between restorative justice \rightarrow emotion recovery \rightarrow repurchase intention.

5.5.3 Impact of the situational factor – the role of brand remedial tactics

H7 Brand relationship quality and emotion recovery mediates the relationship between restorative justice and repurchase intention in all brand remedial tactic cases

This study also seeks to compare the process model difference among the four brand remedial tactics. SEM allows researchers to test the variance across the groups in the structural model. If the invariance cannot be verified for the model, the analysis of path differences based on the theories needs to be conducted to examine the

differences between groups (Byrne, 2013).

The multi-group analysis was performed with AMOS version 26. In the structural model, the results of the invariance test were found to be statistically different $\chi^2(21) = 49.159$ ($p=.00$). It indicates that the differences between the four models were significant at model level, in other words, the brand recovery re-appraisal process are different under the four brand remedial tactics.

Below table 5-13 shows the SEM results of each of the brand remedial tactics. In all brand remedial tactics cases, restorative justice is significantly and positively related with brand relationship quality. Brand relationship quality and emotion recovery are significantly related with repurchase intention.

In most of the cases except personalised letter, the brand relationship quality is statistically related with emotion recovery; in the full compensation case, the restorative justice also recovers the emotion ($\beta=-0.51$, $p<0.05$), but it does not lead to repurchase intention ($\beta=0.107$, $p>0.05$). It indicates that full compensation tactic is more effective to recover loyal consumers' feeling of brand embarrassment.

Table 5- 13: SEM results for the brand remedial tactics

Path	Simple procedure		Full compensation		Personalised letter		CEO resignation	
	Estimate	P	Estimate	P	Estimate	P	Estimate	P
RestorativeJustice ---> BrandReQuality	0.312	0.004	0.3	0.015	0.553	***	0.462	***
BrandReQuality ---> EmotionRecovery	0.386	***	0.612	***	0.103	0.395	0.764	***
RestorativeJustice ---> EmotionRecovery	0.048	0.816	-0.51	0.015	0.228	0.18	-0.218	0.169
RestorativeJustice ---> RepurchaseIntention	-0.334	0.008	0.107	0.472	-0.017	0.876	-0.332	0.002
EmotionRecovery ---> RepurchaseIntention	0.096	0.012	0.23	***	0.132	***	0.163	***
BrandReQuality ---> RepurchaseIntention	1.608	***	1.445	***	1.459	***	1.366	***

The bootstrapping mediation results (table 5-14) showed that brand relationship quality and emotion recovery simultaneously mediate the relationship between restorative justice and repurchase intention for all cases except full compensation. When I measure each mediator separately, the indirect effect of restorative justice on repurchase intention through brand relationship quality is significant for all four brand

remedial tactics, but emotion recovery cannot explain the indirect effect of the relationship in any of these four brand remedial tactics.

Interestingly, the direct relationship between restorative justice and repurchase intention is also significant in the case of simple procedure tactic and CEO resignation tactic. However, this relationship is negative for SEM results, meaning restorative justice reduces repurchase intention in the case of simple procedure (beta=-.334, p<.01) and of CEO resignation (beta=-.332, p<.01). This indicates that the mediation effect of brand relationship quality between restorative justice and repurchase intention is inconsistent. H7 is partially supported. Below table summarizes the mediation results of brand relationship quality and emotion recovery for the four brand remedial tactics.

Table 5- 14: Summary of the PROCESS Mediation and Moderated Mediation Results for Brand Remedial Tactics

			Simple procedure		Full compensation		Personalised letter		CEO resignation					
Direct Effect			b	CI	b	CI	b	CI	b	CI				
RestorativeJustice	-->	BrandReQuality	0.3118	[.0953, .5283]	0.3	[.0572, .5428]	0.5534	[.3948, .7121]	0.4623	[.3006, .6240]				
BrandReQuality	-->	EmotionRecovery	0.3762	[.158, .5996]	0.5732	[.3689, .7774]	0.1663	[-.057, .3862]	0.7093	[.4957, .9228]				
RestorativeJustice	-->	EmotionRecovery	0.1649	[-.2430, .5727]	[△] .3287	[-.7625, .1051]	0.2824	[-.0266, .5913]	0.1389	[-.1818, .4597]				
RestorativeJustice	-->	RepurchaseIntention	[△] . 3192	[-.5719, -.0666]	0.1068	[-.1876, .4013]	[△] .0378	[-.255, .1839]	[△] . 3003	[-.5153, -.0853]				
EmotionRecovery	-->	RepurchaseIntention	0.0948	[.0181, .1714]	0.2299	[.1440, .3158]	0.14	[.0602, .2198]	0.1521	[.0683, .2359]				
BrandReQuality	-->	RepurchaseIntention	1.6155	[1.4707, 1.7603]	1.4448	[1.2913, 1.5983]	1.4807	[1.3251, 1.6362]	1.3672	[1.1997, 1.5347]				
Indirect Effect														
RestorativeJustice	-->	BrandReQuality	-->	EmotionRecovery	-->	RepurchaseIntention	0.5173	[.1289, .8783]	0.3579	[-.0473, .8000]	0.845	[.5923, 1.1342]	0.6539	[.3565, .9562]
RestorativeJustice	-->	BrandReQuality	-->	RepurchaseIntention	0.5015	[.1235, .8630]	0.4334	[.0863, .8354]	0.8077	[.5829, 1.0780]	0.6313	[.3766, .8993]		
RestorativeJustice	-->	EmotionRecovery	-->	RepurchaseIntention	0.0159	[-.0285, .0718]	[△] .0756	[-.2076, .0386]	0.0374	[-.0217, .1166]	0.0226	[-.0389, .0967]		
BrandReQuality	-->	EmotionRecovery	-->	RepurchaseIntention	0.0356	[.0061, .0783]	0.1291	[.0678, .2010]	0.0219	[-.0112, .0695]	0.123	[.0572, .2000]		
Interaction Effect														
RestorativeJustice	x	BrandEmbarrassmentType	-->	RepurchaseIntention	[△] -.1881	[-.6925, .3163]	[△] -.0026	[-.6020, .5969]	0.1128	[-.3376, .5632]	0.4495	[.0200, .8790]		
BrandReQuality	x	BrandEmbarrassmentType	-->	RepurchaseIntention	0.2326	[-.0578, .5230]	0.0131	[-.2979, .3242]	[△] .0712	[-.3847, .2424]	0.0065	[-.3280, .3411]		
EmotionRecovery	x	BrandEmbarrassmentType	-->	RepurchaseIntention	[△] -.0483	[-.2017, .1051]	[△] -.0959	[-.2705, .0786]	△.1627	[-.325, -.0019]	[△] -.0484	[-.2160, .1192]		
Moderated Mediation Effect														
BrandReQuality	-->	EmotionRecovery	-->	RepurchaseIntention										
		Brand embarrassment type: Public			0.0433	[.0033, .1023]	0.1551	[.0807, .2430]	0.0368	[-.0200, .1062]	0.148	[.0622, .2525]		
		Brand embarrassment type: Private			0.0274	[-.0121, .0763]	0.0972	[.0202, .1865]	0.0107	[-.0101, .0506]	0.0916	[.0015, .1830]		
		Index of Moderated Mediation			[△] -.0159	[-.0807, .0421]	[△] -.0578	[-.1652, .0397]	[△] -.0261	[-.0881, .0175]	[△] -.0563	[-.1884, .0575]		
RestorativeJustice	-->	EmotionRecovery	-->	RepurchaseIntention										
		Brand embarrassment type: Public			0.0195	[-.0370, .0939]	[△] -.0895	[-.2599, .0430]	0.0641	[-.0436, .1758]	0.0245	[-.082, .1128]		
		Brand embarrassment type: Private			0.0115	[-.0253, .0672]	[△] -.0580	[-.1762, .0291]	0.0182	[-.0161, .0882]	0.0178	[-.0303, .0853]		
		Index of Moderated Mediation			[△] -.0080	[-.0674, .0390]	0.0315	[-.0328, .1522]	[△] -.0459	[-.1383, .0389]	[△] -.0067	[-.0677, .0323]		

Further analysis was conducted to examine an interaction effect of brand embarrassment type on the relationship between restorative justice and repurchase intention. In the same table, the bootstrapping results revealed that brand embarrassment type is a moderator in the case of CEO resignation (b=.4495,

CI[.0200, .8790]) but no significant moderating effect in other brand remedial tactics. Moderated mediation analysis was also carried out. In a full sample model, brand embarrassment type is the moderator between emotion recovery and repurchase intention and moderated the indirect effect of brand relationship quality and repurchase intention through the emotion recovery. The moderating role of brand embarrassment type in the relationship is only significant in the case of personalised letter ($b=.1627$, $CI[-.325, -.0019]$), however, no significant moderated mediation effect was found ($b=-.0261$, $CI[-.0881, .0175]$).

The overall results indicate that if the brand only provides one remedial tactic at a time, consumers will not concern the effect of brand embarrassment type (public vs private) on their future purchase. However, when I put all the brand remedial tactics and analysed together, consumers who consider brand relationship quality in their purchase decision-making process or when they have high quality of consumer-brand relationship, public and private brand embarrassment will change their emotion recovery process.

5.6 Data Interpretation and Discussion

Study 2 employed the brand embarrassment scenarios with different brand recovery tactics. It aims to examine their effects on customers' cognitive and affective responses and to compare customers' appraisal process in different scenarios. The contribution of this study is to explore and understand what and how the brand embarrassment be recovered under different brand remedial tactics, which shows little concern in the embarrassment literature.

Perceived justice was used to measure how customers perceive the fairness of brand recovery compensation with respect to all the losses or damages they suffered from the brand negative publicity. The results were inconsistent with the brand

management literature. Previous studies revealed that each type of perceived justice explains its effects on the individual's emotion and behaviours (Choi & Choi, 2014; Hwang et al., 2019; Kuo & Wu, 2012). However, in this study, the factor analysis results demonstrate that customers evaluate the fairness of the brand recovery by grouping all three types of the perceived justice (i.e., distributive justice, procedural justice, and interactional justice) when appraising how the perceived justice are restored. Skitka (2003) suggested that identity threats activate justice reasoning. This quantitative study provides further evidence that embarrassment evoked by brand negative publicity activates holistic justice reasoning. Same factor analysis results were found in all brand embarrassment models, whether the full data model or the embarrassment scenario models.

5.6.1 Full Sample Emotion Recovery Process

In study 1, results showed that brand relationship quality and social presence influence the strength of brand embarrassment when negative brand publicity occurred. However, individual difference in their brand relationship and the impact of social presence on them lead to different attributes of evaluating brand information. In study 2, I further examine that under the four brand remedial tactics, there are differences in brand embarrassment recovery process. I emphasize the argument lies in the effect of brand relationship quality and emotion recovery, together with the type of brand embarrassment, on the relationship between restorative justice and repurchase intention. This study contributes to the understanding of emotion recovery in negative brand publicity by mapping out the appraisal process in terms of why and how the negative emotion is recovered, taking all the cognitive, affective, and situational factors into consideration simultaneously.

The brand embarrassment recovery process starts with the evaluative factor (i.e.,

restorative justice) after the brand announces a remedial tactic, the results suggested that this factor plays an essential role in the appraisal process in the context of negative brand publicity. The direct effect of restorative justice on repurchase intention is insignificant. The impact of restorative justice on repurchase intention is conveyed through the brand relationship quality and emotion recovery, as seen from the mediation results. When the emotion recovery works as a second mediator, the chain mediation effect of brand relationship quality becomes significant. For the full sample size data model, brand relationship quality alone or emotion recovery alone do mediate the relationship between restorative justice and repurchase intention, but the former is more salient. This suggests that the quality of consumers' brand relationship explains the effect of restorative justice on the intention to repurchase in the context of negative brand publicity.

Although emotion recovery is a weak mediator, it plays a mediation role in the relationship between brand relationship quality and repurchase intention. This mediating effect is more salient when compared to indirect effect of restorative justice on repurchase intention. In study 1, results show that social presence increases the strength of brand embarrassment, thus, in study 2, brand embarrassment type is added as a moderator in the mediation model to uncover the conditional nature of the emotion recovery process.

In an embarrassment literature, cognitive-focused coping strategy (e.g., increase basket size and/or complimentary products) or emotional-focused coping strategy or avoidance approach can help consumers to reduce the embarrassment feeling (Han, Duhachek, and Rucker, 2015). In a branding context, consumers prefer a brand uses a communication with a strong sense of justice and loyalty to mitigate their self-esteem threats (Hartwell & Chen, 2012). Lowered self-esteem due to the negative and embarrassing brand event lead to brand embarrassment. This result provides further

evidence that when consumers evaluate the brand remedial tactics, the cognitive appraisal of restorative justice is processed. High cognitive loads and mental distraction influence self-appraisal and resulting low level of embarrassment (Krishna et al., 2019). When the brand remedial tactics distract the embarrassed consumers, occupy their cognitive resources, it triggers their self-appraisal process.

Results depict that brand relationship quality and emotion recovery mediates the relationship between restorative justice and repurchase intention provides further support to study 1. Study 1 delineates that strength of brand embarrassment is associated with brand relationship quality. Thus, in the emotion recovery process, consumers will go through brand relationship quality before emotion elicitation and subsequent behaviour. It also indicates that brand relationship quality is a critical factor to influence consumers' feeling of brand embarrassment feeling. This finding contributes to the extension of cognitive appraisal theory that consumer-brand relationship should be taken into account for embarrassed consumers towards negative brand publicity.

5.6.2 The Impact of the Brand Embarrassment Type on Emotion Recovery Process under Brand Remedial Tactics

In study 1, social context (social presence vs social absence) influence the brand embarrassment level. It is widely studied in the embarrassment literature the threatened social image or identity made consumers more embarrassed. When it comes to coping context, the results show that the type of brand embarrassment does interact with emotion recovery and have attitudinal impacts on future purchase. In embarrassment literature, people feel embarrassed because they think others think worse of them and do not have the same social norm or identity with their social group. Individuals use emotional-coping strategies to cope with social exclusion threats (Han et al., 2015).

They prefer the brand to provide social support to mitigate the effects of social exclusion (MacDonald & Leary, 2005). They hope to get support from the others, in other words, they do not want others to isolate them and exclude them in the community. Thus, whether the brand communications can cope with social exclusion threats depends on how effective of the emotional-coping attributes to influence the level of brand embarrassment recovery. Findings of studies 1 and 2 also provide insights to managers that public emotion and private emotion not only exists in the emotion elicitation process but also occur in the emotion recovery process and future decision-making. This extends further understanding of embarrassment literature.

As discussed in the literature review chapter and the hypotheses development chapter, this thesis argues that brand relationship quality and the brand embarrassment type (public vs private) plays a significant direct effect and indirect effect on the strength of brand embarrassment. This argument was first evidenced by the findings of study 1 and then reinforced in study 2. For example, in table 5-6, results showed that high quality of customer-brand relationship reduces the strength of brand embarrassment, particularly when customers receive the announcement of CEO resignation, full compensation, and product recalls with simple procedure. In the case of personalised letter, brand embarrassment type moderates the relationship between emotion recovery and repurchase intentions, this effect is insignificant for the other brand remedial tactics.

Brand relationship quality and emotion recovery in this sequence mediate the effect of restorative justice on repurchase intention in most of the brand remedial tactics except full compensation. When consumers receive the full compensation after the negative brand publicity, brand relationship quality has the indirect effect on their repurchase intention, but not from the indirect effect of emotion recovery.

In terms of emotion recovery, the results of direct effect suggest that restorative

justice is not significantly associated with emotion recovery in each brand remedial tactic and a full sample model, but the brand relationship quality is positively and significantly affected the emotion recovery.

The mediation analysis provide evidence to suggest that brand relationship quality have positive effects on repurchase intentions especially for the case of simple procedure and CEO resignation. Consumers' are likely to patronage the company in the future if they have a good relationship with the brand. This study demonstrated that simple procedure, full compensation, and CEO resignation reduced the brand embarrassment feeling that finally lead to repurchase intentions. It indicates these brand remedial tactics (except personalised letter) evoked emotional responses. It is suggested that the content of personalised letter could demonstrate and highlight how consumers' fairness to be restored. Although emotion recovery explains the positive relationship between brand relationship quality and repurchase intention, high restorative justice of brand remedial tactics plays more important role on consumers' future consumption.

In the context of full compensation and full sample model, the indirect effect of emotion recovery is significant between brand relationship quality and repurchase intention when consumers evoked brand embarrassment in public or privately after negative brand publicity. The bootstrapping results delineated that the social presence or social absence threatened consumers' social self. In order to restore consumers' self in this embarrassing situation, they will escape or discontinue the relationship with the brand as well as reduce future purchase. Since full compensation involves both monetary and non-monetary compensation which motives psychological repair, brand embarrassment will be reduced. This brand remedial tactic reduces consumers' public and private brand embarrassment and indirectly increase the repurchase intentions.

The results reveal that full compensation (that is, 100% product price reimbursement and two hotel dinner coupons) can better satisfy embarrassed customers

and reduce their brand embarrassment feeling than a personalised letter and CEO resignation. One possible explanation of the results is that when individuals suffer from threats of self-identity and/or social identity due to brand negative publicity, the repair of self-image (i.e., by experiencing luxury dining) and avoiding social attention (i.e., receiving a refund for the product and being no longer associated with the brand) cannot be separately resolved. This finding extends the embarrassment literature by showing that in a particular situation, repairing the self and social image should be included in coping strategies instead of either repairing self-image or avoiding social attention. It can also explain why embarrassed customers appraise the remedial offer in a consolidated way (taking full compensation as an example, the product refund exhibits procedural and distributive justice, and the hotel coupon provided by the company reveals the interactional justice). When the remedial offer satisfies the customers' consolidated perceived justice, justice restoration becomes positive, which weakens the strength of brand embarrassment.

5.7 Chapter Summary

This chapter presents the quantitative approach for study 2. Similar to study 1, the characteristics of the participants, a scenario-based web experiment design, the adoption of measurement scales, and the results of scale purification are elaborated. To test the theoretical framework and provide empirical evidence for the post-brand recovery process differences under different brand remedial tactics. The data analysis results and the data interpretation are then presented and discussed. The next chapter will proceed to the general discussion, theoretical contributions, managerial implications, research limitations, and future directions of the research.

Table 5- 15: Hypothesis Testing Summary

Hypotheses	Testing Results
H1: High quality of brand relationship reduces the level of brand embarrassment when negative brand publicity occurs.	H1 Supported
H2: High perceived severity of negative brand publicity increases the level of brand embarrassment.	H2 Supported
H3a: Social presence moderates the relationship between brand relationship quality and brand embarrassment. H3b: Social presence moderates the relationship between perceived severity of negative brand publicity and brand embarrassment.	H3a and H3b Supported
H4: Brand relationship quality and emotion recovery mediate the relationship between restorative justice and repurchase intention H4a. Brand relationship quality mediates the relationship between restorative justice and repurchase intentions H4b. Emotion recovery mediates the relationship between restorative justice and repurchase intentions	H4a and H4b Supported
H5: Emotion recovery mediates the relationship between brand relationship quality and repurchase intentions	H5 Supported
H6: Brand embarrassment type moderates the mediating effect of emotion recovery on the brand relationship quality and repurchase intention	H6 Supported
H7: Brand embarrassment type moderates the mediating effect of emotion recovery on the brand relationship quality and repurchase intention in all brand remedial tactics	H7 Partially Supported

Chapter 6: General Discussion and Conclusion

6.1 Introduction

Past studies have focused on the emotions and responsive behaviors triggered by the fault attributed to a company (i.e. external attribution). Anger and contempt are the results of negative affect towards an organisation (Lazarus, 1991; Liu et al., 2018). The types and intensities of emotion drive different coping approaches (Jin, 2009; Lu & Huang, 2017). Researchers have mainly employed aspects of Lazarus's (1991) cognitive appraisal, such as controllability and blame attributions, to assess whether action is required by individuals in a situation (Jin, 2014; Lee, 2004). However, only a few studies (e.g. Coombs and Holladay, 2005; Jin et al., 2010) have revealed that negative emotions are not the consequence of negative brand incidents; people actually feel sympathy towards an organisation. Moreover, there is little knowledge about the role of social presence and absence on existing customers' cognitive and affective responses when negative brand publicity occurs.

In the crisis emotion literature, embarrassment is an internal-attribution-dependent emotion (Jin et al., 2014). In other words, when consumers attribute the negative results of the incident towards their sense of self—and thus their public identity is threatened—they will feel embarrassed. These contradictory studies indicate that people use different measuring items to evaluate negative events related to a brand incident. Hung and Mukhopadhyay (2012) indicated that when customers pay attention to the situation rather than to their self, their intensity of hedonic emotions is greater and less embarrassed. The distance or relationship between customers and the brand requires further exploration.

Researchers have deliberated the causes and consequences of embarrassment before and during consumer purchase situations (Grace, 2007; Moore et al., 2006).

Material possession is a source of embarrassment (Miller, 1995). Some recent studies have examined embarrassment in a brand-self context. Threatened social identity, negative brand meanings, inappropriate brand communications and undesired self-brand connection damage self-esteem and self-perception, a phenomenon that induces a feeling of brand embarrassment (Grant & Walsh, 2009; Puntoni et al., 2015). Sarkar et al. (2017) further investigated the moderating effect of personal characteristics on the relationship between the causes of negative brand associations and consumers' social consumption behaviors. Specifically, when consumers possess a brand's product, they will become embarrassed if there is a negative association between the brand and their sense of self. Brand embarrassment predicts consumers' future purchase intentions and consumer-brand identification (Walsh et al., 2016). Most of these embarrassment studies have solely evaluated consumers' responses during the initial stimulus. Although researchers have provided substantial empirical evidence that an apology, compensation and image repair are effective crisis coping strategies (Benoit & Pang, 2008; Hearit, 1994; Jin et al, 2014; Zhu et al., 2017), the effect of proactive brand recovery on embarrassed customers is still not completely known. To bridge the identified gaps in the embarrassment literature, the appraisal mechanism for customers to undergo in the restoration period is worth further exploration.

Research has consistently found that a feeling of embarrassment occurs when individuals develop self-provoked or other-provoked negative thoughts about themselves that threaten their self-concept in a particular situation (Leary, 2007; Miller, 1995; Moore et al., 2006; Verbeke & Bagozzi, 2003). People use a brand to reflect their self-concept (Fournier, 1998; Thomson et al., 2005): they purchase a brand's product to extend, reinforce or identify their ego; these actions that are consistent with their self-image (Woods, 1960). One's ego comprises self-esteem, self-identity and moral values (Zourrig et al., 2009). When a brand's product or brand itself is associated with negative

meanings, the product user thinks that their desired self-image can no longer be obtained from the brand. Their ego protection system is then activated and manifested by ceasing to purchase or use the brand's product(s) or severing their tie with the brand (Chernev, 2004). The importance of perceived agency leads to a feeling of embarrassment (Tracy & Robins, 2007). Individuals feel more embarrassed in in-group and equal-status out-group situations compared to during a lower status out-group situation (Eller et al., 2011). Hence, in these situations people will pay attention to the perception of significant others on them. Individuals will feel more embarrassed if their companions have a different rather than the same or a similar social identity (Puntoni et al., 2015). The social role becomes the supportive force that diversifies the distinctive attention on them. In negative brand publicity context, the brand recovery offer is distinctly perceived by each affected customers; however, there little knowledge is about how the content of the targeted brand communication interact with social environment to influence customers re-evaluative criteria to the situation. Further exploration about this knowledge gap should help deepen the understanding of appraisal differences in the formation of future relationships.

In this chapter, the theoretical and managerial implications, limitations of this study and future research direction are discussed. The extended cognitive appraisal theory in negative brand publicity context is the key theoretical contribution. The managerial implication is based on the findings and the theoretical contributions. This thesis has its limitations in terms of research design and content. These deficits suggest possible future research directions that will be discussed in the last section.

The present study adopts cognitive appraisal theory to examine whether brand embarrassment and its cognitive appraisal factors predict consumers' emotional and future behavioural responses during negative brand publicity. Most prior research has examined the role of embarrassment in social settings (Leary, 2007; Miller, 1995) and

during a product purchase (Moore et al., 2006; Peattie and Peattie, 2009). The results showed that a high-quality brand relationship reduces the level of brand embarrassment. Thus, the findings attribute a motivational role of embarrassment in consumers' behaviors and demonstrate the predictive power of embarrassment and its internal and external motivation on consumers' reaction toward negative brand publicity.

This study demonstrates that the appraisal of embarrassment in negative brand publicity context has both direct and indirect effects on consumers' reactions. Consumers appraise a negative incident from relational aspect, which is one of the Lazarus's (1991) emotion appraisals aspects, as well as from accountability. Given that consumers with a high brand relationship quality (i.e. relational aspect) are closely connected to the brand, the brand reflects themselves; hence, a brand failure mirrors their individual's fault. Consequently, when accountability of a negative event is attributed to themselves, they will experience fewer negative emotions. The findings show that these dual appraisal dimensions directly predict the experience of brand embarrassment. These data extend previous research by demonstrating a direct effect of both relational and accountability appraisals on a discrete emotion elicitation toward a negative brand incident. This result is also consistent with Ellsworth and Scherer (2003), who showed that emotion is elicited when a combination of appraisal is processed.

Most previous negative event studies in both marketing and psychology have found that individuals experience negative emotions when the accountability and agency of the event are attributed to external parties (Sánchez-García & Currás-Pérez, 2011). For example, consumers feel angry if they appraise themselves as victims and their self-identity is being threatened. In order to protect their ego and self-respect, they attribute the failure externally (Coombs & Holladay, 2011; Lu & Huang, 2017). This attribution appraisal is different from that in the present study (self-directed), which

elicited a distinct emotion. It can also explain why embarrassment—but not anger—occurred in this negative brand publicity context.

This finding also shows that the perceived severity of the negative brand incident directly predicts the feeling of brand embarrassment. The intensity of agency (i.e. social presence or social absence) indirectly reinforces the arousal of brand embarrassment. This phenomenon is consistent with most prior studies that have identified perceived severity and social facilitation as appraisal antecedents of embarrassment (Dunning et al., 2004; Puntoni et al., 2015). Further, this finding extends the application from product purchase and service failure to negative brand publicity.

Results indicate that consumers undertake both psychological and responsive appraisal when the coping resources are externally directed. In Lazarus's (1991) cognitive appraisal theory, primary and secondary appraisal represent the assessment of emotion and behaviors, respectively. The theory suggests that action may be required if the situation is relevant to an individual's well-being. The process involves accountability, coping potential and future expectancies (Lazarus, 1991). In the embarrassment literature, consumers cope with their feeling of embarrassment on its own and by the avoidance approach. Their coping options are limited because embarrassed consumers prefer to reduce their exposure to an unfavourable emotional experience; their coping strategies are based on their psychological appraisal (evaluate the impacts of their ego loss or threatened self-identity; Grace, 2007; Moore et al., 2006; Salzer-Mörling & Strannegård, 2004). During negative brand publicity, secondary appraisal does not involve the assessment of the reactive responses of the environment (i.e. a brand's action towards the negative brand publicity). When a brand offers a remedial action, consumers' coping options or potential are expanded, a phenomenon that eventually influences her or his emotional and behavioural responses. Thus, this results reveal that responsive appraisal occurs when the company's remedial tactic is

offered to the embarrassed consumers. Their responsive appraisal involves the evaluation of an acceptability of the brand's action from a restorative justice perspective. In cognitive appraisal theory, individuals experience emotions before they present behavioural responses. However, the results show that customer satisfaction increases repurchase intention. There is no significant effect of embarrassment on repurchase intention. The results also show that brand remedial tactics moderate the relationship between restorative justice and satisfaction, as well as the relationship between restorative justice and emotion recovery. Customer satisfaction is a fulfilment response that comprises cognitive and affective responses to the consumption experience (Oliver, 1997). It is also a judgement as to whether the product or service features provide a pleasurable level of fulfilment (Oliver, 1997). Hence, the pleasurable level of restorative justice of the brand remedial action satisfies the customers and, consequently, motivates their repurchase intention. In other words, the consumers' behaviors are caused by their affective recovery (customer satisfaction) rather than emotion recovery after negative brand publicity. This finding further supports the role of restorative appraisal in the cognitive appraisal process. Therefore, these findings contribute to the existing literature by highlighting novel theoretical constructs and appraisal dimension that need to be modelled to provide a comprehensive framework that explains existing consumers' psychology, emotion and behaviors towards negative brand publicity.

The focus of accountability in situation crisis communication theory has been useful in managing consumer responses towards a brand crisis. Accountability plays a significant role in cognitive appraisals in consumer emotional research (Lerner et al., 2015). Other appraisal structures, such as acceptability, motivational incongruence and relevance, explain the consumer responses in negative public relations incidents (Sung & Yih, 2019). The findings extend the theoretical understanding of the emotion of embarrassment in a marketing context, as well as Coombs's (2007) situation crisis

communication theory and Lazarus's (1991) cognitive appraisal theory by showing that social presence theory and justice theory play a role in predicting consumer affective and behavioural responses towards a negative brand incident.

In this research, it is also argued that brand relationship quality and emotion recovery, together with the brand embarrassment type, have the effects in the relationship between restorative justice and purchase intention. This is one of the contributions in this study. In the literature, trust, satisfaction, and attachment are the dimensions of measuring the quality level of consumer-brand relationship (Fournier, 1998). High perceived justice builds trust and strong attachment to a brand that finally increases the intention to loyalty (Hwang et al., 2019; Kim et al., 2019). Justice theory was a powerful tool to predict customer satisfaction and attitudinal behavior in a service recovery context over the past 20 years (Kim, Yoo, & Lee, 2012). Brand failure fosters greater feelings of injustice (Gregoire & Fisher, 2008). The findings of this study not only support the literature, but also reveal that in negative brand publicity context, brand relationship quality has a strong indirect impact on the relationship between restorative justice and repurchase intention. Moreover, the level of brand embarrassment recovery can explain the direct and positive effect in the relationship between brand relationship quality and repurchase intention. The interaction of brand embarrassment type and brand embarrassment recovery affects consumers' repurchase intention. When the brand embarrassment evokes in a social presence condition (namely 'public brand embarrassment'), the greater the reduction of brand embarrassment feeling, the higher the intentions to repurchase.

In study 1, when negative brand publicity happens, social presence or social absence did moderate the relationship between consumer-brand relationship and the strength of brand embarrassment. However, when managerial interventions interfere with consumers' coping behavior, brand embarrassment type does

not have interacting impact on the brand relationship quality. What the consumers concern at the post-crisis stage is to recover their brand embarrassment.

Restorative justice will not lead to the reduction of brand embarrassment feeling, but it helps to increase the quality level of brand relationship quality. By improving the brand relationship quality, it reduces the brand embarrassment feeling. Therefore, when negative brand publicity affects consumers' social self or threatened their self-esteem, pure product recalls or CEO resignation is not sufficient, the brand remedies should comprise of justice reasoning which aim to build and restore brand relationship quality. It is crucial in this brand embarrassment recovery process and for future purchase behavior.

6.2 Theoretical Contributions

In the crisis management literature, situation crisis communication theory provides a framework for organisations to reduce their reputational damage and consumers' negative outcomes after a negative brand incident (Xiao et al., 2018). Although an apology, product recalls and compensation are the primary communication tools used to recover from negative brand publicity (Jin et al., 2012; Yuan et al., 2016), the consumers' trust level towards the brand cannot be restored to the pre-negative publicity situation (e.g. Volkswagen's faulty carbon emissions negative publicity). Thus, greater understanding about consumers' thoughts and evaluation towards an incident or a stimulus is required. Previous studies have focused on solving the negative impacts from the company's perspective, but there has been minimal attention in relation to the consumers' appraisals and public relations. An individual's cognitive evaluation and interpretation of an event or a stimulus influence their appraisal structure, the elicitation of emotions and consequent behaviors (Lerner et al, 2015; Roseman & Smith, 2001). For example, in a negative public relations incident, the appraisal of acceptability and

relevance is directly related to angry consumers' intention to harm the brand. Relevance appraisal also directly reduces the angry consumers' intention for future purchases (Sung & Yih, 2019). Relevance appraisal is a key dimension associated with all emotions (Lazarus, 1991; Smith & Ellsworth, 1985). Izard (2010) revealed that emotion embraces antecedent cognitive appraisals and ongoing cognition, such as the interpretation of social-communicative signals. Each emotion is elicited by a set of appraisal dimensions (Lazarus, 1991). Therefore, the present study adopts the relevance concept in the cognitive appraisal theory as the theoretical framework for exploring how a self-other dimension underscores the experience of consumer embarrassment and subsequent behavioural responses during negative brand publicity. This research also extends the embarrassment literature by investigating the impacts of negative stimulus and positive stimulus on the attitudinal and behavioural tendency.

6.2.1 The Extended Cognitive Appraisal Theory in negative brand publicityContext

This study extends the cognitive appraisal theory by proposing public and private emotion exists in the brand negative publicity events. Consumer-brand relationship and social context are directly and indirectly influence the strength of brand embarrassment respectively.

Lazarus (1991) suggested that relational, motivational and cognitive aspects influence emotion appraisals. The evaluation of an interaction between a person and the environment (i.e. relational aspect) elicits emotions. Emotions are differentiated along the dimensions of valence and arousal (Roseman, 1984). Given that an interaction can be positive or negative, weak or strong, passive or active, utilitarian or affective, it is expected that the valence and arousal of a customer-brand interaction will influence an individual's appraisal process and emotions. This study contributes a deeper understanding of the role of relational aspects on emotion appraisals. While positive

and negative emotions have been widely investigated in the literature, this research examines the appraisal process of a negative discrete emotion.

The second contribution of this study is taking consumer-brand relationship quality in cognitive appraisal theory. The main objective of this study was to examine the factor that influences brand embarrassment following a brand crisis. The two studies herein expand the embarrassment literature in several ways. First, this research extends previous work by suggesting the affective appraisal process that existing customers undergo in negative publicity. Prior work has suggested that strong brand relationship quality reduces the strength of negative emotion (Swaminathan et al., 2007), but past research has not examined the effect of the dimensions of brand relationship quality on existing customers' negative discrete emotions after negative brand publicity has occurred. This study proposes that when existing customers face a negative brand incident, the importance of evaluative criteria on their relationship with the brand are different from service failures. Given that the brand the existing customers use represents their image or status in front of others, the damaged brand image or reputation threatens the consumers' self-identity or social self. This phenomenon leads to brand-evoked embarrassment. The results reveal that when existing embarrassed customers undergo an appraisal process on the negative brand publicity, the degree of customer satisfaction, trust and self-connective attachment determine the quality of the customer-brand relationship, but only customer satisfaction and trust towards the brand reduce the strength of brand embarrassment. Therefore, a high-quality brand relationship reduces the level of brand embarrassment when brand-related negative publicity occurs.

In the literature of the psychological process of discrete emotions on consumer behaviour, emotional appraisals provide information, activate motivations and cognitive procedures or mental associations. Higher agency appraisal increased

weightage on human factors in evaluating information (Maheswaran & Chen, 2006). For example, people need to cope with negative emotions by seeking social support (Herrald & Tomaka, 2002). Results of H4 and H5 indicate that in the automobile and apparel industry, brand relationship quality explains the effect of cognitive procedures (justice of brand remedial tactic increases repurchase intention) in emotional appraisal. The emotion recovery (i.e. the brand embarrassment is being recovered or reduced) explains the effect of brand relationship quality on repurchase intentions. This psychological mechanism shows that affective appraisal indirectly influences one's behaviour regarding apparel product brands. The emotional appraisal also includes brand-related information processing.

Results of H5 depict that the type of brand embarrassment moderates the mediating effect of emotion recovery (i.e. the arousal of brand embarrassment was lowered) on repurchase intentions of apparel product. The differential effects of emotion recovery on the repurchase intentions depend on whether the brand embarrassment is elicited by the presence of the others. The findings demonstrate interacting dimensions of arousal (i.e. the degree of weakened arousal of brand embarrassment) and agency in emotional appraisal. Although the agency dimension plays an important role in emotion appraisals (Agrawal et al., 2013), in the present study, the dimension of recovery arousal was a vital factor in the embarrassment literature.

Social presence and absence make people feel embarrassed (Grant & Walsh, 2009; Sharkey & Singelis, 1995). However, there is a limited knowledge about the role of social situations (presence vs. absence) on existing customers' cognitive and affective responses when negative brand publicity occurs. This research substantiates previous findings that social presence or absence increases the level of embarrassment if individuals encounter severe psychological threats. It also extends to a brand-related context that when customers perceive a negative brand incident to be highly severe or

when customers have a low-quality brand relationship, strong brand embarrassment is induced in a social absence condition. More importantly, the results offer evidence that customers with a low brand relationship quality experience greater brand embarrassment compared to customers with a high brand relationship quality in both social presence and social absence conditions. One possible explanation of this result is that when customers with a low brand relationship quality possess the brand's products, they would feel more worry about others' negative comments about them as this deceptive perception may distort their self-identity or self-image.

6.2.2 Brand Embarrassment Recovery Process

This thesis provides new insights on the process of brand embarrassment recovery. In cognitive appraisal theory, the resources individuals have to cope with a situation are a part of the secondary appraisal (Lazarus, 1991). This endeavour involves problem-focused coping strategies and/or emotion-focused coping strategies. The negative brand publicity literature focuses on examining what (and how) a brand does to solve or reduce the negative consequences of the brand transgression is the focus. The literature has not explored how effective the brand coping strategies recover the customers' affect and restore their pre-negative publicity purchase behaviour. The customers' evaluative process of the stimulus after negative brand publicity (e.g. social presence, brand recovery) provides a better understanding of how cognitive appraisal works. Through the study of customers' psychological process during a negative brand incident, the managers would be able to resolve the brand's negative impacts from the customers' perspective. Chapters 2 and 3 of this thesis propose that cognitive appraisal embraces the evaluation of uncontrolled or brand-aided resources the individuals received before coping with their negative emotions and responding to the brand remedial tactics.

Another contribution is the mediating role of brand relationship quality in the emotion recovery process. The findings of study 1 depict that there is a significant negative relationship between brand relationship quality and strength of brand embarrassment. The presence of social group moderates its relationship. It is expected that when a company offers brand remedial tactics which aimed to build good relationship with the consumers, it can recover consumers' feeling of brand embarrassment. In the recovery paradox, apart from service failure and product failure, justice theory also applies to negative brand publicity which makes consumers feel brand embarrassed. The results of study 2 suggest that brand remedial tactics activate embarrassed consumers' justice reasoning and evaluation on whether the brand coping can restore their threatened self. Positive restorative justice lead to favourable repurchase intentions, brand relationship quality and emotion recovery can explain this relationship. It further demonstrates that restorative justice pass through brand relationship quality before emotion is elicited and subsequent behaviour. In other words, restorative justice increases the quality level of consumer-brand relationship, rather than directly go to the attitudinal behaviour. In the brand embarrassment recovery process, restorative justice and brand relationship quality are vital in the negative brand publicity context.

Another contribution is the extension of cognitive appraisal theory by adding the effect of restorative justice on emotion elicitation. In the concept of justice theory within the service recovery and brand crisis literature, customers evaluate the perceived justice of remedial offers from three perspectives: procedural, distributive and interactional justice. Nevertheless, in this research, when emotion is involved, embarrassed customers appraise the offers from a consolidated perspective (procedural, distributive and interactional justice are combined as perceived justice), which I rename as restorative justice. One possible explanation for this difference in justice evaluations

may due to the situation they are in and the types of identity involved. Company recovery activities or remedial offers with justice restoration are expected to satisfy existing customers and reduce their brand embarrassment feeling. The present findings are consistent with prior studies, namely that high restorative justice of the brand remedial tactics increases customers' satisfaction, trust, self-connective attachment and repurchase intention. Embarrassed customers evaluate the remedial offers differently compared to those of service recovery.

The mediating role of brand relationship quality on repurchase intention is different among four brand remedial tactics. In the literature of crisis management, product recalls, monetary compensation, apology and resignation are the common rational and affective coping strategies to manage consumers' impression towards a company, reduce negative emotions, and increase loyalty intention. The previous studies assume that the consumers blame the fault to the company, and they do not take consumer brand relationship into account which it does happens in our daily life, especially using a brand to represent one's self. This study aims to include this important relationship in examining the psychological process of consumers towards negative brand publicity. The findings suggest that when consumers receive a full compensation, the restorative justice is not significantly increase repurchase intentions, but the brand relationship quality has an indirect effect on this relationship. It indicates that when full compensation enhances the quality level of consumer-brand relationship, consumers will increase the intentions to repurchase. Emotion recovery is not a serial mediator in the relationship between restorative justice and repurchase intention. However, the effect of brand relationship quality on repurchase intentions pass through the emotion recovery.

One of the contributions is the serial mediating effect of brand relationship quality and emotion recovery on repurchase intention happens in the case of simple procedure,

personalised letter, and CEO resignation. Nevertheless, in the case of full compensation, there are two separate mediating effects on repurchase intentions. Brand relationship quality can explain the impacts of restorative justice, while emotion recovery can explain the impacts of brand relationship quality. It reveals that in the emotion recovery process, consumers who receive simple procedure, personalised letter, and CEO resignation evaluate restorative justice and brand relationship quality before reducing the feeling of brand embarrassment. However, in the case of full compensation, no restorative justice will be involved in the emotion recovery process, consumers emphasize the significance on the brand relationship quality.

Brand remedial tactics lead consumers to reappraise their situation and regulate their emotions towards the brand. The results reveal that full compensation (that is, 100% product price reimbursement and two hotel dinner coupons) can better satisfy embarrassed customers and reduce their brand embarrassment compared to a personalised letter and CEO resignation. One possible explanation for the results is that when individuals suffer from threats to their self-identity and/or social identity due to the negative brand publicity, repairing self-image (i.e. by experiencing luxury dining) and avoiding social attention (i.e. a product refund and no longer being associated with the brand) cannot be separately resolved. This finding extends the embarrassment literature: specifically, in a situation, repairing self and social image should be included in coping strategies instead of either repairing self-image or avoiding social attention. The findings may also explain why embarrassed customers appraise the remedial offer in a consolidated way (take full compensation as an example; a product refund satisfies procedural and distributive justice, while a hotel coupon provided by the company underlies interactional justice). When the remedial offer satisfies the customers' consolidated perceived justice, strong restorative justice weakens the strength of brand embarrassment.

Social Presence Theory in Cognitive Appraisals

In the scale purification process of study 2, the results of factor analysis in social presence and social absence situations also showed that customers evaluate the fairness of the brand recovery tactics as a whole instead of separating the three dimensions of perceived justice (i.e. procedural, interactional and distributive justice).

The type of brand embarrassment (public vs private) is another contribution in this thesis. I classify public brand embarrassment when an individual elicits a feeling of brand embarrassment in a social presence situation, while private brand embarrassment evokes when an individual exhibits the brand embarrassment in a social absence situation. Apart from the mediating role of brand relationship quality, emotion recovery can also mediate the relationship between brand relationship quality and repurchase intention. When the brand embarrassment is evoked in public or social presence situation, it affects the mediating effects of emotion recovery on the repurchase intention. The findings reveal that when consumers' public brand embarrassment evokes, the reduced negative emotion will negatively influence the extent of intentions to repurchase. The brand relationship quality will not be affected by brand embarrassment type, rather it is positively led to repurchase intentions. The brand embarrassment type gives significant impacts on attitudinal behaviour rather than solely triggers a feeling of brand embarrassment, particularly when consumers evaluate their relationship with the brand as the driver for repurchase intention.

A brand embarrassment type also plays a moderated role in the cases of full compensation and CEO resignation, but no moderated mediation effect in the relationship between brand relationship quality, emotion recovery and repurchase intention. When consumers receive either full compensation or CEO resignation, both public and private brand embarrassment do reduce their repurchase intention even this remedial tactic increases the brand relationship quality and reduces the strength of

brand embarrassment. However, when all brand remedial tactics put together (i.e., simple procedure, full compensation, personalised letter, and CEO resignation), the moderated mediation occurs. Consumers evaluate the strength of their brand relationship depending on how the brand remedial offer satisfies the consumers' needs, particularly fair treatment and concern with emotions. These remedial tactics are initiated by the brand's senior executive, and thus this kind of redress shows overwhelming favour from superiors and shortens the distance between customers and the brand. This enhanced emotional bond works better in a social presence condition because it saves customers' face, which has been lost in front of their social group.

6.3 Managerial Contributions

A brand transgression is always happened in a marketplace. Different people have different evaluations, emotions and coping behaviors to deal with the impacts of the negative brand publicity events. In the literature, relationship marketing is very important to sustain business growth. The results of this research provide insights to brand managers on how to deal with the consumers who use brand to represent themselves, but suffer psychological threats (self-esteem, social image) caused by the negative brand publicity.

When a negative brand event happens, it triggers consumers' cognitive appraisal process, good quality of consumer-brand relationship reduces the strength of brand embarrassment. The brand embarrassment can be provoked in a public or private situation. Although the managers cannot control the social context, through the problem-focused and/or emotional-focused brand coping communications, it is found that a strong sense of restorative justice increases repurchase intentions (consistent with Hartwell and Chen's (2012) study), brand relationship quality and emotion recovery explain this relationship. Consumers who have brand embarrassment feeling hope the

brand to mitigate their negative emotion by compensating fairly so as to reduce their self-esteem threats. The decision of future purchase depends on whether the brand provides care to them and put efforts to restore or enhance the quality of consumer-brand relationship, and whether the brand embarrassment is being recovered. The combinations of the four remedial tactics provide evidence that brand embarrassment could be recovered, and foster repurchase intentions.

Findings demonstrate that the mediating effect of emotion recovery on the relationship between brand relationship quality and repurchase intentions is moderated by brand embarrassment type. Brand embarrassment type could be in public or private. The possible threats would relate to social context (social presence or social absence). It predicts that if embarrassed consumers associate brand relationship quality with repurchase intentions, the reduction level of brand embarrassment is the critical factor. Results reveal that consumers with public brand embarrassment require higher level of emotion recovery than consumers with private brand embarrassment when making future purchase decision. This study provides evidence that full compensation is the most effective tactic to reduce the brand embarrassment and result in higher repurchase intentions compared with the other three remedial tactics. Therefore, it is suggested that managers should highlight the full compensation and fairness in the public and give more social support or care to the existing and loyal consumers privately such as contact them personally to mitigate their social-related threats.

Furthermore, the psychological process varies under different decision contexts (So, Achar, Han, Agrawal, Duhachek, & Maheswaran, 2015). When customers use restorative justice to evaluate the contexts of full compensation (i.e. 100% of the product price and two hotel dinner coupons), the quality of the brand relationship could explain the repurchase intentions. However, when the customers use the brand relationship quality to evaluate the contexts of full compensation, the emotion recovery

and the brand embarrassment type (public vs private) could explain the repurchase intentions. This means that the decision contexts related to product brands in the automobile and apparel industry can capture differences in appraisals (restorative justice vs brand relationship quality), psychological process and emotion recovery. Public brand embarrassment and private brand embarrassment show the significant interacting influence of the effect of emotion recovery on repurchase intention. Therefore, private brand embarrassment cannot be ignored as it also reduces the repurchase intentions.

As mentioned in chapter 1, this research focuses on existing consumers' appraisal process at two temporal moments of negative brand publicity. The first moment is at the time the negative brand news announced, while the second moment is when the consumers receive a brand remedial action in response to the negative brand news. From a company's perspective, building and maintaining relationship with consumers can sustain business growth. Consumers receive more benefits if they have long-term relationship with a brand. However, a negative brand incident damages or discontinues this well-established relationship. In this study, the findings indicate that a high-quality consumer-brand relationship reduces the strength of brand embarrassment. The drivers of the quality level are satisfaction, self-brand connection and trust. This finding provides insights to brand managers that when existing consumers (1) are satisfied with their past experience with the brand, (2) have a strong connection with the brand (e.g. use the brand to represent themselves) and (3) intensely trust the brand (e.g. believe what the brand promises), there is a strong relationship between consumers and a brand that reduces the strength of negative emotions caused by negative brand publicity. Although a brand cannot control how people think and where they go, the company's leadership and employees can ensure that they provide excellent services to consumers and maintain consumer-brand relationship, as well as manage its promises.

Another managerial contribution concerns the fairness element of brand remedial action for consumers with a feeling of brand embarrassment. In the literature, perceived justice is measured in procedural, distributional and interactional dimensions (Hocutt et al., 1997; Oliver & Swam, 1989; Tax et al., 1998). The satisfaction of monetary compensation and staff recovery services affects consumers' perceived justice about the failure. However, the present findings show that when embarrassed consumers appraise a brand remedial action in terms of perceived justice, their evaluative dimensions are not the same as for a service or product failure. The newly identified restorative justices indicate that the fairness of the brand remedial action to restore their loss in the negative brand publicity include tangible recovery (such as product recall and refund) and intangible recovery (such as emotion and self-concept). Therefore, when negative brand publicity makes consumers feel embarrassed, a company's brand managers or senior management should put more efforts on emotional or psychological recovery. For instance, staff can handle the procedure of product recall or compensation without causing embarrassment to consumers.

Brand relationship quality and emotion recovery explain why the embarrassed consumers have intentions to future purchase. Currently, managers always replenish dissatisfied consumers' tangible loss by giving 100% in return or over-compensation. If the consumers receive unfair compensation, their negative emotions will not be recovered. Not all consumers will make complaint and express their negative emotions explicitly for a brand/product/service failure if it relates to the damage of self-concept. This study reveals that lowered self-esteem and threatened social image caused by unexpected negative brand publicity activate embarrassed consumers' cognitive and affective appraisals, and emotion recovery process. The remedial treatments vary compared to consumers with explicit negative emotions (e.g., angry consumers). Using fair, distributive justice, interactional justice, and procedural justice are inadequate to

recover the embarrassed consumers with certain quality of brand relationship. In this research, it is suggested that the brand remedial tactics should have attributes or functions which aimed to bolster the brand relationship quality that lead to the reduction of brand embarrassment, otherwise, it is difficult to encourage embarrassed consumers' future purchase. Although managers cannot control the incident of public brand embarrassment and private brand embarrassment, it does change the level of repurchase intention when the brand embarrassment is recovered. To deal with public and private brand embarrassment, full compensation and CEO resignation are the primary remedial tactics, simple procedure also works for consumers with public brand embarrassment. To achieve better emotion recovery towards the negative brand publicity, it is recommended to use all four remedial tactics instead of either one. Therefore, improving the brand relationship quality and put effort on brand embarrassment recovery are the objectives of the brand remedial tactics towards self-threatened negative brand publicity.

The results of this study extend the traditional flow of cognitive appraisal theory (stimuli-emotion-behaviour). They show that an individual's emotions as well as the level of affective recovery, such as satisfaction and trust, influence subsequent behaviour. This fact should lead managers to pay attention to the dimensions that determine the quality of a brand relationship (namely high satisfaction and trust). They should then act to reduce consumers' brand embarrassment in order to increase their intention to repurchase. In other words, I cannot ignore salient embarrassed customers. Moreover, the findings allow managers to recognise the role of each tactic in coping customer's emotional reactions in wider spectrum. Each recovery tactic should emphasise alleviating the root cause of the elicited emotion. Strengthening the customer-brand relationship becomes the favoured approach to affect the strength of existing customers' embarrassment when the brand transgressions occur.

6.4 Limitations and Future Research

The studies that comprise this thesis have a few limitations. In this research, the manipulation of the strength of brand relationship quality is based on wording (e.g. You love and trust Brand X a great deal and will commit to the brand) stated in the scenario. These descriptions may reduce the accuracy of the results because the respondents may have different perceptions or interpretations to the wordings. An opportunity for future research would be to examine the emotional responses in a real-word context. Moreover, the relationship length could be specified to measure the strength of the customer-brand relationship. The longer a relationship with a brand, the less positive incremental impact would be induced. For example, the strength of happiness upon an initial visit to Disneyland is usually greater than repeat visits unless a new experience is added. The emotional reaction would be weaker if the customers had previously encountered a similar experience. However, loyal customers' positive experience would induce strong affective commitment, which would enhance the brand relationship quality and lead to less brand embarrassment in the face of a negative brand incident. In other words, first-time customers and loyal customers may have stronger emotional responses to brand-related stimuli than customers who have been associated with the brand for intermediate time spans.

Variables that differ among individuals, such as identity processing style, could be added as an influencing factor in a cognitive appraisal process. Identity processing style depends on the way individuals construct and maintain their sense of identity. When negative publicity occurs, individuals who focus on the expectations and standard of others may worry how other people think of them. These thoughts would increase their perceived severity of the brand incident or loosen their attachment to the brand. Future research could compare the emotional responses of customers with different identity processing styles to understand the individual difference in a brand embarrassment

context.

Not all brand remedial tactics can reduce the strength of brand embarrassment. Although higher brand relationship quality reduces brand embarrassment level (results obtained from study 1), when it comes to making a purchase decision, the appraisal aspect (relational vs cognitive) with respect to the brand's remedial tactic (decision contexts) influences the presence of emotional recovery. The brand embarrassment is not recovered before the intentions to repurchase. This study provides a greater understanding of the psychological process in the emotion elicitation cycle: emotion development appraisal and emotion recovery appraisal. In the future, the emotional development and emotion recovery framework could be combined into one study to examine the changes in emotional arousal. The time to announce the brand remedial tactic would affect the dimensions of appraisal. To see how it influences the brand embarrassment model, the time could be set from 1 hour, 3 hours and 1 day.

In this research, I only presented one brand recovery activity at a time. Future work could examine the effect of brand recovery activities (with a different order or announcement time) on the strength of emotions and emotional reactions. The interaction effect between customers' experience and remedial offers may increase our understanding on how embarrassed customers process affective and cognitive brand-related information after negative brand publicity. In addition, research could be done on the product type or industrial difference that may have in product-harm crisis.

This research solely used a quantitative method to collect and analyse the data. In the future, an in-depth qualitative study could be conducted so that brand managers and scholars can have an in-depth understanding and insights on how brand embarrassment is formed and alleviated in other research contexts.

6.5 Chapter Summary

This chapter summarises the brand embarrassment literature and highlights the research questions. This research deliberates that dimensions of customer-brand relationship quality, social presence, magnitudes of restorative justice of brand remedial tactics directly and indirectly influence individual's cognitive appraisal of their emotion and repurchase intention in negative brand publicity context. The theoretical contributions (1) extend the cognitive appraisal theory by integrating justice theory and social presence theory in the emotion appraisals; (2) increase the understanding of the appraisal process when individuals evaluate two opposing sets of brand information (negative brand news and the brand's remedial tactic) in a short time frame—this endeavour introduced the restorative justice in negative brand publicity context; 3a) broaden the embarrassment literature; and 3b) define new measures of brand relationship quality (i.e. satisfaction, trust and self-connective attachment) in this research context.

The results of this research should benefit managers who handle identity-threatening negative brand events in product-oriented industries. Tangible recovery (such as product return and refund) and an apology are no longer the effective methods to rebuild the customer-brand relationship and recover the internal-attribution crisis emotion. The response must focus on the effects of the brand relationship quality and emotion recovery on the repurchase intentions. Moreover, managers should provide more than just compensation for embarrassed consumers after negative brand publicity occurs. This study provides evidence that careful consideration of the components in the compensation package is required in order to increase the brand relationship quality and repurchase intentions of the embarrassed consumers. The chapter ends by explicating the limitations and future research.

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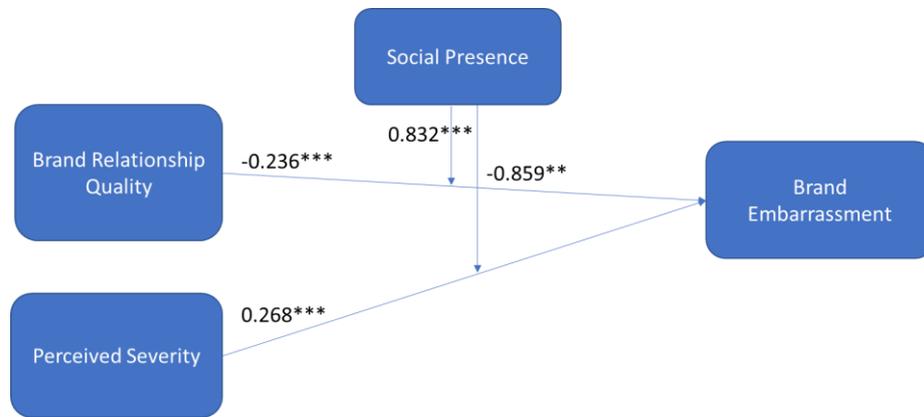
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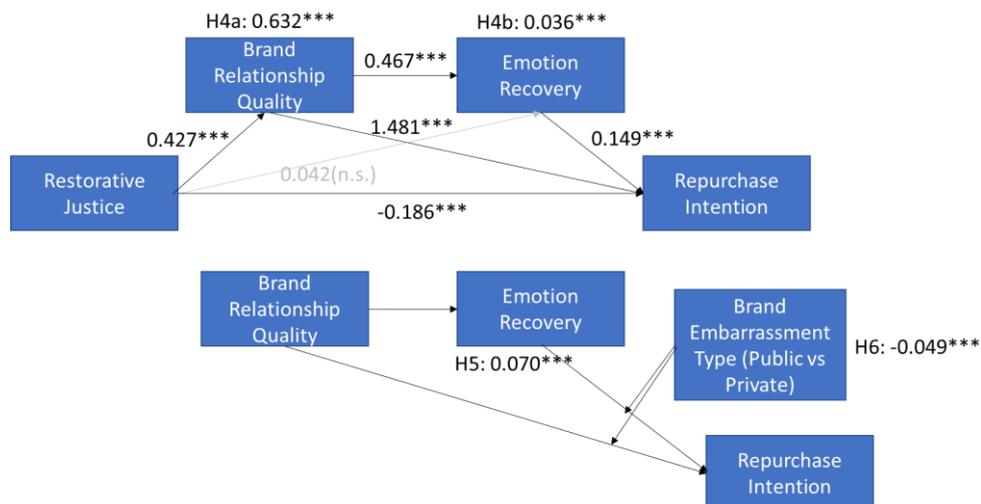
Appendix A: Statistical Data Analysis Results

Figure 4- 1: Visualisation of Study 1 Conceptual Framework



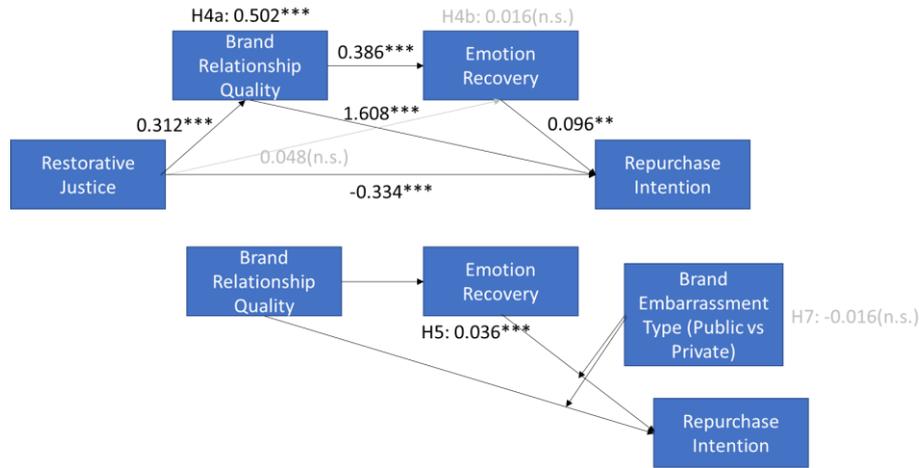
(*** significant at 0.01 level; ** significant at 0.05 level; * significant at 0.10 level)

Figure 5- 1: Visualisation of Study 2 (Full Sample) Conceptual Framework



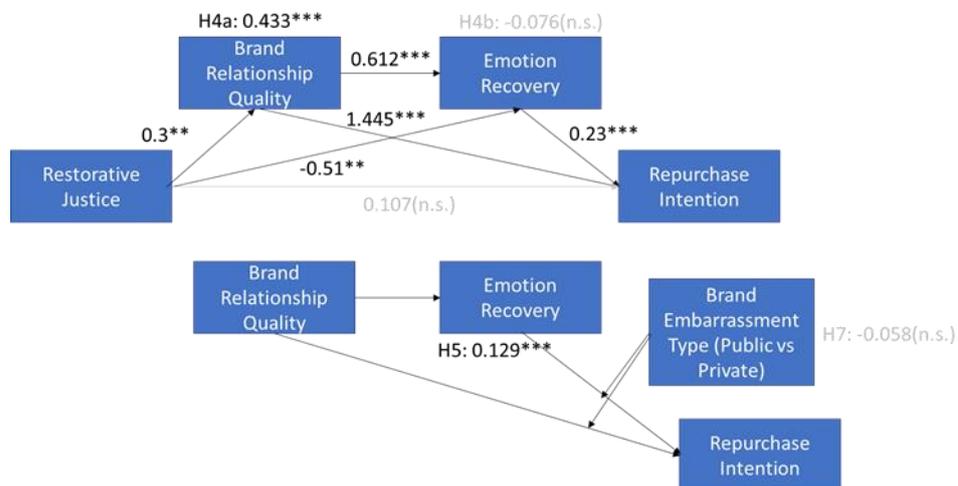
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Figure 5- 2: Visualisation of Study 2 (Simple Procedure Situation) Conceptual Framework



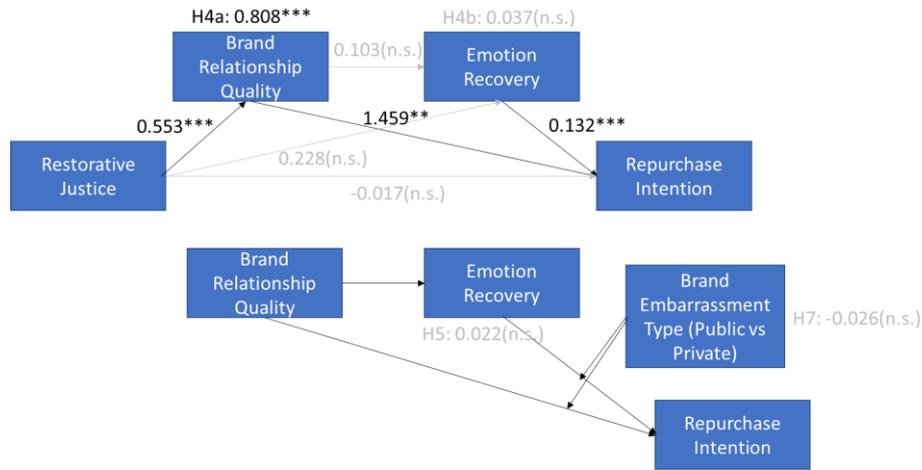
(*** significant at 0.01 level; ** significant at 0.05 level; * significant at 0.10 level)

Figure 5- 3: Visualisation of Study 2 (Full Compensation Situation) Conceptual Framework



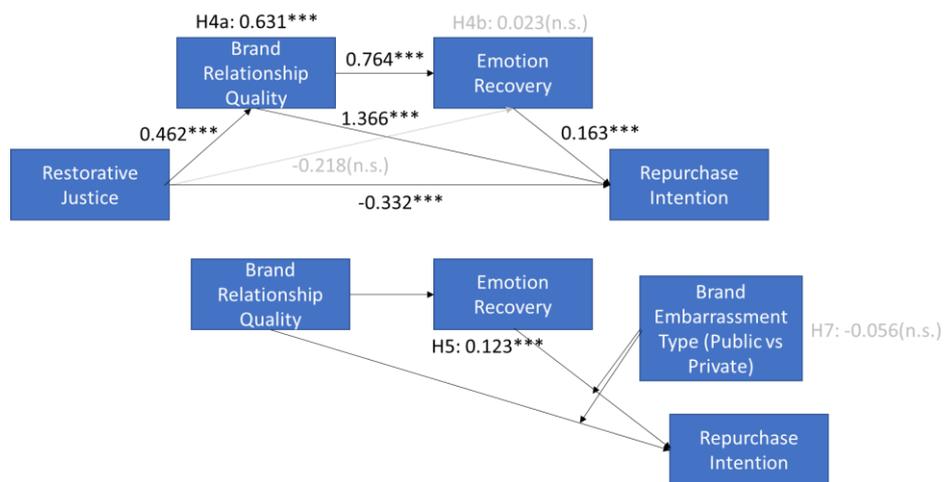
(*** significant at 0.01 level; ** significant at 0.05 level; * significant at 0.10 level)

Figure 5- 4: Visualisation of Study 2 (Personalised Letter Situation) Conceptual Framework



(*** significant at 0.01 level; ** significant at 0.05 level; * significant at 0.10 level)

Figure 5- 5: Visualisation of Study 2 (CEO Resignation Situation) Conceptual Framework



(*** significant at 0.01 level; ** significant at 0.05 level; * significant at 0.10 level)

Appendix B: Scenario-based Experiment (Main Study 1)

Introduction:

Thank you for taking part in my survey.

I am a postgraduate student of Durham University. This study aims to examine the factors that evoke feelings of brand embarrassment. I would be grateful if you could spend a few minutes to read a scenario and complete the following questions. All provided information will be kept confidential and only used for academic purposes.

Participation in the study is entirely voluntary. You can withdraw at any time during the survey. Note that clicking the proceed button '>>' below constitutes implied consent to take the survey. The entire process will be anonymous.

Before you start, please copy and paste your Prolific ID.

Instructions: Participants are randomly assigned to one of the two scenarios.

Please read below scenario and imagine that you are the Senior Manager of the company. Please answer the questions that follow relating to brand embarrassment.

Scenario 1

You are a Senior Manager of a company. You purchased a private car from the reputable Brand X. You love and trust Brand X a great deal and will commit to the brand. However, this morning, negative publicity broke out about false reporting of Brand X products. A news report stated that the quality of the product is not as high as is stated in the sales brochures. For example, the car wheels are assembled from used wheels and materials, and the leather of the seats is not authentic. The Brand X negative publicity has attracted widespread public attention. Your subordinates are also now talking about the Brand X negative publicity.

Scenario 2

You are a Senior Manager of a company. You purchased a private car from the reputable Brand X for daily use. You are not satisfied with the quality of the product and will not commit to the brand. This morning, negative publicity broke out about false reporting of Brand X products. A news report stated that the quality of the product is not as high as is stated in the sales brochures. For example, the car wheels are assembled from used wheels and materials, and the leather of the seats is not authentic. The Brand X negative publicity has attracted widespread public attention. You know that no subordinates are in the office at the moment, and no one will be back to the office today.

I perceive the negative incident evoking brand embarrassment to be of

- no severity at all (1)
- low severity (2)
- moderate severity (3)
- high severity (4)
- substantial severity (5)

My feelings of brand embarrassment following this negative publicity are

- not severe at all (1)
- of low severity (2)
- of moderate severity (3)

of high severity (4)

significantly severe (5)

Are your feelings of brand embarrassment (if you experience any) a result of thoughts of social presence in the scenario?

No (1)

Yes (2)

The following statements ask about the feelings and thoughts after the Brand negative publicity. Please indicate the degree to which each of the following statements represents your feelings by using the scale.

Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
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I am attracted to Brand X because it represents who I want to be. (1)

<input type="radio"/>				
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Brand X goes so well with my lifestyle that I would feel empty without it. (2)

<input type="radio"/>				
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Given that Brand X represents who I am, I would feel empty without it. (3)

<input type="radio"/>				
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I like Brand X because it makes me feel more special than other people. (4)

Brand X is exactly what I want. (5)

I do not regret choosing Brand X. (6)

I really like Brand X. (7)

Using Brand X is a good experience for me. (8)

The performance of Brand X is better than I expected. (9)

I really enjoy using Brand X. (10)

I do not have to consider other brands because I have Brand X. (11)

I want to keep using Brand X. (12)

I enjoy my relationship with Brand X, so I want to keep buying its products. (13)

Brand X always cares about the consumers' needs. (14)

Brand X keeps its promises. (15)

Whatever happens, I believe that Brand X would help me. (16)

I am familiar with Brand X. (17)

Brand X makes me feel comfortable. (18)

Brand X naturally suits me. (19)

The following statements ask about the feelings and thoughts after the Brand X negative publicity. Please indicate the degree to which each of the following statements represents your feelings by using the scale.

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
I do not want my friends and acquaintances to know that I buy the products from Brand X that make me feel embarrassed. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel embarrassed because of the brands I use. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When friends and acquaintances make negative comments on Brand X that I use, it makes me feel uncomfortable. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will avoid using Brand X products in the presence of friends and acquaintances in the future. (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I find buying products from Brand X embarrassing. (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Shopping at Brand X retailers makes me feel uncomfortable. (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

I feel embarrassed when I believe that others think worse of me because I use Brand X. (7)

Using Brand X products in the presence of friends and acquaintances is embarrassing to me. (8)

Personal Information - Please select the appropriate one from the options provided below.

Gender

Male (1)

Female (2)

Age

18 - 24 (1)

25 - 34 (2)

35 - 44 (3)

45 - 54 (4)

55 - 64 (5)

65 or older (6)

Highest Education Level

Undergraduate degree (1)

Postgraduate degree (2)

Doctorate degree (3)

Ethnicity

- White (United Kingdom) (1)
- Asian (China) (2)
- Asian (Other than China) (3)
- White (United States) (4)
- Other (5)

Personal Annual Income (Pounds)

- Below 10,000 (1)
- 10,000 - 19,999 (2)
- 20,000 - 29,999 (3)

- 30,000 - 39,999 (4)
- 40,000 - 49,999 (5)
- 50,000 - 59,999 (6)
- 60,000 - 69,999 (7)
- More than 69,999 (8)

Please click on this completion URL to show that you have finished the study: Prolific Academic completion URL insert here.

Appendix C: Scenario-based Experiment (Main Study 2)

Introduction:

Thank you for taking part in my study.

I am a researcher of Durham University. This study aims to examine customer evaluations of brand coping after brand failures have occurred. I would be grateful if you could spend a few minutes to read a scenario and complete the following questions. All provided information will be kept confidential and only used for academic purposes.

Participation in the study is entirely voluntary. You can withdraw at any time during the experiment. The entire process will be anonymous.

Do you agree to attend this experiment?

- Yes, I agree. (1)
- No, I do not agree. (2)

Before you start, please copy and paste your Prolific ID.

Instructions: Participants are randomly assigned to one of the two scenarios in part 1 and one of the four scenarios in part 2.

Part 1 – Brand Embarrassment Scenario

Please read below scenario and answer the following questions.

Scenario 1

Imagine you are having lunch with a good friend. You are wearing a renowned Brand X leather jacket with a prominent brand logo. Another mutual friend posts some photos on social media revealing how Brand X have been selling fake instead of real leather jackets as they claimed. Your friend shows you the post and looks at your jacket.

Scenario 2

Imagine you are having lunch alone and you are wearing a Brand X leather jacket. A friend of yours posts some photos on social media revealing how Brand X have been selling fake instead of real leather jackets as they claimed.

The following statements ask about your feelings and thoughts after this incident. Please indicate the degree to which each of the following statements represents your feelings by using the scale.

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
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I do not want my friends and acquaintances to know that I buy the products from Brand X that make me feel embarrassed. (1)

<input type="radio"/>					
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I feel embarrassed because of the brand I use. (2)

<input type="radio"/>					
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- When friends and acquaintances make negative comments on Brand X that I use, it makes me feel uncomfortable. (3)
- I will avoid using Brand X products in the presence of friends and acquaintances in the future. (4)
- I find buying products from Brand X embarrassing. (5)
- Shopping at Brand X retailers makes me feel uncomfortable. (6)
- I feel embarrassed when I believe that others think worse of me because I use Brand X. (7)
- Using Brand X products in the presence of friends and acquaintances is embarrassing to me. (8)
- I avoid using Brand X products in public. (9)
- It is important that you pay attention to this study. Please tick 'Strongly Disagree'. (10)

Part 2 – Brand Remedial Tactics

Read below brand remedial tactic and answer the following questions.

Scenario 1

After this incident, you received an email from Brand X regarding procedure for refunds. A hyperlink was provided in the email. You were asked to simply click the link and complete a simple form.

Scenario 2

After this incident, you received an email about the compensation to be offered by Brand X - You are given both monetary and non-monetary compensation (100% of the product price and two hotel dinner coupons).

Scenario 3

After this incident, you received a personalised letter from Brand X with CEO hand-written signature. The letter demonstrated his sincere apology for the brand failure.

Scenario 4

After this incident, you saw a news report indicating that Brand X's CEO intended to resign from the company as a consequence of the brand failure.

The following statements ask about your evaluations of the brand remedial tactic. Please indicate the degree to which each of the following statements represents your thoughts by using the scale.

Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
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The length of time taken to reduce a feeling of embarrassed customers is longer than necessary. (1)

<input type="radio"/>						
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Brand X shows adequate flexibility in dealing with a feeling of embarrassed customers. (2)

<input type="radio"/>						
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The outcome I receive is fair. (3)

<input type="radio"/>						
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I do not get what I deserve. (4)

<input type="radio"/>						
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In solving the problem, Brand X gives me what I need. (5)

<input type="radio"/>						
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The outcome I receive is not right. (6)

<input type="radio"/>						
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Brand X staff is appropriately concerned about a feeling of embarrassed customers. (7)

<input type="radio"/>						
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Brand X staff do not put the proper effort into mitigating a feeling of embarrassed customers.

(8)

Brand X staff communications with me are appropriate.

Brand X staff do not give me the courtesy I am due

The following statements ask about your feelings and thoughts after receiving the Brand X offer. Please indicate the degree to which each of the following statements represents your feelings by using the scale.

Strongly disagree (1) Somewhat disagree (2) Neither agree nor disagree (3) Somewhat agree (4) Strongly agree (5)

I am attracted to Brand X because it represents who I want to be.

Brand X goes so well with my lifestyle that I would feel empty without it.

Given that Brand X represents who I am, I would feel empty without it.

I like Brand X because it makes me feel more special than other people.

Brand X is exactly what I want. (5)

I do not regret choosing Brand X. (6)

I really like Brand X. (7)

Using Brand X is a good experience for me. (8)

The performance of Brand X is better than I expected. (9)

I really enjoy using Brand X. (10)

I do not have to consider other brands because I have Brand X. (11)

I want to keep using Brand X. (12)

I enjoy my relationship with Brand X, so I want to keep buying its products. (13)

Brand X always cares about the consumers' needs. (14)

Brand X keeps its promises. (15)

Whatever happens, I believe that Brand X would help me. (16)

I am familiar with Brand X. (17)

Brand X makes me feel comfortable. (18)

Brand X naturally suits me. (19)

Please indicate how much you feel embarrassed after receiving the Brand X offer.

Not at all (1)

A little (2)

- Slightly (3)
- Moderately (4)
- Strongly (5)
- Very strongly (6)
- Extremely (7)

The following statements ask about your intention to purchase Brand X products again in the future. Please indicate the degree to which each of the following statements represents your intentions by using the scale.

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
I will purchase again with Brand X in the future. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will consider Brand X as my first choice when purchasing products again in the future. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will visit Brand X next time I purchase. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Personal Information - Please select the appropriate one from the options provided below.

Gender

Male (1)

Female (2)

Age

18 - 24 (1)

25 - 34 (2)

35 - 44 (3)

45 - 54 (4)

55 - 64 (5)

65 or older (6)

Highest Education Level

Undergraduate degree (1)

Postgraduate degree (2)

Ethnicity

White (United Kingdom) (1)

Asian (Mainland China) (2)

Asian (Other than China such as Hong Kong, Taiwan, Macao) (3)

White (United States) (4)

Other (5)

Please click on this completion URL to show that you have finished the study: Prolific Academic completion URL insert here.