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Master Thesis

A Cross-Category Study: Should Moral Reasoning Strategies be Used to Mitigate Negative Effects from Athlete Transgressions on Brand Evaluation?

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MSc in Strategic Marketing Management

Supervisor: Prof. Erik Olson

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This thesis is a part of the MSc programme at BI Norwegian Business School. The school takes no responsibility of the methods used, results found and conclusions drawn.

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Bendik Sale Haugberg & Konrad Skogen

Abstract:

This study emphasizes the extent to which moral reasoning strategies can be used to mitigate negative effects on brand evaluation in the aftermath of an athlete transgression. The current study used conjoint analysis to investigate potential differences between consumers on three attributes (transgression category, liking, brand response). The research contributes to the domains of moral reasoning and crisis communication by introducing new findings for how brands should act in the wake of athlete transgressions. Findings indicate managerial implications for different decision makers in the specific sectors. The main implication from the study was that moral reasoning responses were more effective in a low severity category, compared to a high severity category. The results also indicated that the termination of contract response was favoured across the studied categories. Despite some limitations, the study provides interesting indications that individual differences exist and that cognitive and affective elements impact consumers' moral decisions.

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1.0 Introduction

In 2016, former world champion Tyson Fury had recently beaten Wladimir Klitscho to gain the WBA, IBF and WBO heavyweight titles (Press Association, 2016). Attention to his achievements were quickly redirected when the boxer caused outrage for his controversial remarks regarding women and homosexuals. Fury stated that "There are only three things that need to be accomplished before the devil comes home: one of them is homosexuality being legal in countries, one of them is abortion and the other one's paedophilia" (Hague, 2016). Reactions to Fury's comment were widespread, with petitions for him to lose nominations, voices for him to lose sponsorships and for the athlete to be banned from boxing. Controversies surrounding athletes voicing their political point of view are not just limited to this case. More recently, in April 2021, the famous basketball star LeBron James faced backlash for his controversial tweet about black teenager Ma'Khia Bryant, who was shot and killed by a white police officer. His tweet featured a photography of the officer alongside the caption "YOU'RE NEXT #ACCOUNTABILITY" combined with an hourglass emoji (Seemingly referring to the guilty verdict of officer Derek Chauvin, who killed George Floyd) (Todisco, 2021). The tweet sparked uproar and intense criticism, which eventually led to LeBron deleting his tweet. A commonality between such incidents is that they illustrate negative reactions athletes might face in the wake of their conducts.

Several studies have considered how an endorser's actions may affect the sponsor (Till & Shimp, 1998) and the sponsor's brand evaluation (Lee, Kwak & Moore, 2015; Thomas & Fowler, 2016). Nevertheless, very little has addressed controversial behavior which is the focus of the current research. Using celebrity athletes as a front figure for a brand is one of the most common marketing strategies used to promote products or services. However, firms also have to consider how athlete endorser's transgressions may affect their marketing strategy and give the brand a dilemma regarding how they should respond. Previous research has looked at when one should cut ties with the athlete endorser, and when the brand can choose to continue the endorsement in the aftermath of a transgression (Agyemang, 2011; Sato, Ko, Chang & Kay,

2019). Such research has mainly focused on transgressions like violating the law (doing drugs) or violations of moral principles (cheating on spouse). Hence, there is a lack of literature explaining how a brand should respond when its athlete is engaged in controversial behavior. As a result, this paper seeks to give deeper insight as to how brands should act across categories of transgressions, they might find their athlete endorsers involved in.

Previous studies have also explored how moral reasoning strategies may affect consumers' brand evaluation (Bandura, Barbaranelli, Carara, & Pastorelli, 1996; Bhattacharjee, Berman & Reed, 2013; Ditto, Pizarro & Tannenbaum, 2009). While most studies have looked at moral reasoning in settings to construct justifications for immoral or unethical conduct (Lee et al., 2015), this study considers its impact in controversial behavior, which is harder to categorize as right or wrong (Kuypers, 2002). A clear distinction with this study is also that it considers attributes which might affect consumers' moral reasoning. For instance, would the severity of the transgression category influence consumers' receptiveness to a moral reasoning response? Will liking of the athlete influence consumers' brand evaluations? And lastly, could individual differences impact consumers' receptiveness to a brand response?

Any brand utilizing an endorsement strategy should consider potential ramifications from the marketing strategy. To this date, there is a lack of insight and capabilities within brands, advising when a brand response works as opposed to terminating the contract to protect the brand. Since little research has emphasized these aspects, the current study contributes by specifically introducing new dimensions to the moral reasoning domain. The study shows differences in how consumers react to different categories and provides indications about the tendency of resonating with a moral reasoning response in the specific categories. Moreover, the study finds that severity of the transgression category and likeability of the athlete influences the effectiveness of the brand response. The research also provides indications about when consumers are more (or less) likely to apply a specific moral reasoning strategy and show which of the studied brand responses are most effective in mitigating negative effects on brand evaluation. The findings should be of great managerial importance. Chief executive officers, chief marketing officers and

brand managers utilizing athlete endorsers should therefore read the results with great interest, as they will acquire knowledge about the severity of moral transgressions across the studied categories, and how to best handle them from a strategic point of view.

2.0 Theoretical Framework:

2.1 Athlete Endorsers and Moral Transgressions

According to Carrillat and d'Astous (2014) athlete endorsement is defined as a tactic where the athlete is paid to become a spokesperson for the brand. In recent decades, there has been extensive research on the effects that an athlete endorser may have for the brands they endorse (Thomas & Fowler, 2016). The promotional tactic has been found to positively influence attitudes towards the brand, increase perceptions of performance, and have positive effects on sales (Biswas, Biswas & Das, 2006; Elberse & Verleun, 2012). Eisend & Lagner (2010) describe that endorser bring certain meanings and symbolic properties to a brand, which enables positive spillover to the brand's perception from consumers. In addition, endorsers bring attractiveness and competence which over time can become explicit brand associations linked in the consumer memory (Keller, 2013).

The promotional tactic has also proven to have great risks for brands. The risks are often connected with the unpredictability of the endorsed athlete's behavior (Till & Shimp, 1998). One of the most significant is when the athlete engages in immoral activity, often referred to as moral transgressions (Till & Shimp, 1998). Thomas & Fowler (2016) describe that moral transgressions can harm the brand evaluation from consumers by generating negative associations and emotions that spillover from the athlete to the endorser brand. When consumers connect negative associations from the athlete's transgressions with the endorser brand, it can potentially dilute the consumer's brand evaluation (Um, 2013). It is also noteworthy that transgressions committed by famous endorsers attract media attention and a great deal of public interest, casting further doubt on the brand (Hur, Lim, Won & Kwon, 2018).

Previous research has looked at some of the consequence's transgression severity may have for an endorser brand. Chang (2017) found that high severity transgressions are more detrimental to brand evaluation than low severity transgressions. Wang & Kim (2019) explain this by saying that it is the transgression severity which determines the extent to which negative evaluations are transferred from the celebrity endorser to the endorser brand. Thus, there is an indication that consumers form more negative attitudes and evaluations of the brand, when exposed to severe transgression categories. Pullig, Netemeyer & Biswas (2006) separate between two categories, where the first is performance connected to the athlete competency, and the second is based on ethical and social predicaments. Chang (2017) describes that transgressions with high relevance to the sport are more detrimental than low relevance transgressions when the severity is high. To illustrate, when former professional Lance Armstrong admitted to using performance-enhancing drugs during his career, many of his professional achievements were stripped and several of his sponsors decided to withdraw from their agreements (Goldman, 2013). In comparison, when former Manchester United player Wayne Rooney experienced allegations of infidelity with a prostitute during his wife's pregnancy (Wright, 2012), the incident was arguably perceived less severe, with just a few of his sponsors ending their endorsement contracts (Harmer, 2016).

Another type of transgression which to our awareness is not covered in athlete transgression literature, is related to controversial behavior. Controversial behavior can be categorized as information which individuals interpret differently, in regard to what they deem right or wrong. According to Kuypers (2002) controversial issues are open for discussion, debatable and in dispute by opposing groups, because they by nature cannot satisfy everyone. Such issues are commonly associated with topics such as racism, sexism and politics where political rightness and social justice disputes are at the centre of debate (Hess, 2004; Evans, Avery & Pederson, 2000). For instance, in August 2016 Colin Kaepernick decided to take a knee during the national anthem as a way of gaining attention to racial injustice and police brutality. His actions received widespread media attention where several fans and media outlets labelled his

decision as unpatriotic and anti-military (Schmidt, Frederick, Pegoraro & Spencer, 2019). As a result, Kaepernick had to give up his career within the NFL as no team wanted to sign him and many of his endorsement deals were cancelled. On the contrary, many people also supported Kaepernick. The supporters felt that his actions were more related to the oppressions of coloured people, and he was able to sign new endorsement deals (Park, Park & Billings, 2020). As controversial behavior is open for discussion, predictions for its severity and repercussions brands might face, are hard to indicate. Hence, when an athlete is involved in controversial behavior, it may not be clear and obvious how the endorser brand should respond. As a result, the current study seeks to analyse and compare controversial behavior with previously examined categories.

2.2 Moral Reasoning Strategies

Human beings in every society make moral judgments when talking about and evaluating the actions of other people, which has consequences for future interactions (Haidt, 2001). Consumers often face predicaments associated with emotions for famous athletes when the athlete, as the brand endorser, is at the forefront of misconduct or unethical behaviors. In such situations, the consumer has to assess the misconduct and make a moral judgment (Hur, Lim, Won & Kwon, 2018). The specific way in which individuals transform any information about immoral actions or immoral actors into a moral judgment can be termed as different moral reasoning strategies (Haidt, 2001). Previous studies in the domain of moral judgments have indicated that the damage to a public figure's transgression on consumer evaluation is highly based on the moral reasoning strategy activated in the mind of the consumer (Bandura et al., 1996; Bhattacharjee et al., 2013; Ditto et al, 2009). Providing details as to when a certain reasoning strategy is activated and what consumers resonate best with across athlete transgressions is something which to our concern, current literature fails to give a sufficient overview of. Hence, this paper proposes that in order to mitigate negative associations derived from the athlete transgression, brands should seek to understand factors underlying the activated moral reasoning process.

This study addresses the reasoning strategies Moral Rationalization (MR) and Moral Decoupling (MD), which have previously been validated in an athlete endorsement setting (Bhattacharjee et al., 2013; Lee et al., 2015). MR is a common reasoning strategy used by individuals when there is a need to construe immoral actions as less immoral (Bhattacharjee et al., 2013). The cognitive process allows individuals to make sure their behavior does not conflict with moral standards, which in turn allows them to support the immoral actor (Tsang, 2002). This is evident when the consumer has a strong emotional connection towards the athlete endorser and tries to interpret the transgression in a way which withholds the consumer's values. However, when using the rationalization strategy there is a downside that it might create tension and compromise the consumers own moral values (Cowan & Yazdanparast, 2019).

The most recent decade has also seen Bhattacharjee et al. (2013) contributing effort to explain how judgments of performance can be separated from judgments of morality. As the judgments are separated, MD enables the possibility to support a transgressor's performance as opposed to judgments concerning the morality of the event. Hence, MD makes it easier for consumers to be against inappropriate behaviors, while simultaneously supporting the performance of the public figure, as MD does not require to condone the behavior (Bhattacharjee et al., 2013). For consumers this might feel better as it prevents dissonance and feels less wrong and easier to justify than MR (Lee & Kwak 2016; Haberstroh, Orth, Hoffmann & Brunk, 2017). Hence, this study proposes that as a way of preventing dissonance, consumers might be expected to prefer a statement which is based on a MD response. Accordingly, the first and second research question are distinguished as the following:

RQ1: Will consumers be more receptive to a moral decoupling response for mitigating negative effects on brand evaluation across transgression categories compared to a moral rationalization or termination response?

RQ2: Will a brand response utilizing a moral decoupling strategy enable the brand to maintain the contract with an athlete endorser in a competency related transgression category, by mitigating negative effects on consumers brand evaluation?

A current limitation in the moral reasoning literature related to sponsorships is that previous studies to a large extent have utilized fictional athletes (Lee et al., 2015; Lee & Kwak, 2016). Arguably, respondents are likely to respond differently towards a transgression committed by a fictional athlete than someone they have emotions for. Hence, to address current weaknesses this study uses real athletes' respondents have strong feelings about. Moreover, current studies lack understanding of how other attributes might influence the reasoning process activated. For instance, would consumers who are emotionally attached to an athlete increase the consumers' willingness to activate MR or MD?

A decisive factor for brands when choosing an endorser is their likability. Recent literature has to a large degree focused on the desire for well-liked celebrities, as they have high levels of awareness, attention, interest and profit generation (Gupta, 2009). The likeability of the endorser can be explained as the fondness for the person due to personality, behavior, or physical appearance (Sassenberg, 2015). Previous research has found that having liked endorsers, may result in positive spillover effects to the brand and affect consumers evaluation of the brand in a positive direction. (Rowley, Gilman & Sherman., 2019). However, it is still unclear whether a liked athlete may protect the brand from other negative associations derived from a transgression. Would for instance, someone who evaluates Tyson Fury as likeable, perceive his statement less severe? On the other hand, research has also found that endorsers perceived as disliked may have a negative effect on the brand (Reisinger, Grohs & Eder, 2006; Kelly, Ireland, Mangan & Williamson 2016). Possibly indicating that someone with a dislikeable impression of Tyson Fury might consider the statement severe, resulting in more detrimental effects to the brand.

Fritz Heider's (2013) book The Psychology of Interpersonal Relations is one of the major cornerstones within theory of social perception. In his work, Heider introduced balance theory, explaining how individuals wish to form a unit formation or balanced state, of separate elements that belong together. Meaning that we seek to have a consistent perception of for example an athlete, his actions or in general traits we believe are related to the person. In the context of this study, we look at perceptions related to sentiments to understand an essential part of interpersonal relations. Sentiments are described as how a person feels or evaluates another person and is distinguished between positive sentiments when a person likes another, and negative when a person dislike another (Heider, 2013). Hence, someone who likes an athlete committing a transgression is likely to react differently than for someone evaluating an athlete they do not like. If a liked athlete commits a transgression, there might be an eagerness to maintain a positive impression of the athlete, to avoid mixed emotions. Whereas, someone evaluating a disliked athlete, the opposite should be expected to ensure a balanced state. Hence, an important question to ask is whether the effectiveness of the brand response differs depending on whether the individual likes or dislikes the athlete? A reasonable assumption could be that the emotional response from the consumer differs as a function of the athletes' likeability.

It is also noteworthy that the perception of likability is subjective and may differ between consumers. Thus, the level of likeability could potentially play a role in how consumers react to different athletes' transgressions. Current literature still lacks an understanding of the interplay between cognitive and affective elements underlying moral decisions (Lee & Kwak, 2016). Thus, it would be beneficial to analyse whether moral emotions (such as empathy, contempt, anger and disgust; Grappi, Romani & Bagozzi, 2013) generally activated by a transgression, favour one reasoning strategy over the other. For example, moral emotions connected to liking the athlete endorser could imply that the consumer would prefer a brand statement rationalizing the athlete endorser's transgression (Hoffman, 1994). Whereas consumers with moral emotions connected to disliking the athlete endorser potentially resonate better

with a decoupling or termination response, as a way of avoiding conflict. Hence, the third and fourth research question are formulated as the following:

RQ3: Will consumers who have moral emotions connected to liking the athlete endorser be more receptive to a moral rationalization response tactic, and thus mitigate negative effects from the athlete's moral transgression on brand evaluation?

RQ4: Will consumers who have moral emotions connected to disliking the athlete endorser be more receptive to a moral decoupling response tactic, and thus mitigate negative effects from the athletes' moral transgression on brand evaluation?

2.3 Brand Strategies in the Aftermath of a Moral Transgression

Firms will often prioritize their recovery efforts to respond to the damage done to the customer relationship by a transgression (Aaker, Fournier & Brasel 2004). Previous research has found that brands and celebrities can somewhat safeguard themselves by employing the correct situational crisis response strategy (Thomas & Fowler, 2016). A common suggestion is that the endorser brand will have to choose between the two optional routes of either terminating or maintaining the contract (Agyemang, 2011). Sato et al. (2019) has provided insight into when a brand should cut ties with a scandalized endorser. One of their main findings was that when a competency-related scandal emerged, it was better for the brand to cut ties with the athlete endorser. This has been evident in several cases.

For example, in 2016 TAG Heuer decided to break ties with athlete endorser Maria Sharapova, as she was found guilty of taking performance-enhancing drugs (Doerr, 2016). Another athlete celebrity such as Ben Johnson suffered the same fate when he was caught in a doping scandal (Chang, 2017). One of the main reasons why brands decide to cut ties in such cases, is the fear of negative associations being transferred to the brand (Messner & Reinhard, 2012). An assumption as to why brands often cut ties with athletes who engage in immoral behavior connected to the sport, is that it comes as a consequence

of the consumers' tendency to perceive transgressions related to sports as severe. Thus, terminating the contract safeguards the brand from negative publicity harming the brand image and consumers brand evaluation (Messner & Reinhard, 2012).

On the other hand, when athlete competency is not relevant to the scandal, Sato et al. (2019) argue that the brand can choose between terminating the contract or modify messages appropriately with a goal of influencing consumers' interpretation. In 2009, professional golfer Tiger Woods was involved in a car accident outside his home and reports about an extramarital affair started to emerge (Finsterwalder, Yee & Tombs., 2017). The news resulted in widespread news coverage, causing damage to Tiger Woods public reputation and many of his endorsement contracts were either paused or dropped outright (Knittel & Stango, 2014). Two of his main sponsors, Nike and Electronic Arts, chose to maintain their contracts with the athlete. Nike stated that: *"Woods is one of the greatest athletes of his era and has Nike's full support"*. Whereas Electronic Arts stated that *"We respect that this is a very difficult, and private, situation for Tiger and his family. At this time, the strategy for our Tiger Woods PGA tour business remains unchanged"* (CNBC, 2010). It was estimated that in the 10-15 trading days after the scandal, the main group of endorsers lost 2% of market value (Knittel & Stango, 2014). The incident gave brands a further reminder of potential risks associated with endorsements. Hence, it is reasonable to understand that the nature of a transgression influences the endorsement continuity decision. It is also evident that quite a few brands maintain ties with their athlete endorser, regardless of having committed a transgression.

Although previous studies have provided valuable insights about when a brand can use modified messages to continue the endorsement. Little research has been conducted on how a brand should modify their messages. A question which may be asked in relation to this specific, but also other cases is whether a strategic brand response utilizing moral reasoning strategies would be more suitable to mitigate negative effects on brand evaluation.

In the context of moral judgments, it has previously been argued that the moral reasoning strategy activated has a strong influence on consumers' brand evaluation. However, current research still lacks a thorough understanding for when individuals are more bound to resonate with a specific moral reasoning brand response. In line with this, there is a lack of research investigating the difference between specific strategies in regard to situational and severity factors. Research has established that severity is evaluated in the minds of consumers (Sassenberg & Johnson-Morgan, 2010). Meaning that consumers' moral standards differ, when exposed to the same incident. This implies that it could be difficult for brands to evaluate when a moral reasoning brand response should be utilized, as consumers might evaluate the brand response differently based on the severity of different categories. As a result, this study looks at what type of reasoning strategy brands should utilize across transgression categories and when they are most effective in mitigating negative effects on brand evaluation. In order to reduce current gaps, this research seeks to investigate the following research question:

RQ5: Will the perceived severity of the transgression category influence the effectiveness of using a moral reasoning response to mitigate negative effects on brand evaluation?

3.0 Methodology

This study analyses the impact an athlete endorser's transgression may have for the brand evaluation, across three categories of transgressions. Furthermore, the study investigates how the causal relationship of an athlete endorser's transgression on brand evaluation is affected through the three attributes: (1) liking of the athlete endorser, *(known-liked, known-disliked, and unknown),* (2) transgression category *(unconnected to sport, connected to sport and controversial statement),* and (3) brand response *(moral rationalization, moral decoupling, and termination of contract).*

A full profile conjoint analysis was chosen for this study, as it is a specific survey-based experiment which enabled testing our constructed research questions. Moreover, it was deemed the best method to examine our topic, as it

allowed testing the outcome of different scenarios and simulating decision making involving attribute trade-offs (Vriens 1994; Green, Krieger & Wind, 2001). Thus, we were able to test whether a certain brand response would be better suited to mitigate negative effects on consumers' brand evaluation, depending on the category of transgression.

In theory, 27 (3 x 3 x 3) concepts would have been possible if all attributes and levels were taken into account. To reduce the number of stimuli an orthogonal design was chosen. The orthogonal design gave a reduced set of profiles to include in the questionnaire, which was a more realistic task for respondents to evaluate. In total, nine conjoint cards were generated in SPSS depicting the scenarios needed to run the study (Table 1).

<div align="center">Conjoint Cards</div>

Card ID	Athlete Liking	Transgression Category	Brand Response
1	Known disliked	Unconnected to sport	Moral decoupling
2	Unknown	Unconnected to sport	Termination of contract
3	Known liked	Controversial statement	Moral decoupling
4	Known disliked	Controversial statement	Termination of contract
5	Known liked	Unconnected to sport	Moral rationalization
6	Known disliked	Connected to sport	Moral rationalization
7	Known liked	Connected to sport	Termination of contract
8	Unknown	Controversial statement	Moral rationalization
9	Unknown	Connected to sport	Moral decoupling

Table 1: *Conjoint Cards Generated Through Orthogonal Design*

3.1 Collection of Subjects

For the purpose of this study, it was deemed beneficial to collect respondents with interest within the sports domain. To assure the collection of sports interested respondents, there was a need to distribute the questionnaire where these individuals exist. Typically, sports interested consumers interact in online communities where other sports interested consumers engage. The communities are identified as places where the members have the basis of commonality or identification between them and their devotion towards a brand, sport, or an event (McAlexander, Schouten & Koenig, 2002). Moreover, as the experimental questionnaire was conducted online, there was a need to reach respondents in online environments. Participants were therefore gathered through the social media platforms Facebook, Reddit and Twitter and shared

on both sport communities and sport forums. After sharing the complete survey, the responses amounted to a total of 104.16 responses were excluded from the final results due to incomplete answers.

3.2 Pre-Tests

Two pre-tests were carried out with a total of 15 participants before distributing the questionnaire. The first pre-test sought to establish whether respondents were able to list known-liked athletes and known-disliked athletes. The main reason for conducting this pre-test was to minimize the risk of receiving insufficient responses and ensure that it would be realistic. Moreover, the second pre-test was carried out to confirm that our questions had a logical flow and were understandable. Reactions and feedback from the participants gave us input for small corrections and ensured that it would be feasible to carry out the questionnaire.

3.3 Manipulating Liking

The athlete liking attribute was manipulated by separating it into the three different conditions: known-liked, known-disliked, and unknown. Having a predetermined set of athletes for the conditions liked and disliked was avoided, as the respondents might have different opinions about the liking and awareness of the athlete. Hence, to avoid imbalance in the manipulations, respondents were instructed to fill in the different athlete considering the likeability conditions themselves. By utilizing the function of Piped Text in Qualtrics, the athletes who were written at the beginning of the survey, would appear in corresponding questions and news stories.

3.4 Manipulating Transgression Category:

The transgression category attribute was manipulated into three different conditions: unconnected to sport, connected to sport and controversial statement. The manipulations were based on realistic scenarios which brands typically find their athlete endorsers involved in.

The manipulation of the transgression unconnected to sport was a news headline presenting that: *${q://QID22/ChoiceTextEntryValue} has received a lot of negative attention in the media lately, due to the athlete's involvement in an infidelity scandal. According to Sky Sports, ${q://QID22/ChoiceTextEntryValue} has been accused of having an affair. The accusations come from comments from the wife, stating that ${q://QID22/ChoiceTextEntryValue} was in a sexual relationship with another female, which has resulted in a family crisis.*

The news headline with the transgression connected to sport presented that: *${q://QID19/ChoiceTextEntryValue} has received a lot of negative attention in the media lately, due to the athlete's involvement in a scandal regarding performance-enhancing drugs. According to Sky Sports, ${q://QID19/ChoiceTextEntryValue} has been accused of having performance-enhancing drugs in his system. These accusations are based on positive results of drug-tests, which were obtained before the last competition the athlete competed in.*

Whereas the news headline with the controversial statement presented that: *${q://QID22/ChoiceTextEntryValue} has received a lot of negative attention in the media lately for expressing his controversial views about the Black Lives Matter campaign. According to Sky Sports, ${q://QID22/ChoiceTextEntryValue} stated that "I am sick and tired of this taking a knee nonsense in my sport. George Floyd died of a lethal drug overdose and not from police action. In fact, there is no evidence that black people are shot by police more often than their crime rate would expect. The whole movement is based on falsehoods!".*

3.5 Manipulating Brand Response

The final paragraph of the news articles consisted of the manipulations for brand responses stated by the sponsor Nike. The manipulations for the attribute were separated into the three conditions: moral rationalization, moral decoupling, and termination of contract.

The first condition was constructed as a response where the brand would rationalize the act committed: *"We believe it is important to state that our ${q://QID22/ChoiceTextEntryValue} should not be too harshly judged for this small immoral action. Athletes have an extremely high pressure to perform and should not always be judged by their immoral actions when situational pressures are so high. Our opinion is that the immoral action is not as bad as what other athletes have found themselves involved in. We therefore intend to continue our cooperation and maintain our full support of ${q://QID22/ChoiceTextEntryValue}".*

For the second condition, the brand response sought to decouple the transgressors wrongdoing, from his previous achievements: *"We wish to emphasize that the reports of ${q://QID22/ChoiceTextEntryValue} wrongdoing should not affect the view of his performance. We believe it is important to separate the athlete's personal views from his performance as an athlete. Despite the actions being immoral, it has nothing to do with the personal achievements our athlete has achieved previously. We therefore intend to continue our cooperation and maintain our full support of ${q://QID22/ChoiceTextEntryValue}".*

Whereas the last condition was constructed as a response where the contract would be terminated: *"We are strongly opposed to this kind of behavior and beliefs from our athlete endorsers. As a result, we have decided to terminate our contract with ${q://QID19/ChoiceTextEntryValue}."*

3.6 Operationalization of Constructs

To understand and predict the constructs all items were measured in a survey created in Qualtrics. All of the items used to measure the constructs were extracted from previous research, except for the attitude related questions. A full overview of the questionnaire is available in Appendix 1.

The questionnaire was divided into five different sections. In the first section, respondents were asked about demographics regarding their age, gender and

level of education. The purpose of this was to gather important background information of the respondents.

For the second section, respondents were asked to fill in a male athlete they greatly liked and disliked, whereas the unknown athlete was by default named Robert Henry. The purpose of having respondents fill in athletes themselves was to create a realistic scenario where the respondents had an actual relation to the athlete endorser. The athletes would then appear in nine fictitious news stories along with Nike as the predetermined brand endorser. The news stories were constructed so that the respondent would first read about the transgression committed and would afterwards see how the brand chose to respond. For the moral rationalization response, statements such as *"People should not always be at fault for immoral actions because situational pressures are often so high"* and *"The immoral action is not as bad as what other athletes have found themselves involved in"* were utilized. In the moral decoupling response the *statements "It is inappropriate to take into account someone's personal actions when assessing the job performance"* and *"Reports of wrongdoing should not affect our view of previous achievements"* were utilized. The statements were retrieved from Bhattacharjee et al. (2013) and Lee & Kwak (2016) and were slightly adapted to fit the purpose of the study.

In the third section, a brand evaluation was collected after showing the news stories. The question used was *"Please evaluate Nike on the following scale"* and was used throughout the nine news stories. For the first item the value 1 represented "bad" and the value 7 represented "good". For the second item the value 1 represented "unlikeable" whereas the value 7 represented "likeable". The two items measuring attitudes towards sponsors were extracted from Gürhan-Canli & Batra (2004). In addition, the same items were used when respondents were asked to give an evaluation of the athlete after reading each news story. The fourth section sought to gather respondents' perceived severity of the *transgression category*. The question: *"How do you rate the severity of the event acted in the news story?"* was retrieved from Chien, Monica, Sarah & Weeks (2016) In addition, the statement "In my opinion, the event is

morally severe" was measured after each news story using a 7-point Likert scale ranging from 1 "strongly disagree" to 7 "strongly agree". These items were extracted from Chang (2017).

In the last section, a set of statements were assembled to gather respondents' attitudes and interests connected to different topics. The first set of statements related to *general attitudes* concerning topics like brand accountability, forgiveness towards brands and views on mistakes. The respondents were asked to which extent they agreed with the *statements "Brands should be held accountable for transgressions committed by one of their athlete endorsers"*, *"We should forgive brands for actions committed by one of their athlete endorsers"* and *"I believe all people are capable of committing mistakes"*. Moreover, the remaining questions sought to understand respondents' *interests* and *transgression specific attitudes*. For interests, respondents were asked to which extent they agreed with the statements *"I watch a high amount of sports on tv and online channels"* and *"I consider myself politically engaged"*. At last, respondents were asked to which extent they agreed with statements concerning attitudes towards different type of transgressions *"People should be allowed to express politically incorrect opinions"*, *"Professional sports achievements should not be affected by an athletes immoral behavior connected to categories such as extramarital affairs, racism, violence or corruption"* and *"Athlete's that are accused of engaging in performance enhancing transgression should be punished/banned"*. All of the attitudes were measured on a 7-point Likert scale ranging from 1 "strongly disagree" to 7 "strongly agree".

3.7 Brand Evaluation:

Brand evaluation was chosen as the dependent variable for this study. In order to measure brand evaluation, the two items bad/good and unlikeable/likeable measuring attitudes towards sponsors were adopted from Gürhan-Canli & Batra (2004). The two items were chosen as they had reported a reliability of 0.916 in a similar setting looking at consumer evaluations of sponsors (Yoon & Shin, 2017). Moreover, respondents were required to evaluate Nike after each news story to understand how the brand evaluation of the sponsoring

brand Nike would be affected by the different manipulations. This was carried out through a 7-point Likert scale which aimed at capturing changes to the aforementioned attitudes.

4.0 Results:
4.1 Conjoint Results:

This study utilized conjoint analysis to investigate athlete- and brand evaluations in the aftermath of a transgression, based on the attribute's athlete liking, transgression category, and brand response. The constructs of athlete evaluation and brand evaluations were measured using multiple items across the three measured attributes (total of 54 variables). Instead of analysing each subcategory independently, index variables were created from the total variables. A total of 18 index variables were computed to make the foundation of the analysis. To ensure that the computed index variables were reliable, Cronbach's reliability tests were performed. The test gave Cronbach's Alpha>0.8 across all 18 variables, verifying the variables for further analysis.

Two separate conjoint analyses were run from our dataset to see how each attribute would affect athlete evaluation and brand evaluation separately. This resulted in the outputs of the two conjoint cards "conjoint card on athlete evaluation" and "conjoint card on brand evaluation". To validate the attributes (*Athlete_liking, Transgression_category, Brand_response*) in the conjoint analysis, we looked at the correlation metrics Pearson's R. The metric showed significant correlations($p<.05$) on both conjoint cards, verifying the overall results for further analysis.

The conjoint card on athlete evaluations was first interpreted by looking at the importance values of the different attributes (see Table 2)**.** Not surprisingly, *Athlete_liking* (=39.398, $p<.05$) has the strongest effect followed by *Transgression_category* (=35.601, $p<.05$), giving indication that the athlete and the transgression which athletes are involved in will affect the post-evaluation from consumers the most. It is also clear that *Brand_response* (=25.001, $p<.05$.) has relatively high importance for athlete evaluation. Moreover, utility estimates from the conjoint card were interpreted to see the effect of the attributes at different levels. The *Athlete_liking* attribute showed

that Known Liked(β =0.534, p<.05) and Unknown(β =0.042, p<.05) both have positive effects on athlete evaluation. On the other hand, a Known Disliked (β =-0.575,p<0.5) has a negative effect. This indicates that athletes with positive associations and athletes which consumers are unaware of are less damaged after committing a moral transgression, in terms of athlete evaluation. Whereas two of the athletes have potential to avoid some negative effects, Known Disliked athletes are judged more harshly for their actions.

The *Transgression_category* attribute shows that involvement in a transgression connected to sport(β= -0.271,p<.05), followed by a controversial statement(β= -0.256,p<.05) weakens the athlete evaluation. On the contrary, we see that athletes involved in transgressions Unconnected to sport(β =0.527,p<.05), will not harm the athlete evaluation. Hence, consumers tend to view both categories connected to sport and controversial statements as more severe than transgressions unconnected to sport. Lastly, we see that *Brand_response* may affect the athlete evaluation both ways, depending on the chosen strategy. Moral rationalization(β = -0.154,p<.05) affects the evaluation negatively. Whereas, Moral decoupling(β =0.002, p<.05) and termination of contract(β =0.152, p<05) have positive effects. Thus, if the brand is planning to continue the endorsement, a moral decoupling response strategy should be encouraged.

The conjoint card on brand evaluations was also interpreted (see Table 3). The findings depicted that the attribute *Brand_response*(=39.588,p<.05) has the strongest importance on brand evaluation. Followed by *Athlete_liking*(=32.872,p<.05), and *Transgression_category* (=27.540,p<.05). An interpretation of the *Brand_response* attribute shows that the termination of contract(β =0.902, p<.05) strategy is most effective to safeguard the brand. Moreover, Moral rationalization(β= -0.713,p<.05) weakens brand evaluation the most, whereas Moral decoupling(β = -0.189) weakens the brand evaluation, but in a less severe matter. In light of these findings, it can be said that brands who chose to terminate the contract will safeguard the brand evaluation the most. However, if the brand is planning a continuation of the endorsement, it

will safeguard brand evaluation the most by employing a moral decoupling response.

The attribute *Athlete_liking* shows interesting findings regarding the different athlete levels. Known liked(β =0.604,p<.05) and known disliked(β=0.016,p<.05) athletes influence the brand evaluation positively. However, an Unknown(β= -0.710,p<.05) athlete weakens the brand evaluation in the aftermath of a transgression. This indicates that being connected to a known athlete, both liked and disliked, gives positive attitudes on brand evaluation from consumers. On the contrary, being connected with unknown athletes who engage in immoral activities strongly weakens the brand evaluation. Hence, defending an unknown athlete is interpreted negatively by consumers. The last attribute *Transgression_category* shows that transgressions connected to sport(β= -0.522,p<.05) have a negative effect on brand evaluation. In comparison, transgressions regarding Controversial statements(β=0.099,p<.05) and transgressions Unconnected to sport(β=0.423,p<.05) do not harm the brand evaluation in the aftermath of the transgression.

These results suggest that athletes who engage in immoral behavior with high relevance to the sport will have negative spillover effects towards the endorser brands, compared to transgressions such as controversial statements and ethical and social predicaments.

Overall Statistics: Conjoint Card Athlete Evaluation

Attributes	Levels	Utility Estimates	Std. Error	Importance Value
Athlete_liking	Known liked	0.534	0.147	
	Known disliked	-0.575	0.147	39.398
	Unknown	0.042	0.147	
Transgression_category	Unconnected to sport	0.527	0.147	
	Connected to sport	-0.271	0.147	35.601
	Controversial statement	-0.256	0.147	
Brand_response	Moral rationalization	-0.154	0.147	
	Moral decoupling	0.002	0.147	25.001
	Termination of contract	0.152	0.147	
(Constant)		2.764	0.147	

Correlations

	Value	Sig.
Persons's R	0.971	<0.001
Kendall's tau	0.778	0.002

Table 2: *Overall Statistics for Conjoint Card on Athlete Evaluations*

Overall Statistics: Conjoint Card Brand Evaluation

Attributes	Levels	Utility Estimates	Std. Error	Importance Value
Athlete_liking	Known liked	0.604	0.228	
	Known disliked	0.016	0.228	32.872
	Unknown	-0.710	0.228	
Transgression_category	Unconnected to sport	0.423	0.228	
	Connected to sport	-0.522	0.228	27.540
	Controversial statement	0.099	0.228	
Brand_response	Moral rationalization	-0.713	0.228	
	Moral decoupling	-0.189	0.228	39.588
	Termination of contract	0.902	0.228	
(Constant)		3.889	0.161	

Correlations

	Value	Sig.
Persons's R	0.972	<0.001
Kendall's tau	0.611	0.011

Table 3: *Overall Statistics for Conjoint Card on Brand Evaluations*

4.2 Results on Research Questions

RQ1 investigated whether consumers would be more receptive to a moral decoupling response for mitigating negative effects on brand evaluation across the transgression categories, compared to a moral rationalization or termination of contract response. The conjoint card on brand evaluations showed that brand response has the highest importance value, across the three studied attributes. (Table 3). Moreover, utility values for brand responses showed that termination of contract has the strongest positive effect on brand evaluation. Whereas Moral decoupling has a negative effect and Moral rationalization has the strongest negative effect. The utilities give early indication that terminating the athletes contract will give the strongest positive effect on brand evaluation across the studied categories.

To run further analysis on the research question, categorization of severity levels for the transgression categories was performed. This was done by collecting insights from descriptive statistics on each severity variable from the conjoint card on brand evaluation. An interpretation of the output showed that the conjoint cards connected to the transgression category *unconnected to sport*(CJ1, CJ2, CJ5) had the lowest combined mean severity ($\overline{x}$=13.46). Followed by conjoint cards connected to *controversial statement*(CJ3, CJ4, CJ8) ($\overline{x}$=16.16), and conjoint cards with transgressions *connected to sport*(CJ6, CJ7, CJ9) ($\overline{x}$=16.89) (see Table 4). The categorizations enabled us to rank *unconnected to sports* as the *low severity* transgression category, *controversial statements* as the *medium severity* transgression category and *connected to sports* as the *high severity* transgression.

One-Sample Statistics: Severity frequencies table			
Card	N	Mean	Std. Dev
CJ1 Severity	104	4.44	1.487
CJ2 Severity	104	4.39	1.11
CJ3 Severity	104	5.15	1.012
CJ4 Severity	104	5.63	1.578
CJ5 Severity	104	4.63	1.388
CJ6 Severity	104	5.67	1.325
CJ7 Severity	104	5.46	1.269
CJ8 Severity	104	5.38	1.691
CJ9 Severity	104	5.76	1.178

Table 4: *Severity Frequencies Table*

Based on these severity levels, nine test variables were created. The test variables were computed by adding up each respondent's conjoint coefficients on brand evaluations (see Appendix 2). This enabled us to compute test variables on moral decoupling-, moral rationalization- and termination responses on the three studied levels of transgressions (see Table 5).

Severity Test variables			
Variables	N	Mean	Std. Dev
MD low severity *(unconnected)*	104	4.7276	1.6593
MD medium severity *(controversial)*	104	4.4038	1.2414
MD high severity *(connected)*	104	3.7821	1.2615
MR low severity *(unconnected)*	104	4.2035	1.4731
MR medium severity *(controversial)*	104	3.7898	1.2423
MR high severity *(connected)*	104	3.2580	1.4491
T low severity *(unconnected)*	104	5.8189	1.9196
T medium severity *(controversial)*	104	5.4925	1.6364
T high severity *(connected)*	104	4.8734	1.3462

Table 5: *RQ1 Test Variables*

To compare moral decoupling to the two other brand responses, across the three categories of transgressions, independent sample t-tests were utilized. All t-tests comparing moral decoupling to moral rationalization and termination were significant($p<.05$) (see Table 6). Looking at the mean values, it is evident that moral decoupling has a significantly better outcome across the studied categories, compared to the moral rationalization response. Giving further insights towards moral decoupling being the preferred moral reasoning response of the two. However, it is also evident that termination of contract has the highest mean value across the three categories (see Table 6). Giving further evidence that brands will safeguard brand evaluation the most by terminating the contract with the athlete endorser.

Independent Samples T-test							
T-test Low Severity							
Grouping	**N**	**Mean**	**Std. Dev**	**F**	**t**	**df**	**Sig. (2-tailed)**
MD low severity	104	4.7260	1.6593	1.9200	2.4080	206	0.017
MR low severity	104	4.2035	1.4731		2.4080	206	0.017
MD low severity	104	4.7260	1.6593	0.4700	-4.3860	206	<0.001
T low severity	104	5.8189	1.9196		-4.3860	206	<0.001
T-test Medium Severity							
Grouping	**N**	**Mean**	**Std. Dev**	**F**	**t**	**df**	**Sig. (2-tailed)**
MD medium severity	104	4.4038	1.2414	0.0000	3.0430	206	0.003
MR medium severity	104	4.2035	1.4731		3.0430	206	0.003
MD medium severity	104	4.4038	1.2414	8.0500	-5.4180	206	<0.001
T medium severity	104	5.4952	1.6364		-5.4180	206	<0.001
T-test High Severity							
Grouping	**N**	**Mean**	**Std. Dev**	**F**	**t**	**df**	**Sig. (2-tailed)**
MD high severity	104	3.7821	1.2616	1.6600	2.7810	206	0.006
MR high severity	104	3.2580	1.4491		2.7810	206	0.006
MD high severity	104	3.7821	1.2616	8.0500	-6.0320	206	<0.001
T high severity	104	4.8734	1.3463		-6.0320	206	<0.001

Table 6: *Independent Sample t-test's Comparing Brand Responses Across Categories*

The results indicate better mitigation effects with a moral decoupling response compared to moral rationalization. However, there is evidence that terminating the contract is the most effective strategy across the studied categories of transgressions, when trying to mitigate negative effects on brand evaluation. As a result, RQ1 is not supported.

RQ2 investigated whether a brand response utilizing a moral decoupling strategy would enable the brand to maintain the contract in a transgression connected to sports. The overall results for the conjoint card on brand evaluations showed that moral decoupling has a slightly negative effect on brand evaluation post transgression (Table 3). Furthermore, analysis performed in RQ1 showed that terminating the contract in the connected to sport transgression category ($\bar{x}$ =4.8734, p<05) is the most safeguarding in terms of brand evaluation (see Table 5). Despite the findings that a Moral decoupling

response paired with a transgression connected to sport ($\bar{x}$ =3,7821, p<.05) (see Table 5) does not give brands equal opportunity to mitigate negative effects on brand evaluation, it gives brands an opportunity to continue cooperation with the endorser.

To investigate whether a moral decoupling response mitigates negative effects on brand evaluation sufficiently enough for brands to maintain the contract in the connected to sport category, analyses on differences between segments was performed. Table 7 depicts differences in brand evaluation utilities, regarding the different segments in the data set. The findings indicate a common agreement across the studied segments that termination of contract is the best mitigator for negative effects on brand evaluation in the aftermath of an athlete transgression. However, there are some interesting differences found between segments.

Overall Statistics: Utility Estimates on Each Segment							
		Utility Estimates					
Attributes	Levels	Males	Females	Age<30	Age>30	Lower Education	Higher Education
Athlete_liking	Known liked	0.7075	0.4967	0.6147	0.5152	0.6929	0.4394
	Known disliked	0.0409	0.1732	0.1362	-0.152	0.1190	0.0606
	Unknown	-0.7484	-0.6699	-0.7509	-0.364	-0.8119	-0.5000
Transgression_category	Unconnected to sport	0.5189	0.3235	0.4849	-0.015	0.4667	0.3283
	Connected to sport	-0.6321	-0.4085	-0.5448	-0.333	-0.5571	-0.4444
	Controversial statement	0.1132	0.0850	0.0699	0.3485	0.0905	0.1162
Brand_response	Moral rationalization	-0.7358	-0.6895	-0.7688	-0.242	-0.7904	-0.5303
	Moral decoupling	-0.1006	-0.2810	-0.2061	-0.046	-0.2190	-0.1515
	Termination of contract	0.8365	0.9706	0.9749	0.2879	1.0095	0.6818
(Constant)		3.9214	3.8562	3.8674	4.0758	3.9381	3.7879

Table 7: *Utility Estimates on Each Segment*

Considering gender, *Males* (N=53) seem to be more receptive to moral decoupling responses (β= -.1006,p<.05) compared to *Females*(N=51) (β= -.2810, p<.05). Indicating that males are more open to such responses, as it does not harm the brand evaluation to the same extent as for females. Comparing the two age segments, it is evident that moral decoupling gives better brand evaluation utility outcomes for the *Age>30* (N=15) (β= -.0046, p<.05) segment compared to the *Age<30* (N=89) (β= -.2061). This shows better potential for utilizing moral decoupling responses when the main target group belongs to

the elderly segment. Looking at the education segments, it is evident that
Higher Education (N=33) are more receptive to moral decoupling (β= -
.1515,p<.05) compared to *Lower Education* (N=70) (β= -.2190, p<.05).
Furthermore, Higher Education has lower utility values for termination of
contract (β= .6818, p<.05) compared to Lower Education (β= 1.0095,p<.05).
Indicating that higher educated individuals are more sceptical towards
terminating a contract with an endorsed athlete post transgression, compared to
lower educated individuals.

Another interesting aspect was to further investigate the male segment, who
seem more receptive to moral decoupling responses. One reasoning behind this
finding can be found when looking at the interest of sport between the two
groups. *Male* (N=53) has a significantly higher mean *Sport interest* ($\bar{x}$ =4.72,
p<.05) compared to *Female* (N=51) ($\bar{x}$ =2.84, p<.05) (see Table 8). These
results shows that the male respondents in general are more interested in
sports, and more receptive to the moral decoupling response. As moral
decoupling needs more cognitive effort, involvement in sports could likely be
the factor which increases receptiveness for this brand response.

Independent Samples T-test								
Comparing gender	Grouping	N	Mean	Std. Dev	F	t	df	Sig. (2-tailed)
Sport interest	Male	53	4.7200	2.0790	2.7230	4.9660	102	<.001
	Female	51	2.8400	1.7480		4.9660	102	<.001

Table 8: *Independent sample t-test's Sport Interest and Gender Comparison*

Although the analyses between segments indicate some differences in
acceptance for moral decoupling, the severity of connected to sport
transgressions makes consumers sceptical to brands who utilize the response.
The transgression category is perceived severe, and the results from the
conjoint card on brand evaluations (Table 3) also show how negative
respondents in general are towards the category. Hence, arguing that a brand
response other than termination would mitigate negative effects on brand
evaluation when utilized towards this type of transgression is difficult. Brand
responses utilizing a moral decoupling strategy regarding competency related
transgressions would enable to maintain the contract, especially for some

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consumer segments. But it will in most cases not mitigate negative opinions on brand evaluation to a desired extent. As a result, RQ2 is not supported.

RQ3 sought to establish whether consumers with moral emotions connected to liking an athlete would be more receptive to a moral rationalization response compared to consumers disliking an athlete. Utility values from the conjoint card on brand evaluations show that liked athletes give the highest utility values compared to the other levels of the athlete liking attribute (Table 3). This indicated that brands endorsing liked athletes receive higher brand evaluations in the aftermath of a transgression. To investigate differences in the effectiveness of utilizing a moral rationalization response with liked- and disliked athletes, two new test variables were computed. The test variables were computed by adding up each respondent's conjoint coefficients on moral rationalization for liked athletes and for disliked athletes (see Appendix 3).

To compare the two test variables, an independent-sample t-test was utilized. The t-test shows that there is a significant difference between consumers who have moral emotions connected to liking the athlete ($\bar{x}$ =3.2580, p<.05) and consumers who have moral emotions connected to disliking the athlete ($\bar{x}$ =2.7596, p<.05), when paired with a moral rationalization response post transgression (see Table 9). Thus, a moral rationalization response paired with a liked athlete gives significantly higher brand evaluation post transgression. Hence, having liked athletes as brand endorsers will give brands a better possibility to mitigate negative effects on brand evaluation compared to disliked athletes, when utilizing a moral rationalization response. As a result, RQ3 is supported.

Independent Samples T-test								
Comparing likeability	Grouping	N	Mean	Std. Dev	F	t	df	Sig. (2-tailed)
Conjoint Card Brand Evaluation	Liked Athlete	104	3.2580	1.4491	0.4350	2.3970	206	0.017
	Disliked Athlete	104	2.7596	1.5479		2.3970	206	0.017

Table 9: Independent-Sample t-test MR Comparing Disliked and Liked Athletes

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RQ4 explored whether consumers with moral emotions connected to disliking the athlete would be more receptive to a moral decoupling response to mitigate negative effects on brand evaluation. The utility value of disliked athletes has a slightly positive effect on brand evaluation post transgression. Moreover, the utility for a moral decoupling response has a slightly negative utility value (Table 3). These findings make it interesting to look at consumers' receptiveness to moral decoupling in the aftermath of a transgression, when the response is paired with different types of athletes. To uncover the effectiveness of a moral decoupling response, new test variables were computed. The test variables were computed by adding up each respondent's conjoint coefficients on moral decoupling for liked athletes and for disliked athletes (see Appendix 4).

To compare the test variables, an independent-sample t-test was utilized. The t-test shows that there is a significant difference between liked athletes ($\bar{x}$=3.7821,p<.05) and disliked athletes ($\bar{x}$ =3.2837,p<.05) in terms of brands using a moral decoupling response (see Table 10). The mean of liked athletes is significantly higher than for the disliked athletes and shows that a moral decoupling response is more effective when combined with liked athletes.

Independent Samples T-test								
Comparing likeability	Grouping	N	Mean	Std. Dev	F	t	df	Sig. (2-tailed)
Conjoint Card Brand Evaluation	Disliked Athlete	104	3.2837	1.4013	1.1500	-2.6960	206	0.008
	Liked Athlete	104	3.7821	1.2616		-2.6960	206	0.008

Table 10: *Independent-Sample t-test MD Comparing Disliked and Liked Athletes*

An interesting finding drawn out from the conjoint card on brand evaluations was that endorsing disliked athletes had positive utility values, whereas unknown athletes have negative utility values (Table 3). This indicates that brands endorsing an unknown athlete would suffer more in the aftermath of a transgression compared to endorsing an athlete who is perceived disliked. Hence, moral decoupling paired with disliked and unknown athletes were compared with an independent-sample t-test, to uncover potential differences in effectiveness. To run the test, a new test variable was computed by adding up each respondent's conjoint coefficients on moral decoupling in the aftermath of a transgression for the unknown athlete (see Appendix 4).

The t-test shows that there is a significant difference between moral decoupling when combined with a disliked ($\bar{x}$ =3.2837,p<.05) and an unknown athlete ($\bar{x}$=2.4679,p<.05) (see Table 11). The results specify that a moral decoupling response is more positively impactful when paired with a disliked athlete compared to an unknown athlete.

Independent Samples T-test								
Comparing likeability	**Grouping**	**N**	**Mean**	**Std. Dev**	**F**	**t**	**df**	**Sig. (2-tailed)**
Conjoint Card Brand Evaluation	Disliked Athlete	104	3.2837	1.2616	4.0330	3.8790	206	<0.001
	Unknown Athlete	104	2.4679	1.6235		3.8790	206	<0.001

Table 11: Independent-Sample t-test MD Comparing Disliked and Unknown Athletes

This result indicates that moral decoupling is more effective when utilized as a brand response when the endorsed athlete has higher consumer awareness (regardless of the liking level). Thus, an interesting finding was that consumer awareness seemed to be an indicator for positive effects on brand evaluation when moral decoupling is utilized as a brand response. However, findings show that moral decoupling is most effective when paired with liked athletes as opposed to disliked athletes. As a result, RQ4 is not supported.

The purpose of RQ5 was to test whether severity of the transgression category influences the effectiveness of using a moral reasoning response to mitigate negative effects on brand evaluation. To test moral reasoning response strategy on low- and high severity transgressions, two overall moral reasoning test variables (moral decoupling and moral rationalization combined) was computed. To compute the test variables for moral reasoning on low severity- and moral reasoning on high severity transgression, the conjoint coefficients for each respondent on moral decoupling and moral rationalization was added up (see Appendix 5).

When the two test variables for moral reasoning was established, an independent-sample t-test was utilized for comparisons. The t-test shows that there is a significant difference, where moral reasoning on low severity ($\bar{x}$ =4.4566, p<.05) has a higher mean brand evaluation than moral reasoning on high severity ($\bar{x}$ =3.5200, p<.05) (See Table 12). This indicates that moral

reasoning responses are more effective in low severity categories compared to higher severity categories of transgression. Hence, the perceived severity of the transgression category has an influence on the effectiveness of using a moral reasoning response to mitigate negative effects on brand evaluation. Therefore, RQ5 is supported.

Independent Samples T-test								
Low and high severity	**Grouping**	**N**	**Mean**	**Std. Dev**	**F**	**t**	**df**	**Sig. (2-tailed)**
Conjoint Card Brand Evaluation	Low Severity	104	4.4566	1.4922	5.3850	4.9220	206	<0.001
	High Severity	104	3.5200	1.2690		4.9220	206	<0.001

Table 12: *Independent Sample t-test Comparing Moral Reasoning on Severity*

Research Question	Description	Result
RQ1	*Will consumers be more receptive to a moral decoupling response for mitigating negative effects on brand evaluation across transgression categories compared to a moral rationalization or termination response?*	Not supported
RQ2	*Will a brand response utilizing a moral decoupling strategy enable the brand to maintain the contract with an athlete endorser in a competency related transgression category, by mitigating negative effects on consumers brand evaluation?*	Not supported
RQ3	*Will consumers who have moral emotions connected to liking the athlete endorser be more receptive to a moral rationalization response tactic and, thus, mitigate negative effects from the athlete's moral transgression on brand evaluation?*	Supported
RQ4	*Will consumers who have moral emotions connected to disliking the athlete endorser be more receptive to a moral decoupling response tactic and, thus, mitigate negative effects from the athletes' moral transgression on brand evaluation?*	Not supported
RQ5	*RQ5: Will the perceived severity of the transgression category influence the effectiveness of using a moral reasoning response to mitigate negative effects on brand evaluation?*	Supported

Table 13: *Research Question Results*

5.0 Discussion and Implications:

This study sought to find out whether moral reasoning strategies should be used as a brand response in the aftermath of an athlete's transgression to mitigate negative effects on brand evaluation. The recovery efforts laid forward provides new findings for crisis communication and greater understanding within the moral reasoning domain.

Nowadays, brands have become more and more interested in understanding both upsides and downsides from utilizing an endorsement strategy. One of the main motivations behind this study was therefore to find rationale for when

moral reasoning strategies could be effective as a brand response. A significant aspect gathered from the analysis was drawn out from the perceived severity of the transgression categories. The results depicted that transgressions unconnected to sport were perceived less severe than both controversial statements and transgressions connected to sport. It was also evident that using a moral reasoning response in the low severity category gave higher brand evaluation than in the high severity category. This implies that brands have greater possibility to mitigate negative effects on brand evaluation with moral reasoning responses when the transgression category is deemed less severe. Moreover, in line with previous research on competency related transgressions, our results depicted that transgressions connected to sport are perceived severe, and difficult to mitigate negative effects without terminating the contract. Thus, with severe and competency related transgressions, termination of contract is advised as the best mitigator for negative effects on brand evaluation.

Another aspect to consider was that brand response has the highest importance in terms of brand evaluation. A termination of contract response was favoured by respondents, whereas brand responses built on moral rationalization and moral decoupling in the aftermath of a transgression had less mitigation towards harmful effects on brand evaluation. An implication to consider is that athlete endorsers in many cases are important to brands. Arguably, if the brand sees the athlete as part of its long-term strategy and has achieved previous success from positive spillover effects, there might be reluctance within the firm to get rid of the athlete. In this instance brands might look towards other ways to act in order to maintain the contract. Utilizing a moral reasoning strategy enables the brand to maintain the contract, but the strategy was also found to weaken brand evaluation in the aftermath of a transgression. When comparing the individual moral reasoning responses moral decoupling scored consistently higher than the moral rationalization response across all categories of transgressions. Therefore, if the brand sees future potential in the cooperation and believes that it will be beneficial to continue the relationship, a moral decoupling response is advised. It is also advisable that brands carefully consider the severity of the transgression committed before a moral decoupling

strategy is chosen. If the severity is considered as low, brands will experience greater effectiveness when utilizing the response strategy.

Another noteworthy aspect was the difference between segments relating to the moral decoupling response. The results indicated that males were more receptive to the moral decoupling response compared to females. A possible explanation for the difference was that male respondents had significantly higher sports interest. Moreover, an interesting aspect was found in the comparison between higher and lower educated individuals. Higher educated individuals seemed to be more sceptical of the decision to terminate the contract, as opposed to individuals with lower education. Hence, brands should consider how different segments might react to the chosen response and evaluate their response strategy based on their target segment.

Furthermore, the study sought to understand how respondents would react to a controversial statement compared to previously studied categories of transgressions. The first insight was gathered from the perceived severity of the transgression, where respondents deemed it almost as severe as the transgression connected to sport. It was also evident that a controversial statement weakens athlete evaluation almost at the same level as the severe transgression category connected to sport. However, when looking at a controversial statement's impact on brand evaluation, it was not harmful, as opposed to the transgression connected to sports. Hence, there is an indication that controversial behavior is a less detrimental category of transgression. As the repercussions from controversial statements do not necessarily harm brand evaluation, brands should consider the damage to athlete evaluation and negative image transfer from athlete to brand, before deciding a cause of action.

When analysing whether athlete liking would have an influence on the receptibility of a moral reasoning strategy, results showed that consumers liking an athlete were more receptive to both moral rationalization and moral decoupling responses. Therefore, brands will have greater effect from a moral reasoning response if it is combined with a liked athlete. Thus, liked athletes

should be desired by brands when initiating potential endorsement cooperation. Additionally, when considering how the athletes influence brand evaluation, it was evident that it is worse endorsing an unknown athlete, compared to both disliked- and liked athletes. Furthermore, brand evaluations were hurt when brands chose to defend athletes with low awareness from consumers. Giving important implications regarding what brands should emphasize when engaging in endorsements with athletes. As respondents felt negative reactions towards the brand when it was connected to an unknown athlete, endorsing unknown athletes might be worse than endorsing disliked athletes. Potential endorsers should therefore have sufficient consumer awareness, as awareness seems to be a mitigator in events that surround moral transgressions. It is therefore advised that brands also do thorough research on the athlete's awareness before choosing the athlete endorser.

6.0 Limitations and Further Research:
Although some research goals were reached in this study, several areas have been identified where improvements could be made to ensure higher quality in future analysis.

First of all, difficulties were faced in gathering the number of sports interested respondents initially planned for. As the questionnaire was time consuming for respondents to complete, several responses were incomplete. Another issue identified while going through the results was that some of the respondents seemed to have trouble mentioning disliked athletes. This indicated that respondents with lower sports interest than anticipated had been collected. As a result, several of the responses had to be removed from the final results.

Secondly, the design of our study required us to set up an experimental questionnaire where respondents had to evaluate nine different news stories. Arguably, the consumer's motivational state of mind would indicate the amount of effort used to make the decisions (Mittal & Lee 1989). Considering that some of the news stories only had minor differences, it might be expected that respondents with a weaker motivational state of mind might have overseen

some of the differences. As a consequence, there is a chance that some respondents inconsistently evaluated the information in different news stories. To avoid this imbalance, future research should try to implement a less demanding design or solely focus on consumers with higher involvement within the given category.

Moreover, restrictions in gaining access and sharing the questionnaire within sports communities and sports forums, led to a sample consisting of a rather one-sided group of mostly Norwegian and British nationality. One should consider that respondents might process transgression severity differently depending on their cultural virtues or norms. For instance, one of the transgression categories in this study related to ethical and social predicaments concerning infidelity, which might be perceived more severe in countries where religion is central in society. The same considerations should be held for different types of transgressions within the category of controversial statements, and we therefore have to question the generalizability of these findings. To improve generalizability and applicability, further research is encouraged to obtain a larger sample consisting of several nationalities. In addition, future analysis would benefit by looking at moderating effects such moral standards to see how individual traits come into play. For example, a person with high moral standards might interpret improper conduct from the athlete as more severe than a person with low moral standards.

This study focused on how a brand might respond to mitigate negative effects on brand evaluation. It might be possible that an athlete endorser's response strategy plays an important role in combination with the brand response. A potential avenue for further research is therefore to investigate which endorser strategies that work best in combination with the moral reasoning strategies layed forward in this study. On a final note, it is important to acknowledge that an individuals' choice of reasoning strategy might switch in the course of time. For example, when the individual first becomes aware of the transgression, they might feel contempt towards the athlete which could lead to higher brand evaluation by choosing a termination of contract response. However, as the individual has had time to reflect on the incident there might be greater

variation between individuals forgiving the athlete as opposed to those showing contempt (Shuart, 2007). Future research should therefore consider a longitudinal study, which includes the impact of time on an individual's choice of reasoning strategy.

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8.0 Appendices:

Appendix 1: Questionnaire

Default Question Block

Hi!

We are two master students studying Strategic Marketing Management at BI Norwegian Business School.

We would greatly appreciate it if you complete our survey, which aims at gathering your evaluations of the relationship between brands and sponsored athletes.

Try to be as honest as possible in your opinions. There are no right or wrong answers in this survey

The survey will take approximately 15 minutes and is completely anonymous. The study is voluntary, and you have the right to withdraw at any time.

Click *"Next"* when you wish to start!

Your age:

Gender:

○ Male

○ Female

○ Other

Level of education:

	Check if you have a diploma
High school graduate	☐
College degree	☐
Bachelor's degree	☐
Master's degree	☐
MBA	☐
Ph.D	☐
None of the above	☐

The experiment will include three athletes - one admired athlete, one disliked athlete, and one unknown athlete. You will be asked to provide the admired and disliked athlete below.

Please fill in the name of a male athlete that you greatly like/admire

Please fill in the name of a male athlete that you greatly dislike/hate

The sports brand Nike will be used as an example in this survey. Please evaluate Nike on the following scale:

	1	2	3	4	5	6	7	
Bad	○	○	○	○	○	○	○	Good
Unlikeable	○	○	○	○	○	○	○	Likeable

The experiment will now start

You will be presented with nine different news articles from Sky Sports, involving male athlete transgressions and how their sponsor has reacted.

Throughout the survey, you will be asked about transgressions and severity. If you are unfamiliar with these terms, these are the explanations:
- A transgression is an act that goes against a rule or code of conduct.
- Severity is the seriousness of an act.

Please read and evaluate the different articles carefully as all of them are different.

ATHLETE ACCUSED OF IMMORAL BEHAVIOR - SPONSOR SPEAKS OUT IN THE AFTERMATH OF THE TRANSGRESSION

${q://QID22/ChoiceTextEntryValue} has received a lot of negative attention in the media lately, due to the athlete's involvement in a scandal regarding performance-enhancing drugs. According to Sky Sports, ${q://QID22/ChoiceTextEntryValue} has been accused of having performance-enhancing drugs in his system. These accusations are based on positive results of drug-tests, which were obtained before the last competition the athlete competed in.

Nike, who is one of the main sponsors of the athlete, has spoken out in the aftermath of the accusations:

"We are strongly opposed to this kind of behavior and beliefs from our athlete endorsers. As a result, we have decided to terminate our contract with ${q://QID22/ChoiceTextEntryValue}"

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Based on the news story above, please evaluate ${q://QID22/ChoiceTextEntryValue} on the following scale:

	1	2	3	4	5	6	7	
Bad	O	O	O	O	O	O	O	Good
Unlikeable	O	O	O	O	O	O	O	Likeable

Based on the news story above, please evaluate Nike on the following scale:

	1	2	3	4	5	6	7	
Bad	O	O	O	O	O	O	O	Good
Unlikeable	O	O	O	O	O	O	O	Likeable

How do you rate the severity of the event acted by ${q://QID22/ChoiceTextEntryValue} in the news story?

	1	2	3	4	5	6	7
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
In my opinion, the event is morally severe	O	O	O	O	O	O	O

ATHLETE ACCUSED OF IMMORAL BEHAVIOR - SPONSORS SPEAKS OUT IN THE AFTERMATH OF THE TRANSGRESSION

Robert Henry has received a lot of negative attention in the media lately for expressing his controversial views about the Black Lives Matter campaign. According to Sky Sports, Robert Henry stated that "I am sick and tired of this taking a knee nonsense in my sport. George Floyd died of a lethal drug overdose and not from police action. In fact, there is no evidence that black people are shot by police more often than their crime rate would expect. The whole movement is based on falsehoods!"

Nike, who is one of the main sponsors of the athlete, has spoken out in the aftermath of the accusations:

"We believe it is important to state that Robert Henry should not be too harshly judged for this small immoral action. Athletes have an extremely high pressure to perform and should not always be judged by their immoral actions when situational pressures are so high. Our opinion is that the immoral action is not as bad as what other athletes have found themselves involved in. We, therefore, intend to continue our cooperation and maintain our full support of Robert Henry."

Based on the news story above, please evaluate Robert Henry on the following scale:

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	1	2	3	4	5	6	7	
Bad	○	○	○	○	○	○	○	Good
Unlikeable	○	○	○	○	○	○	○	Likeable

Based on the news story above, please evaluate Nike on the following scale:

	1	2	3	4	5	6	7	
Bad	○	○	○	○	○	○	○	Good
Unlikeable	○	○	○	○	○	○	○	Likeable

How do you rate the severity of the event acted by Robert Henry in the news story?

	1	2	3	4	5	6	7
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
In my opinion, the event is morally severe	○	○	○	○	○	○	○

ATHLETE ACCUSED OF IMMORAL BEHAVIOR - SPONSOR SPEAKS OUT IN THE AFTERMATH OF THE TRANSGRESSION

${q://QID19/ChoiceTextEntryValue} has received a lot of negative attention in the media lately, due to the athlete's involvement in an infidelity scandal. According to Sky Sports, ${q://QID19/ChoiceTextEntryValue} has been accused of having an affair. The accusations come from comments from the wife, stating that ${q://QID19/ChoiceTextEntryValue} was in a sexual relationship with another female, which has resulted in a family crisis.

Nike, who is one of the main sponsors of the athlete, has spoken out in the aftermath of the accusations:

"We wish to emphasize that the reports of ${q://QID19/ChoiceTextEntryValue} wrongdoing should not affect the view of his performance. We believe it is important to separate the athlete's personal views from his performance as an athlete. Despite the actions being immoral, it has nothing to do with the personal achievements our athlete has achieved previously. We, therefore, intend to continue our cooperation and maintain our full support of ${q://QID19/ChoiceTextEntryValue}."

Based on the news story above, please evaluate ${q://QID19/ChoiceTextEntryValue} on the following scale:

	1	2	3	4	5	6	7	
Bad	○	○	○	○	○	○	○	Good
Unlikeable	○	○	○	○	○	○	○	Likeable

Based on the news story above, please evaluate Nike on the following scale:

	1	2	3	4	5	6	7	
Bad	○	○	○	○	○	○	○	Good
Unlikeable	○	○	○	○	○	○	○	Likeable

How do you rate the severity of the event acted by ${q://QID19/ChoiceTextEntryValue} in the news story?

	1 Strongly disagree	2 Disagree	3 Somewhat disagree	4 Neither agree nor disagree	5 Somewhat agree	6 Agree	7 Strongly agree
In my opinion, the event is morally severe	○	○	○	○	○	○	○

ATHLETE ACCUSED OF IMMORAL BEHAVIOR - SPONSOR SPEAKS OUT IN THE AFTERMATH OF THE TRANSGRESSION

Robert Henry has received a lot of negative attention in the media lately, due to the athlete's involvement in a scandal regarding performance-enhancing drugs. According to Sky Sports, Robert Henry has been accused of having performance-enhancing drugs in his system. These accusations are based on positive results of drug-tests, which were obtained before the last competition the athlete competed in.

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"We wish to emphasize that the reports of Robert Henry's wrongdoing should not affect the view of his performance. We believe it is important to separate the athlete's personal views from his performance as an athlete. Despite the actions being immoral, it has nothing to do with the personal achievements our athlete has achieved previously. We, therefore, intend to continue our cooperation and maintain our full support of Robert Henry."

Based on the news story above, please evaluate Robert Henry on the following scale:

	1	2	3	4	5	6	7	
Bad	○	○	○	○	○	○	○	Good
Unlikeable	○	○	○	○	○	○	○	Likeable

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Based on the news story above, please evaluate Nike on the following scale:

	1	2	3	4	5	6	7	
Bad	○	○	○	○	○	○	○	Good
Unlikeable	○	○	○	○	○	○	○	Likeable

How do you rate the severity of the event acted by Robert Henry in the news story?

	1	2	3	4	5	6	7
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
In my opinion, the event is morally severe	○	○	○	○	○	○	○

ATHLETE ACCUSED OF IMMORAL BEHAVIOR - SPONSOR SPEAKS OUT IN THE AFTERMATH OF THE TRANSGRESSION

${q://QID19/ChoiceTextEntryValue} has received a lot of negative attention in the media lately for expressing his controversial views about the Black Lives Matter campaign. According to Sky Sports, ${q://QID19/ChoiceTextEntryValue} stated "I am sick and tired of this taking a knee nonsense in my sport. George Floyd died of a lethal drug overdose and not from police action. In fact, there is no evidence that black people are shot by police more often than their crime rate would expect. The whole movement is based on falsehoods!"

Nike, who is one of the main sponsors of the athlete, has spoken out in the aftermath of the accusations

"We are strongly opposed to this kind of behavior and beliefs from our athlete endorsers. As a result, we have decided to terminate our contract with ${q://QID19/ChoiceTextEntryValue}."

Based on the news story above, please evaluate ${q://QID19/ChoiceTextEntryValue} on the following scale:

	1	2	3	4	5	6	7	
Bad	○	○	○	○	○	○	○	Good
Unlikeable	○	○	○	○	○	○	○	Likeable

Based on the news story above, please evaluate Nike on the following scale:

	1	2	3	4	5	6	7	
Bad	○	○	○	○	○	○	○	Good
Unlikeable	○	○	○	○	○	○	○	Likeable

How do you rate the severity of the event acted by ${q://QID19/ChoiceTextEntryValue} in the news story?

	1 Strongly disagree	2 Disagree	3 Somewhat disagree	4 Neither agree nor disagree	5 Somewhat agree	6 Agree	7 Strongly agree
In my opinion, the event is morally severe	○	○	○	○	○	○	○

ATHLETE ACCUSED OF IMMORAL BEHAVIOR - SPONSOR SPEAKS OUT IN THE AFTERMATH OF THE TRANSGRESSION

${q://QID22/ChoiceTextEntryValue} has received a lot of negative attention in the media lately for expressing his controversial views about the Black Lives Matter campaign. According to Sky Sports, ${q://QID22/ChoiceTextEntryValue} stated that "I am sick and tired of this taking a knee nonsense in my sport. George Floyd died of a lethal drug overdose and not from police action. In fact, there is no evidence that black people are shot by police more often than their crime rate would expect. The whole movement is based on falsehoods!"

Nike who is one of the main sponsors of the athlete has spoken out in the aftermath of the accusation:

"We wish to emphasize that the reports of ${q://QID22/ChoiceTextEntryValue} wrongdoing should not affect the view of his performance. We believe it is important to separate the athlete's personal views from his performance as an athlete. Despite the actions being immoral, it has nothing to do with the personal achievements our athlete has achieved previously. We, therefore, intend to continue our cooperation and maintain our full support of ${q://QID22/ChoiceTextEntryValue}."

Based on the news story above, please evaluate ${q://QID22/ChoiceTextEntryValue} on the following scale:

	1	2	3	4	5	6	7	
Bad	○	○	○	○	○	○	○	Good
Unlikeable	○	○	○	○	○	○	○	Likeable

Based on the news story above, please evaluate Nike on the following scale:

	1	2	3	4	5	6	7	
Bad	○	○	○	○	○	○	○	Good
Unlikeable	○	○	○	○	○	○	○	Likeable

How do you rate the severity of the event acted by ${q://QID22/ChoiceTextEntryValue} in the news story?

	1	2	3	4	5	6	7
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
In my opinion, the event is morally severe	○	○	○	○	○	○	○

ATHLETE ACCUSED OF IMMORAL BEHAVIOR - SPONSOR SPEAKS OUT IN THE AFTERMATH OF THE TRANSGRESSION

${q://QID22/ChoiceTextEntryValue} has received a lot of negative attention in the media lately, due to the athlete's involvement in an infidelity scandal. According to Sky Sports, ${q://QID22/ChoiceTextEntryValue} has been accused of having an affair. The accusations come from comments from the wife, stating that ${q://QID22/ChoiceTextEntryValue} was in a sexual relationship with another female, which has resulted in a family crisis.

Nike, who is one of the main sponsors of the athlete, has spoken out in the aftermath of the accusations:

"We believe it is important to state that our ${q://QID22/ChoiceTextEntryValue} should not be too harshly judged for this small immoral action. Athletes have an extremely high pressure to perform and should not always be judged by their immoral actions when situational pressures are so high. Our opinion is that the immoral action is not as bad as what other athletes have found themselves involved in. We, therefore, intend to continue our cooperation and maintain our full support of ${q://QID22/ChoiceTextEntryValue}."

Based on the news story above, please evaluate ${q://QID22/ChoiceTextEntryValue} on the following scale:

	1	2	3	4	5	6	7	
Bad	○	○	○	○	○	○	○	Good
Unlikeable	○	○	○	○	○	○	○	Likeable

Based on the news story above, please evaluate Nike on the following scale:

	1	2	3	4	5	6	7	
Bad	○	○	○	○	○	○	○	Good
Unlikeable	○	○	○	○	○	○	○	Likeable

How do you rate the severity of the event acted by ${q://QID22/ChoiceTextEntryValue} in the news story?

	1	2	3	4	5	6	7
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree

	1	2	3	4	5	6	7
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
In my opinion, the event is morally severe	○	○	○	○	○	○	○

ATHLETE ACCUSED OF IMMORAL BEHAVIOR - SPONSOR SPEAKS OUT IN THE AFTERMATH OF THE TRANSGRESSION

Robert Henry has received a lot of negative attention in the media lately, due to the athlete's involvement in an infidelity scandal. According to Sky Sports, Robert Henry has been accused of having an affair. The accusations come from comments from the wife, stating that Robert Henry was in a sexual relationship with another female, which has resulted in a family crisis.

Nike, who is one of the main sponsors of the athlete, has spoken out in the aftermath of the accusations:

"We are strongly opposed to this kind of behavior and beliefs from our athlete endorsers. As a result, we have decided to terminate our contract with Robert Henry."

Based on the news story above, please evaluate Robert Henry on the following scale:

	1	2	3	4	5	6	7	
Bad	○	○	○	○	○	○	○	Good
Unlikeable	○	○	○	○	○	○	○	Likeable

Based on the news story above, please evaluate Nike on the following scale:

	1	2	3	4	5	6	7	
Bad	○	○	○	○	○	○	○	Good
Unlikeable	○	○	○	○	○	○	○	Likeable

How do you rate the severity of the event acted by Robert Henry in the news story?

	1	2	3	4	5	6	7
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
In my opinion, the event is morally severe	○	○	○	○	○	○	○

ATHLETE ACCUSED OF IMMORAL BEHAVIOR - SPONSOR SPEAKS OUT IN THE AFTERMATH OF THE TRANSGRESSION

${q://QID19/ChoiceTextEntryValue} has received a lot of negative attention in the media lately, due to the athlete's involvement in a scandal regarding performance-enhancing drugs. According to Sky Sports, ${q://QID19/ChoiceTextEntryValue} has been accused of having performance-enhancing drugs in his system. These accusations are based on positive results of drug-tests, which were obtained before the last competition the athlete competed in.

Nike, who is one of the main sponsors of the athlete, has spoken out in the aftermath of the accusations:

"We believe it is important to state that our ${q://QID19/ChoiceTextEntryValue} should not be too harshly judged for this small immoral action. Athletes have an extremely high pressure to perform and should not always be judged by their immoral actions when situational pressures are so high. Our opinion is that the immoral action is not as bad as what other athletes have found themselves involved in. We, therefore, intend to continue our cooperation and maintain our full support of ${q://QID19/ChoiceTextEntryValue}."

Based on the news story above, please evaluate ${q://QID19/ChoiceTextEntryValue} on the following scale:

	1	2	3	4	5	6	7	
Bad	○	○	○	○	○	○	○	Good
Unlikeable	○	○	○	○	○	○	○	Likeable

Based on the news story above, please evaluate Nike on the following scale:

	1	2	3	4	5	6	7	
Bad	○	○	○	○	○	○	○	Good
Unlikeable	○	○	○	○	○	○	○	Likeable

How do you rate the severity of the event acted by ${q://QID19/ChoiceTextEntryValue} in the news story?

	1	2	3	4	5	6	7
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
In my opinion, the event is morally severe	○	○	○	○	○	○	○

Thank you for evaluating the different scenarios.

Finishing off the survey, please evaluate your agreement with the following statements:

Brands should be held accountable for transgressions committed by one of their athlete endorsers:

	1	2	3	4	5	6	7	
Strongly disagree	○	○	○	○	○	○	○	Strongly agree

We should forgive brands for actions committed by one of their athlete endorsers:

	1	2	3	4	5	6	7	
Strongly disagree	○	○	○	○	○	○	○	Strongly agree

I believe all people are capable of committing mistakes:

	1	2	3	4	5	6	7	
Strongly disagree	○	○	○	○	○	○	○	Strongly agree

I watch a high amount of sports on tv and online channels:

	1	2	3	4	5	6	7	
Strongly disagree	○	○	○	○	○	○	○	Strongly agree

I consider myself politically engaged:

	1	2	3	4	5	6	7	
Strongly disagree	○	○	○	○	○	○	○	Strongly agree

People should be allowed to express politically incorrect opinions:

	1	2	3	4	5	6	7	
Strongly disagree	○	○	○	○	○	○	○	Strongly agree

Professional sports achievements should not be affected by an athlete's immoral behaviour connected to categories such as extramarital affairs, racism, violence or corruption:

	1	2	3	4	5	6	7	

Strongly disagree ○ ○ ○ ○ ○ ○ ○ Strongly agree

Athlete's that are accused of engaging in performance enhancing transgression should be punished/banned:

1 2 3 4 5 6 7

Strongly disagree ○ ○ ○ ○ ○ ○ ○ Strongly agree

Thank you for participating in this survey! We greatly appreciate it.

Appendix 2: Estimation of test variables for RQ1

Test variables moral decoupling:

$MD_{low\ severity} = constant + coefficient\ moral\ decoupling$
$+ coefficient\ unconnected\ to\ sport + coefficient\ liked\ athlete$

$MD_{medium\ severity}$
$= constant + coefficient\ moral\ decoupling$
$+ coefficient\ controversial\ statement + coefficient\ liked\ athlete$

$MD_{high\ severity} = constant + coefficient\ moral\ decoupling$
$+ coefficient\ connected\ to\ sport + coefficient\ liked\ athlete$

Test variables moral rationalization:

$MR_{low\ severity} = constant + coefficient\ moral\ rationalization$
$+ coefficient\ unconnected\ to\ sport + coefficient\ liked\ athlete$

$MR_{medium\ severity}$
$= constant + coefficient\ moral\ rationalization$
$+ coefficient\ controversial\ statement + coefficient\ liked\ athlete$

$MR_{high\ severity} = constant + coefficient\ moral\ rationalization$
$+ coefficient\ connected\ to\ sport + coefficient\ liked\ athlete$

Test variables termination of contract:

$T_{low\ severity} = constant + coefficient\ termination\ of\ contract$
$+ coefficient\ unconnected\ to\ sport + coefficient\ liked\ athlete$

$T_{medium\ severity} = constant + coefficient\ termination\ of\ contract$
$+ coefficient\ controversial\ statement + coefficient\ liked\ athlete$

$T_{high\ severity} = constant + coefficient\ termination\ of\ contract$
$+ coefficient\ connected\ to\ sport + coefficient\ liked\ athlete$

Appendix 3: Estimation of test variables for RQ3

Test variables liked athletes and disliked athletes:

$$MR_{liked\ athlete} = constant + coefficient\ moral\ rationalization$$
$$+ coefficient\ connected\ to\ sport + coefficient\ liked\ athlete$$
$$MR_{disliked\ athlete} = constant + coefficient\ moral\ rationalization$$
$$+ coefficient\ connected\ to\ sport + coefficient\ disliked\ athlete$$

Appendix 4: Estimation of test variables for RQ4

Test variables liked athletes and disliked athletes:

$$MD_{liked\ athlete} = constant + coefficient\ moral\ decoupling$$
$$+ coefficient\ connected\ to\ sport + coefficient\ liked\ athlete$$

$$MD_{disliked\ athlete} = constant + coefficient\ moral\ decoupling$$
$$+ coefficient\ connected\ to\ sport + coefficient\ disliked\ athlete$$

Test variables unknown athletes:

$$MD_{unknown\ athletes}$$
$$= constant + coefficient\ moral\ decoupling$$
$$+ coefficient\ connected\ to\ sport + coefficient\ unknown\ athlete$$

Appendix 5: Estimation of test variables for RQ5

Mean moral reasoning response low severity transgression:

$$= constant + \left(\frac{coefficient\ moral\ decoupling + coefficient\ moral\ rationalization}{2}\right)$$
$$+ coefficient\ liked\ athlete + coefficient\ unconnected\ to\ sport$$

Mean moral reasoning response high severity transgression:

$$= constant + \left(\frac{coefficient\ moral\ decoupling\ +\ coefficient\ moral\ rationalization}{2}\right)$$
$$+ coefficient\ liked\ athlete + coefficient\ connected\ to\ sport$$