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Master Thesis

Evaluating the Role of Corporate Social Responsibility, Crisis Type, and Image Repair Mechanisms on Crisis Recovery

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Martine Lindtun Nævra and Victoria Mørch

Abstract

No company is immune to being faced with a crisis. The crises unfold fast, with unpredictable outcomes for brand reputation and consumer perception. Having appropriate crisis response plans in place is therefore crucial for organizations to ensure its survival after a crisis.

The literature review identifies several topics of interest related to crisis management and corporate social responsibility (CSR), including the importance of appropriate response mechanisms after a crisis, CSR in companies' communication efforts, various types of crises, and relevant image repairing mechanisms.

Through an online experiment (N=305), participants were exposed to a fictional company undergoing a crisis, and one of five image repairing mechanisms. Participants were also assigned to a stimulus that included priming of CSR behaviors, or the control group that had no mention of CSR activities, resulting in a total of 10 possible conditions.

The data was tested using paired samples t-test, independent samples t-test, and one-way ANOVA. The results show that corrective action and evasion of responsibility are the most effective mechanisms to use as these have a successful outcome in terms of perception of the company. The study also establishes that consumers who are exposed to CSR activities will have significantly higher perception of the company than those that are not exposed to CSR activities, but that CSR will have little to no effect on perception after a crisis occurs.

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1.0 Introduction

With society's increasing use of digital technology and -communication, in addition to the all-encompassing use of social media, crises unfold faster and with more unpredictable results for companies' brand and reputation (Spanier, 2016). Hence, crisis management is a relevant area of study both in academia and for practitioners. Crisis management is an important function for an organization as a failure when handling a crisis can result in company losses, harm to stakeholders, or worse - end in bankruptcy (Coombs, 2014). Therefore, it is important to have a crisis management plan to prevent the damage a crisis can inflict on an organization and its stakeholders (Stacks, 2004).

A crisis can befall on any company (Stacks, 2004), and will for some companies lead to its demise. The Enron/ Arthur Andersen scandal, where Enron used fraudulent accounting methods to conceal company losses, showed that even major corporations can face bankruptcy after a crisis (Bondarenko, 2019). Further, the Volkswagen diesel emissions scandal, where consumers and government agencies were purposefully misled, has incited billions in dollars in losses in addition to the decrease in Volkswagen's brand reputation and trust (Hotten, 2015). The boycott of the food retailer Goya in 2020, showed that even companies who are traditionally known for being involved in various charitable activities, are not free from scrutiny and bad consumer perception (Heil, 2020; Villanueva, 2020).

This master thesis will focus on corporate social responsibility's (CSR) impact on crisis management and how the use of response mechanisms can help companies recover after a crisis. Specifically, the aim is to look at how consumers perceive organizations after an unpredicted value-related crisis. How can some companies come stronger out of a crisis while others fail? Does the existing brand equity influence how consumers react to the crisis, or was it the companies' response to the crisis that sustained its brand image? Can CSR improve brands' equity after a crisis, or will the recovery be seen as suspicious and out of character for the company? These are some of the questions this thesis will look further into by running an online experiment looking deeper into different response mechanisms for crisis recovery.

The reason behind the choice of value-related crisis and CSR is the limited research available on this field of study. This master thesis will provide insight into how using different response mechanisms will influence the consumers in a negative or in a positive way, and if using CSR will benefit a company undergoing a crisis.

1.1 Background

Most studies related to crisis management have commonly focused on product-performance crises. These crises are caused by technical or product-related failures (Kübler et al., 2020). On the other hand, value-related crises involve a violation of norms or unethical behavior, and knowledge regarding consumer reactions is particularly limited (Kübler et al., 2020). These crises often have more severe consequences than for example performance-related crises (Kähr et al., 2016), therefore, research on this topic is highly needed. It is also relevant to mention that a value-related crisis triggers stronger emotional reactions from people than a performance-related crisis (Kähr et al., 2016). This gap in knowledge is particularly problematic because the past decade has witnessed a notable increase in corporate crises caused by a violation of ethical norms. For example, in December 2020 when former employees and trainees of the online fashion retailer NAKD reported a culture in the company characterized by discrimination, bullying, unreasonable working hours, and unpaid overtime work (Rakeng & Gulbrandsen, 2020). This engaged popular social media influencers who encouraged their followers to boycott NAKD, resulting in internal investigations and termination of the internship program (Rakeng & Gulbrandsen, 2020). Another example of a value-based crisis with massive repercussions was in 2018 when H&M had to temporarily close all its stores in South Africa after consumers rioted outside of several branches due to an ad that was perceived to depict racist content (Wattles, 2018).

Examples like these in addition to consumers' increasing demand for environmentally friendly, sustainable, and fair business practices has led to a decrease in public trust. Companies going through such crises are facing

unfavorable public attention through negative media coverage, which can further lead to consumer boycotts (Lindenmeier et al., 2012), consumer brand sabotage (Kähr et al., 2016), and result in losses of sales and market share. Furthermore, the negative consequences after crises like these can not only violate the product or company, but can also harm sister brands or companies, or the entire industry it operates in (Lee & Wei, 2016; Roehm & Tybout, 2006).

Performance-related crises are often solved by product and/or performance elasticities to measure consumers sensitivity (Kübler et al. 2020). However, for value-related crises there is not provided guidance on elasticities. Therefore, building on moral foundation theory by Haidt & Joseph (2008) it is proposed that value-related crises will lead to more moral outrage than performance-related crises, like consumers no longer buying the violating products.

1.2 Objectives and Research Question

According to Stacks (2004), no corporation is immune from experiencing a crisis. Therefore, it is necessary for companies to be proactive in its stance to potential crises and devise effective crisis contingency plans, for the company to maximize its opportunities and minimize the potential consequences it will face (Benoit, 1997; Stacks, 2004). As mentioned, the main objective for the thesis is to look further into how consumers' perceptions change when a company is going through a publicized scandal. The thesis findings can be useful for well-established companies in the market as well as new companies, as this can be implemented in a crisis recovery plan.

Crisis management is difficult because no crisis is the same as any other, making it complex and almost impossible to find one single solution to address all problems (Li & Wei, 2016). However, the aim is to investigate how the use of CSR and various approaches to crisis management, i.e., recovery attempts, affect consumer perception. Therefore, the following problem definition is proposed:

"How can image repairing mechanisms change consumers' perception of a company after a crisis, and can corporate social responsibility help with the recovery process?"

Based on this research question the specific objective will be to look further into consumers' perception of a company and how they change during a crisis. Different image repairing mechanisms (conditions) will be tested with and without CSR to see if the recovery attempt has an effect on the recovery, and if it gives consumers a more positive perception of the company after the crisis.

The thesis is structured as follows: the next chapter describes literature on brand crises, CSR, and response mechanisms that can be implemented when going through a crisis. This provides the conceptual framework of this study. Further, an overview of the methodology is explained in order to present the empirical approach used to test consumers' changes in perception and purchase intention in relation to a crisis, and which effect, if any, CSR has on crisis recovery. The fourth and fifth chapter shows the analysis and results. Lastly, chapter six through ten present the discussion, limitations, and further research.

2.0 Literature Review

The aim of the literature review is to introduce, define, and discuss topics related to crisis management and CSR. A brand crisis can impact a company both in the long-term and in the short-term and can even cause a spillover effect to the rest of the industry, thus implicating the brand equity of competing firms (Li & Wei, 2016). The focus of this research is the impact image repair mechanisms and CSR may have on crisis recovery in a value-based brand crisis.

2.1 Corporate Social Responsibility

CSR has drawn interest among both academics and practitioners, in particular as consumers' interest in CSR activities have increased, thus affecting companies' bottom lines (Kang et al., 2016; Lee et al., 2012). The idea of companies taking social responsibility beyond what is required has existed in some form for many centuries but has only in recent decades evolved into the concept of CSR that we

know today (Latapí Agudelo et al., 2019). As a result, several definitions of CSR have been formed over the years (Latapí Agudelo et al., 2019; Lee et al., 2012). Some earlier definitions determine that corporations should engage in matters like politics, the social welfare of the community, as well as the education and happiness of its employees (McGuire, 1963, as cited in Latapí Agudelo et al., 2019). More recently McWilliams and Siegel (2001, p. 117) provide a widely accepted definition of CSR as "actions that appear to further some social good, beyond the interests of the firm and that which is required by law." As CSR actions can involve several areas ranging from donation to scientific research, anti-pollution efforts, to bettering local communities, the definition by McWilliams and Siegel (2001) will be used throughout this literature review. On the opposite side of CSR, corporate social irresponsibility (CSI) is considered the antithesis of CSR, as it is firm-induced incidents that appear to hurt the social good (Kang et al., 2016).

2.1.1 Mechanisms of Corporate Social Responsibility

Companies who engage in CSR activities are motivated by different factors regarding the company's intrinsic or extrinsic values, or even pressures brought on by stakeholders or the society as a whole (de Jong & van der Meer, 2017). Intrinsic motivations can be caused by a company's ambition to help in the society, either out of a sense of moral duty or altruism (de Jong & van der Meer, 2017). On the other hand, extrinsic motivations e.g., financial benefits, can cause companies to engage in CSR activities (de Jong & van der Meer, 2017). Within this, four mechanisms that explain the relationship between CSR and positive firm performance have been proposed (Kang et al., 2016).

First, the *slack resources mechanism* explains that companies take part in CSR activities because they already have available resources that justify spending in such areas (Kang et al., 2016). Moreover, this view generally sees CSR as voluntary for firms as the CSR activities in itself do not bring added value to companies. The second mechanism proposed regards *good management*, and the idea that companies do well by doing good (Kang et al., 2016). Hull and Rothenberg (2008) suggest that a firm's financial performance is linked to its CSR activities as the costs of CSR are lower than the benefits the company can achieve

in return. As an example, having a successful CSR program and corresponding CSR communication has been found to improve the quality of job applicants, implicating the level of expertise a firm can attract (Greening & Turban, 2000). Moving on, the third, the *penance mechanism,* and the fourth, the *insurance* mechanism, works slightly differently than the preceding mechanisms as they seek to offset either past- (penance) or future (insurance) CSI activities (Kang et al., 2016). Previous findings have determined that having CSR activities in place can lead to a positive company reputation (Klein & Dawar, 2004). The positive company reputation functions as an intangible asset if a crisis occurs and will consequently weaken negative responses to the crisis (Kang et al., 2016). On the other hand, it has previously been argued that firms using CSR after a crisis unfolds, use it as penance to offset past CSI behavior as a way to make amends for previous actions (Kotchen & Moon, 2012). However, Kang et al., (2016) determine that it is unlikely that firms that use CSR as penance see any positive financial return.

2.1.2 Corporate Social Responsibility as a Persuasion attempt

One of a consumer's primary tasks is to interpret and cope with marketers' sales presentations and advertising, and over time consumers develop personal knowledge about the tactics used in these persuasion attempts (Friestad & Wright, 1994). This can in turn lead to consumers growing sceptic about brands' communication intentions, thus decreasing willingness to pay (WTP). Skepticism is defined by Boush et al., (1994, p.168) as "consumers' negatively valenced attitude toward the motives of and claims made by advertisers." As marketers it is important to understand people's attitudes toward advertising for several reasons (Mangleburg & Bristol, 1998). For example, skepticism helps consumers protect themselves from fraud and misleading claims (Mangleburg & Bristol, 1998; Mohr et al., 1998). By understanding this, marketers can prevent engaging in potentially deceptive practices (Mohr et al., 1998).

Companies should gain a good reputation among customers, media, etc. as this will give the organization confidence, and consumers will feel good about buying the product and avoiding skepticism (Sims, 2009). Skepticism toward advertising generally involves mistrust of advertiser's motives and disbelief of ad claims

(Boush et al., 1994), therefore, marketers should state donation amounts in a verifiable manner in cause-related marketing communication (Kim & Lee, 2009). The 2017 Cone Corporate Citizenship study reported that 87% of American adults agreed they had greater trust in companies that support causes (Cone inc., 2017). Consequently, several companies use this kind of persuasion attempt as a strategy to increase sales (Kim & Lee, 2009). For example, TOMS became a pioneer of charitable commerce when the "one for one" initiative launched in 2006, which included donating a pair of shoes for every pair sold (Holman & Sutherlin, 2021). However, the project was a subject of criticism because critics believed that TOMS ignored solving problems such as poverty or education in favor of giving out shoes (Holman & Sutherlin, 2021). As a result of the increasing consumer scepticism, TOMS has now changed its strategy and is retiring the "one for one" concept, pledging to instead donate one-third of net profits to its giving fund (Holman & Sutherlin, 2021).

2.1.3 Corporate Social Responsibility and Company Fit

Previous findings suggest that having CSR activities in place can positively impact a company's bottom line (Kang et al., 2016; Lee et al., 2012). However, it is important to specify that not any form of CSR will produce such effects. Becker-Olson et al. (2006) find that while high-fit initiatives have a positive impact no matter if the company's intentions are motivated by profit- or social good, low-fit initiatives negatively impact consumers' beliefs, attitudes, and purchase intentions. Fit can be defined as "the perceived link between a cause and the firm's product line, brand image, position, and/or target market" (Varadarajan and Menon, 1988, as cited in Becker-Olson et al., 2006, p. 47). Therefore, companies using CSR activities to increase profits, must align them with its overall strategy to ensure that benefits can be extracted (Sen & Bhattacharya, 2001).

2.2 Company Crisis

Building and sustaining a firm's brand equity is important to ensure a competitive position in the market (Farquhar, 1989). However, brand equity can be diluted as

a consequence of negative associations caused by e.g., a brand crisis (Dutta & Pullig, 2011; Farquhar, 1989). Such crises are typically unwanted, unplanned events that can lead to a company not reaching its primary goals (Krystek, 1987, as cited in Vallaster, 2017, p. 510). More specifically, brand crises or *brand-related adverse events,* are defined by Dutta and Pullig (2011, p. 1281) as "unexpected events that threaten a brand's perceived ability to deliver expected benefits thereby weakening brand equity." Further, Dawar and Lei (2009, p. 509) adds an additional dimension of publicity when defining brand crises as "instances of well-publicized claims that a key brand proposition is unsubstantiated or false." Therefore, it is reasonable to determine that an adverse event must become public knowledge for it to be characterized as a brand crisis.

According to Li and Wei (2016), there are two main theoretical directions to categorize a brand crisis, the *attribution theory perspective,* and the *brand equity theory perspective*. The former builds on attribution theory (Weiner, 1985) where Coombs (2007) identifies three types of crises based on attributions of responsibility in a crisis. The scale in said crisis types ranges from 1) victim crisis, where the brand can be attributed very low responsibility and is even considered a victim of the crisis; 2) accidental crisis, where the attribution of responsibility is higher, but the events of the crisis is considered unintentional or uncontrollable; and 3) intentional crisis, where the brand has very high attribution of crisis responsibility as the event is considered to be purposeful (Coombs, 2007). The brand equity theory however, states that consumers can potentially obtain functional and symbolic benefits from a brand (Keller, 2013). Thus, Dutta and Pullig (2011), divides brand crisis in two main types: product-harm crises, and value-related crises which will be discussed in further detail in sections 2.2.1 and 2.2.2. It is also relevant to consider that all crises can exist in a "continuum," meaning that even though it started off as a product-related crisis, it can develop into a value-based crisis (Li & Wei, 2016).

As mentioned, crises can derive from several circumstances and can be complex to characterize. Therefore, table 1 is constructed to get an overview of the various types of crises. What is evident from comparing the crisis types is that although the crises are defined differently, the main characterization of brand crises by Dutta and Pullig (2011) applies to most. Given the nature of an evolving crisis, it

is argued that any company crisis will affect the company negatively. Therefore, the following hypotheses are proposed.

H1a: A company crisis has a negative effect on consumers' perception of the company

H1b: Negative emotions have a stronger effect on perception than positive emotions.

Table 1: Types of brand crises

Type of Crisis	Explanation/ Key Findings	Defined In	Empirical Example
Victim crisis	Brand is attributed very low responsibility and is considered a victim of the crisis	Coombs, 2007	Terrorist attack at Taj hotel Mumbai in 2008 (D'Souza, 2020)
Accidental crisis	Attribution of responsibility is higher, but the events of the crisis is considered unintentional or uncontrollable	Coombs, 2007	Toyota crisis, where millions of cars were recalled worldwide due to an alleged defective accelerator pedal (Liker, 2011)
Intentional crisis	Brand has very high attribution of crisis responsibility as the event is considered to be purposeful	Coombs, 2007	Volkswagen emission control scandal in 2015 (Hotten, 2015)

Performance/ product-harm crisis	Well-publicized events wherein products are found to be defective or even dangerous	Dawar & Pillutla, 2000	Samsung's phones bursting into flames in 2016 (Cross, 2016)
Value-based crisis	Involves social or ethical issues surrounding the values adopted by the brand	Dutta & Pullig, 2011	Colgate's false advertisement in 2018 (BBC News, 2018)
Competence-based crisis	When a company does not have the technology or the competence to produce a product	Li & Wei, 2016	Use of cheaper raw materials leading to product failure
Moral-based crisis	Stems from a compromise of moral standards	Li & Wei, 2016	Nike using sweatshop labor (Robertson, 2020)

2.2.1 Product-Harm Crisis

Product-harm crises are among a firm's "worst nightmares" (Van Heerde et al., 2007) as they are not only dangerous for consumers - they also represent a major threat to the reputation and equity of brands (Cleeren et al., 2017). Product-harm crises can be defined as "well-publicized events wherein products are found to be defective or even dangerous" (Dawar & Pillutla, 2000, p. 215; Siomkos & Kurzbard, 1994). One of the most pressing problems faced by business leaders in the middle of a product-harm crisis is to find rapid solutions to not lose market share (Siomkos & Kurzbard, 1994). A good example of a product-harm crisis is when Toyota had to recall millions of vehicles due to an alleged faulty accelerator pedal (Liker, 2011). Even though it was later uncovered that there was nothing wrong with the pedals, Toyota, a brand associated with safety and quality, suffered immense losses as a consequence of this crisis (Liker, 2011).

2.2.2 Value-Based Brand Crisis

Value-related crises involve social or ethical issues surrounding the values of the brand, meaning that it does not directly involve a product (Dutta & Pullig, 2011). Instead, it can be e.g., racial discrimination, sexual harassment, or bad labor conditions that affect a brand's ability to deliver symbolic benefits (Pullig et al., 2006). Value-related crises thus affect the confidence consumers have in the brand's symbolic benefits, weakening brand equity (Dutta & Pullig, 2011). When the values of the consumer do not align with that of the brand, e.g., if it is uncovered that a brand uses animals to test its products, consumers will react negatively (Vanhamme & Grobben, 2009).

An organization's reputation or a change in its reputation can affect the relationship with current and future stakeholders (Lange et al., 2011). The way organizations and its leadership respond to a crisis will thus determine whether it is able to rebuild the companies' reputation following a crisis (Sims, 2009). Therefore, if an organization experiences an ethical scandal and is lacking in rebuilding its reputation it can harm the relationship to its stakeholders (Lange et al., 2011). A relevant example is the Volkswagen diesel emissions scandal in 2015 when the Volkswagen Group faced allegations of having deliberately manipulated the diesel emission control of over 11 million cars globally (Brunk & de Boer, 2020). Global press coverage made consumers aware of the scandal, and Volkswagen eventually admitted to the allegations, resulting in one of the largest corporate scandals of recent times (Brunk & de Boer, 2020). However, the Volkswagen group has a tradition of global CSR involvement which the consumers may hold knowledge about which may have been a factor in helping Volkswagen recover from the crisis (Brunk & de Boer, 2020).

Building on moral foundation theory by Haidt & Joseph (2008), it is proposed that value-related crises lead to more moral outrage than performance-related crises, such that consumers are no longer willing to buy the violating products. Therefore, the following hypothesis is proposed:

H2: Purchase intentions decrease after exposure to a value-based company crisis

2.3 Crisis Response and Recovery

How a company responds when faced with a crisis can determine whether the company will stay viable in the short and long term (Li & Wei, 2016). Warren Buffet (1995, as cited in Lange et al., 2011, p.154) sums this idea up well: "it takes twenty years to build a reputation and five minutes to ruin it." After a crisis occurs, the organization must put stakeholders' minds at ease about its responsibility for "creating or allowing the crisis to occur" (Heath & Millar, 2004, p. 2). Therefore, having dynamic crisis contingency plans in place is imperative to allow for swift handling of a potential crisis (Coombs, 2015). Companies should first look at processes to reduce the likelihood of a crisis occurring in the first place, and second, prepare employees, partners etc. by communicating which actions to take if a crisis occurs (Heath & Millar, 2004). This allows organizations to reduce response time, by gathering information and delegating responsibilities before the crisis occurs (Coombs, 2015).

As mentioned, no crisis is the same, thus establishing a standardized typology for crisis recovery is not possible (Dutta & Pullig, 2011; Li & Wei, 2016). Nevertheless, Benoit (1997) composed five categories, some with sub-categories, of recovery strategies: *denial*, *evasion of responsibility*, *reducing offensiveness*, *corrective action*, and *mortification*. Benoit (1997) refers to several empirical events where such responses were used. Additionally, Dutta and Pullig (2011) agree that such responses are easy for managers to understand, use, and combine. In the following sections, an overview of Benoit's (1997) five image repairing mechanism will be presented.

2.3.1 Denial

Even though findings from previous research indicate that denial is the least effective response strategy, it is also one of the most frequently used by organizations faced with a crisis (Arendt et al., 2017; S. Kim et al., 2009). In an experiment conducted by Dutta and Pullig (2011), findings suggest that denial is the least effective response mechanism, regardless of if the crisis was a value- or performance related crisis. However, using denial as a response strategy has in certain cases proven successful, as long as the framing of the communicated response resonates with recipients as it was intended (van der Meer, 2014). An

important factor to consider when deliberating whether to use a denial response strategy is whether the accused organization is in fact guilty (Coombs et al., 2016). For example, if a company is subjected to false rumors, denying the claims is a viable and possibly effective response strategy (Coombs et al., 2016). However, if the company is found to be guilty, a denial strategy is less likely to be successful, and can even hurt the reputation of the organization further (Coombs et al., 2016).

2.3.2 Evasion of Responsibility

Benoit (1997) suggests four sub-categories of this mechanism (provocation, defeasibility, accident, good intentions), where previous findings have found it to be successful in many cases (Arendt et al., 2017). Evading responsibility after a crisis can be done by e.g., claiming the company had *good intentions* of performing the act, or by *defeasibility*, where the company cites a lack of information or control over the events that led to the crisis (Benoit, 1997; Dardis & Haigh, 2009). Several empirical examples of the use of evasion of responsibility exist, including Pfahl and Bates' (2008) study of the Formula One (F1)/ Michelin tire crisis in 2005, where the American Grand Prix finished with only six out of twenty racers. This led to massive complaints from fans of the sport, in addition to distrust and accusations between several of the stakeholders involved in the F1 sport and races. The study suggests that the F1 Management team successfully evaded responsibility of the crisis by focusing the blame on other actors, such as the Michelin tire brand and the six F1 Constructor Teams who chose to opt out of the race to ensure the safety of their drivers (Pfahl & Bates, 2008).

2.3.3 Reduction of Offensiveness

This mechanism includes six sub-categories (bolstering, minimization, differentiation, transcendence, attack accuser, compensation) and pertains to a company's ability to reduce the perceived offensiveness of a crisis (Benoit, 1997). While this response mechanism is quite common to use, it is found to be successful only about 50% of the time (Arendt et al., 2017). For a value related crisis, Dutta and Pullig (2011) found that in addition to corrective action,

reduction-of-offensiveness can be an appropriate image repairing mechanism. An example where this was effective, was when the chocolate manufacturer Freia *minimized* the crisis by claiming that using palm oil in its products is sustainable and does not lead to deforestation, as long as the palm oil is 100% certified (Lorch-Falch, 2016).

2.3.4 Corrective Action

Corrective action is by many studies deemed the most successful response mechanism (Arendt et al., 2017; Dutta & Pullig, 2011). In such cases, firms assume responsibility and take preventive actions to avoid the problem in the future (Benoit, 1997). The effect of corrective action is often enhanced when combined with other mechanisms, for instance reducing the offensiveness of the crisis in combination with correcting the mistakes that have been made (Arendt et al., 2017). Benoit (2018) stresses the importance of reacting with corrective action immediately after a crisis occurs, exemplified in his study of the United Airlines (UA) crisis in 2017. After a video depicting a UA passenger being violently dragged off a plane was shared on social media, customers and spectators were outraged (Petroff, 2017). The outrage was intensified after UA's CEO offered what was perceived as a callous apology, calling the passenger "disruptive and belligerent" (Khomani & Lartey, 2017). However, after some days of immense scrutiny and complaints both in the press and on social network sites, the CEO changed the "course of defense," focusing on corrective action by taking accountability for the incident and asserting that such events should never take place again (Benoit, 2018; Petroff, 2017). While changing the response to corrective action proved to be necessary in UA's situation, Benoit (2018) claims that it came too late, and that the CEO's abrupt change in position may have undermined his credibility.

2.3.5 Mortification

Benoit's (1997, p. 181) final general response for image restoration is mortification, where the company "confess and beg forgiveness." This mechanism is often used in combination with corrective action, for instance apologizing, but

at the same time *bolster* about previous accomplishment and good deeds to distract from the crisis at hand. However, companies deliberating on whether to disclose a full apology must consider whether issuing such a statement could result in legal action being taken against the organization (Arendt et al., 2017).

2.3.6 Remaining Silent

Going off the scope of Benoit's five image repairing mechanisms, a well-known strategy for companies is to simply not comment on or respond to allegations brought forth. This course of action can, according to Arendt et al. (2017), lead to damaging long-term brand effects. Instead, companies should not delay when faced with a crisis, but respond promptly to the allegations (Arendt et al., 2017).

2.3.7 Additional Recovery Mechanisms - Coombs' Situational Crisis Communication Theory

In addition to Benoit's (1997) Image Restoration Theory, Coombs (2007) provides a wider set of responses in his situational crisis communication theory (SCCT). In addition to providing insight into different types of crises, the framework divides responses into primary- (deny, diminish, rebuild), and secondary (bolstering) strategies (Coombs, 2007). SCCT emphasizes that brands should use secondary response strategies only as a supplement to the primary responses (Coombs, 2007), thus differentiating from Benoit's original theory. For example, if a brand has a favorable prior reputation, it can *justify* (diminishment strategy) its actions, before *reminding* (bolstering strategy) the public of past good works (Coombs, 2015).

Several previous studies have looked at how crises affect consumer perceptions, and how response mechanisms can be used to steer perception in a positive manner (e.g., Cleeren et al., 2013; Dutta & Pullig, 2011; Huang & DiStaso, 2020). Most existing research is centered around product-harm related crises and can therefore not necessarily be compared to other instances where other crises occur (such as value-based crises). Therefore, the following hypothesis is presented.

H3: There are significant differences in brand perception depending on the response mechanism.

2.4 CSR in Crisis Recovery

Strategic CSR can be applied in business by integrating CSR into firms' core business processes and stakeholder management (Gelbmann, 2010; Vallaster, 2017). Consequently, strategic CSR can be used to facilitate crisis response and it can even speed up development of new practices that enhance a company's renewal and reorganization (Vallaster, 2017). Specifically, strategic CSR can play a significant role in effective crisis management, provided that certain project characteristics are in place (Vallaster, 2017). In addition, Vallaster (2017) found that the link between strategic CSR and successful crisis recovery is mediated by project content fit and stakeholder engagement.

Klein and Dawar (2004) found that CSR associations have a strong and direct impact on consumers' attributions which in turn translate into blame for the incident that consequently influences brand evaluation and purchase intentions. In a study of Dutch consumers Vanhamme and Grobben (2009) found that a company's history of CSR is significant when it comes to crisis recovery. It was determined that companies who have been involved in CSR for a long time (in this case 10 years), have raised sufficient confidence from consumers and are "permitted" to mention CSR in its crisis communications without raising suspicion in the minds of consumers (Vanhamme & Grobben, 2009). Contrarily, findings suggest that companies that have been involved in CSR activities short-term, induce skepticism if it is used shortly after a crisis (Vanhamme & Grobben, 2009). Consequently, such companies should be cautious when using CSR in its crisis management, as it can cause consumers to feel misled and/ or manipulated, which as mentioned above, can increase scepticism towards the brand. Based on the aforementioned research, in addition to the limited findings on the use of CSR in value-crisis recovery processes, the following hypotheses are proposed:

H4: Consumers exposed to companies' CSR activities will have a more positive impression of its response to a value-crisis.

H5: Companies involved in CSR activities achieve a better perception regarding its social responsibility after a crisis than companies not involved in CSR activities.

H6: CSR has a positive effect on consumers' perception of the company before and after a value-crisis.

3.0 Research Methodology

The purpose of the data collection is to see the effectiveness of CSR and image repairing mechanisms in crisis management, building on previous research by Dutta and Pullig (2011) and their article about the role of crisis type and response strategies. In addition, four of Benoit's (1997) image repairing mechanisms will be used: denial, evasion of responsibility, reduction of offensiveness, and corrective action. A "no response" condition will be added to serve as a control group. The focus will be on companies' response strategies to a crisis, CSR, and how this affects consumers' perception of a brand. For the present research, one main study was conducted for testing the conceptual framework. It was necessary to collect primary data from a wide selection of participants in a relatively short amount of time, therefore a quantitative approach was the method of use. The desired demographic for the sample is people who reside in Norway.

The study is a 2x5 experiment, with a: 2(CSR/No CSR) x1 (evasion-of-responsibility) x1 (Reduction-of-offensiveness) x1 (corrective action) x1 (denial) x1 (no response) factorial design. Experiment was chosen as the research design as the goal of the study was to compare means across the 10 conditions, with and without priming and manipulation. Five of the groups were manipulated (evasion-of-responsibility, corrective action, reduction-of-offensiveness, denial, and no response with CSR) and five were control groups (evasion-of-responsibility, corrective action, reduction-of-offensiveness, denial, and no response without CSR).

3.1 Pre-study

To proceed with the main study, a pre-study was conducted to test the validity of the survey, as well as to remove any errors. Presser et al. (2004) addresses the importance of running a pre-study advance to the main survey to evaluate if the intended questions in the survey could harm the experiment, as there is no effect when testing on a smaller population.

3.1.1 Choice of Fictional Company Name and Country of Origin

To avoid responses being contaminated by respondents' having previous associations or feelings about a company, a fictional company was presented. It is important that the country the company originated from could reflect similar values like in Norway, without being considered too close (i.e., Scandinavian and Nordic countries were excluded). Instead, the choice fell on the Netherlands, as this too is a country high on the Human Development Index (Norway ranks #1, while the Netherlands ranks #8) (UNDP, 2020a, 2020b). Both countries have a highly educated population (Norway = 18.1 years/ the Netherlands = 18.5 years), high number of internet users (Norway = 96.5%/ the Netherlands =94.7%), and a similar employment rate in the population (Norway = 61.7 %/ the Netherlands = 61.6%) (UNDP, 2020a, 2020b). Additionally, both countries score similarly on several of Hofstede's cultural dimensions, e.g., low on Power Distance, and both are considered Individualist and Feminist societies (Hofstede Insights, n.d.).

After deciding on a country of origin, the name of the fictional company had to be believable, reflect the country and the industry, in addition to being a non-existing brand name. Several options for the brand name were considered including "Jurk" (the Dutch word for dress), "Aruba" (Carribean Island and a constituent country of the Netherlands), "Juliana" (a former Dutch queen), and "Texel" (an island in the Netherlands). The names were tested on fellow students who were instructed to share possible feelings, associations, thoughts etc. they had when hearing the words. "Jurk" was considered a "harsh word," and therefore discarded. "Aruba" is already a relatively well-known Caribbean Island with connotations to vacation and summertime and was thus discarded. "Juliana" was in this context considered too feminine, as the goal was for the name to appeal to both male and female respondents. The name "Texel" was consequently chosen as it brought

connotations only to the word "textile" and otherwise created no other relevant feelings or associations. To make the industry of the company apparent, the words "Clothing Co" were added at the end, resulting in the company name "Texel Clothing Co."

3.1.2 Pre-study: survey test

The main survey was tested on a small sample size (n=8) through Qualtrics Survey Software. A 2x4 between-subject design was incorporated. Each of the respondents was assigned one of the eight conditions (table 2), and a control group was included to increase the validity of the study (Malhotra, 2010). The pretest of the main survey was done to reduce measurement errors, and to make adjustments before the data collection (Malhotra, 2010). From the pre-test, minor errors were identified that were adjusted before proceeding with the data collection. Respondents indicated that the wording in one of the questions should be changed from "what is your highest level of education" to "what is your highest achieved level of education." Additionally, the question "I prefer to spend my money in businesses that share my personal values" was perceived to be vague, and respondents were uncertain of which personal values the question alluded to. Therefore, the wording was changed to "I prefer to spend my money in businesses that are ethically driven." *No response* was not a part of the pre-study as this condition was added two weeks into the main study.

Table 2: Treatment groups for the pre-test

Group	Included priming?	Company response stimuli
Treatment group 1	Included description of CSR behavior	Denial
Treatment group 2	No description of CSR behavior	Denial
Treatment group 3	Included description of CSR behavior	Evasion of Responsibility

Treatment group 4	No description of CSR behavior	Evasion of Responsibility
Treatment group 5	Included description of CSR behavior	Reduction of Offensiveness
Treatment group 6	No description of CSR behavior	Reduction of Offensiveness
Treatment group 7	Included description of CSR behavior	Corrective Action
Treatment group 8	No description of CSR behavior	Corrective Action

3.2 Design Main Study

3.2.1 Procedure and Stimuli

Respondents that participated in the study completed an online experiment using a between-subject design. The design is inspired by a previous experiment by Vanhamme and Groben (2009) where participants were presented with two texts about a fictional company and found significant evidence that the news article influenced consumer perception negatively. In the present study, participants were randomly assigned to a condition and exposed to a fictional company facing an ethical brand crisis, with allegations of environmental neglect (table 3). The fictional company was introduced to ensure that the respondents did not have any relationship to- or *a priori* knowledge about the brand or company, reducing the possibility of contamination.

Table 3: Treatment and Control Groups

Group	Included priming?	Company response stimuli
Treatment group 1	Included description of CSR behavior	Denial
Treatment group 2	No description of CSR behavior	Denial
Treatment group 3	Included description of CSR behavior	Evasion of Responsibility
Treatment group 4	No description of CSR behavior	Evasion of Responsibility
Treatment group 5	Included description of CSR behavior	Reduction of Offensiveness
Treatment group 6	No description of CSR behavior	Reduction of Offensiveness
Treatment group 7	Included description of CSR behavior	Corrective Action
Treatment group 8	No description of CSR behavior	Corrective Action
Control group 1	Included description of CSR behavior	No Response
Control group 2	No description of CSR behavior	No Response

Participants were first presented with a press release describing the entrance of the fictional company into the Norwegian market, and included information about the company, its history, and products. Additionally, half of the participants were given information about the company's CSR activities (mental health research and

facilities, cancer research, and after school youth programs) (see appendix 1a and 1b for the press release with and without CSR priming). The respondents were then instructed to answer three short questions (company perception, purchase intention, and ethical consumption, see appendix 2a-2c for full questionnaire).

The second text includes the company crisis, which describes allegations of pollution near the company's factory in Bangladesh. The news articles were manipulated across the 10 different conditions by differentiating the headline, sub-headings, quote and response from the company CEO, and a comment from a representative from the environmental organization that had accused the company of polluting. The texts thus reflected whether the company *denied-*, *evaded-*, *reduced* its responsibility-, took *corrective action-*, or had *no comment* to the allegations. Only the participants who were already primed with the company's CSR activities were presented with texts that included CSR (see appendix 3a-3j for all 10 news articles).

After completing the two texts, participants were presented with questions that measured the independent and dependent variables (perception of company and CSR activities, perception of the company's response, purchase intention, positive/ negative emotions), and demographics.

3.2.2 Measures

When developing variables for the questionnaire, most questions were found in, and adapted from existing marketing scales from Bruner (2009). To measure brand perception several variables were used. To start, question 1 and 4_1 "what is your perception of the company," directly measures this variable before and after the participants are exposed to the news article. Further, to indirectly measure another aspect of brand perception, more specifically brand perception relating to social responsibility, four items from Dean (2002) were used: (company is a good citizen, - works to satisfy social responsibility, - fulfills social obligations, - "give back" something), and measured on a 5-point scale (1= strongly disagree, 5= strongly agree).

To measure purchase intentions before and after exposure to stimulus, a measure from Burton et al. (1999) was adapted to fit the present study. The question "How likely are you to purchase a Texel Clothing Co product when it is released in

Norway?" was asked before and after the participants read the news article. While the same question was repeated, the anchors were altered slightly to avoid participants choosing the exact same answer as they did the first time. The anchors were therefore first 1 = extremely likely, 5 = extremely unlikely, and then 1 = highly unlikely, 5 = highly likely.

Questions measuring positive emotions after being exposed to the stimuli were partly derived from Spangenberg et al. (2003) ("optimistic" and "happy"), while "inspired" was adapted from Watson et al. (1988). Watson et al. (1988) also influenced the questions measuring negative emotions; "sad," "angry," and "disgust." All were measured on a 5-point scale (1 = strongly agree, 5 = strongly disagree).

Finally, participants were requested to answer five demographic measures: gender, age, highest achieved level of education, shopping habits, and income level.

3.3 Participants - Main Study

During a three-week data collection period 385 responses were collected through an online experiment distributed through Qualtrics Survey Software. A section in the beginning of the survey was dedicated to comply with the guidelines for ethical research practice, which asked the participants to consent to the data collection. A non-probability convenience sample was used to collect responses through the social media platforms Facebook, Instagram, and LinkedIn. Convenience samples are not representative of any definable population, and it is thus not theoretically meaningful to generalize any population of the convenience sample (Malhotra, 2010). However, they can be used to gain insight, and therefore deemed appropriate to use in this experiment. To create a snowball effect, people were encouraged on every platform to share the survey with their network. Due to time constraints and the need of respondents over a short time period, the survey was shared on the survey exchange communities "SurveyCircle" and "SurveySwap" to increase the number of respondents. While these respondents were incentivized to finish the survey to gain "credits" to get survey respondents in return, the responses are considered valid as the sites have put measures in

place to avoid people answering "inattentively," or by using fake user accounts (SurveySwap, n.d.). To guarantee that respondents coming from these sites fit the desired demographic, the settings were set to include only residents of Norway. By using the aforementioned survey exchange communities, the survey gained more traction and was able to collect data from a wider range of respondents, meaning a more diverse demographic. However, respondents under 18 were for ethical reasons excluded from the experiment.

3.4 Sample Descriptive

A total of 385 responses were collected through Qualtrics. Of these, 80 were excluded from the final sample as they had not completed all the questions. The full sample ended up with 305 respondents, divided into 10 conditions. The respondents belonging to each scenario were close to equally distributed, with a minimum of 26 respondents and the highest being 34 respondents (see table 4).

Table 4: Condition groups and number of respondents

	With CSR priming	Without CSR priming
Denial	32	27
Reduction of Offensiveness	34	29
Evasion of Responsibility	26	32
Denial	30	28
No Response	34	33

Of the total sample (N=305) there was a dominance of 188 female respondents, compared to 107 male respondents (table 5). The sample largely consisted of young adults between ages 25-34 (43.3%), and most of the respondents have completed some type of formal education, with more than half of respondents being college graduates with bachelor's degrees (51.1%).

Table 5: Final sample descriptive

	Frequency	Percentage
Gender		
Male	107	35.10
Female	188	61.60
Non-binary/ third gender	4	1.30
Other	6	2.00
Age		
18-24	100	32.80
25-34	132	43.30
35-44	43	14.10
45-54	14	4.60
55-64	14	4.60
65+	2	0.70
Education		
Primary School	1	0.30
High School	34	11.10
Trade School	14	4.60
Bachelor	156	51.10
Master	86	28.20
PhD	4	1.30
Other	10	3.30
Household Yearly Income (In NOK)		
0-49,000	71	23.30
50,000-199,000	41	13.40
200,000-349,999	23	7.50
350,000-499,000	33	10.80
500,000-749,000	49	16.10
750,000-999,000	50	16.40
Prefer not to answer	38	12.50

Shopping Habits: Frequency of clothing purchase

Several times per week	2	0.70
Four times per month	28	9.20
Once a month	108	35.40
Every third month	97	31.80
Every six month	55	18.00
Once a year or less	15	29.90

4.0 Analysis

To ensure the quality of the collected data, the data-preparation process by Malhotra (2010) was used. This approach is used when the proportion of unsatisfactory responses for each of the respondents is large, or when key variables are missing (Malhotra, 2010).

When preparing the data for statistical analysis it was ensured that there were no outliers in the dataset that differed significantly. The standardized residuals were checked by using the residuals statistics (min = 2442.106, max=2586.111), which indicates no outlier. It was important to look for outliers before running any tests as this can cause tests to either miss significant findings or distort real results. Further, two of the questions from the survey (*what is your perception of the company* and *how likely are you to purchase*) were reverse coded so that they were calculated on the same measurements. Questions like demographics were automatically coded in SPSS (gender, with values 1= male, 2= female, 3= non-binary etc.).

4.1 Factor Analysis

A factor analysis was conducted to reduce a large number of variables into fewer numbers of factors (Malhotra, 2010). Janssens et al. (2008) states that there are three assumptions that need to be met before running a factor analysis. One of these assumptions is that for every variable there are at least ten times as many observations (Janssens et al., 2008), while Malhotra (2010) states that an appropriate sample size is at least four or five times as many observations as

variables. The required number of respondents was met with N=305. The variables were measured on a 5-point Likert scale which is commonly treated as an interval-scale (Janssens et al., 2008). A Kaiser-Meyer-Olking (KMO) and Bartlett's test of sphericity was conducted (table 6) to confirm that the variables were sufficiently correlated to perform a factor analysis (Malhotra, 2010).

Table 6: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.836
Bartlett's Test of Sphericity	Approx. Chi-Square	3184.684
	df	190
	Sig.	.000*

*sig. p=0.001

A factor analysis with all twenty items was run to assess which items were best fitted to be a representation of participants. The KMO test showed significant magnitudes (.836>.5) (table 6) of the observed correlation coefficients (Malhotra, 2010). Bartlett's Test of Sphericity was significant (p<.001) (table 6), indicating that the variables were significantly correlated. Lastly, the extracted variables explained 66.58% of the variance in the data (see appendix 4a).

Before running the analysis again, "To what extent do you think the company is responsible for the incident?" was removed as the score from the communalities output was lower than 0.5 (.398) (table 7) and did not correlate with the other questions. However, "I prefer to spend my money in a business that are ethically driven," "to what extent do you think the company is responsible for the incident," and "to what extent do you feel embarrassed to shop at Texel Clothing Co," were included even though the extraction score was lower than 0.5 (respectively: .451,.462, .485), as these questions correlated with the other factors.

Table 7: Communalities

Question	Extractions
What is your perception of the company?	.659
How likely are you to purchase a Texel Clothing Co product when it is released in Norway?	.652
I prefer to spend my money in a business that is ethically driven.	.451
What is your perception of the company?	.574
How do you think the company handled the situation?	.781
What do you think of the company's response?	.785
How likely are you to purchase a Texel Clothing Co product when it is released in Norway?	.538
To what extent do you think the company is responsible for the incident?	.398
To what degree would you feel embarrassed to shop at Texel Clothing Co	.485
The news article makes me feel disgust	.718
The news article makes me feel sad	.784
The news article makes me feel angry	.822
The news article makes me feel optimistic	.831
The news article makes me feel happy	.870
The news article makes me feel inspired	.852
Texel Clothing Co is a good citizen of the communities in which it does business	.645
Texel Clothing Co works to satisfy its social responsibilities to the communities it serves	.713
Texel Clothing Co fulfills its social obligations to the communities	.684
Texel Clothing Co tries to "give back" something to those communities which it operates	.613

The next step is to decide on a number of factors. There are three rules that determine the number of factors. The first determination was based on the scree plot. Looking at the Scree Plot (appendix4b) it is evident that the line starts to

straight out after component number four, which indicates that the number of factors should be four. The next is based on Kaiser's rule, which selects factors with eigenvalue >1. According to both the scree plot (appendix 4b) and the total variance explained table (appendix 4a) the total factors should be five. Lastly, the determination is based on the percentage of variance. Malhotra (2010) recommends that the factors extracted should account for at least 60% of the variance. Looking at the total variance explained table (appendix 4a) one can see that with five factors the variance explained is 66.58%. Since two out of the three criteria explained the same results, the appropriate number of factors is decided to be five.

After running the new analysis, the KMO (.840>.5) and Bartlett's Test of Sphericity (p<.001) were significant (see appendix 4c). The extracted variables explained 69.50% of the variance in the data (see appendix 4d). To ensure the internal consistency reliability index of the new reliability (Malhotra, 2010), a reliability analysis was conducted. The test showed a satisfactory reliability of four of the five Cronbach's Alpha's (table 8).

Table 8: Reliability Statistics

	Cronbach's Alpha	N of Items
Factor 1: Brand Perception Post Manipulation	.892	8
Factor 2: Emotion (positive)	.925	3
Factor 3: Emotion (negative)	.894	3
Factor 4: Brand Perception Pre-Manipulation	.638	2
Factor 5: Moral	.342	2

4.2 Paired samples T-test

When working with data where repeated measurements of the same subject are collected, a paired sample t-test is a fitting approach due to the assessment of the

difference in means (Janssens et al., 2008). The function of the paired samples t-test in the present study is to find out whether a significant difference exists among all the respondents between the perception of the company and change in purchase intention before and after exposure to the news article. To determine this a test must be performed to find out whether the difference between the means is equal to zero (Malhotra, 2010). The test was conducted to see if there was statistical significance for H1a and H2.

4.3 Correlation

"Correlation is a simple but powerful way to look at the linear relationship between two metric variables" (McGee as cited in Malhotra, 2010, p. 528). In this thesis it was interesting to summarize the strength of association between two metric variables. For this situation the product moment correlations, also known as Pearson correlation coefficient, was the best fitting test. The test looked at the association between positive emotions (factor 2) and negative emotions (factor 3) to determine if there was a linear relationship between the two factors. The test indicated the degree to which the variation in one variable is related to the variation in another variable.

4.4 Analysis of Variance

Analysis of Variance (ANOVA) is used to test means for two or more populations (Malhotra, 2010). It involves identifying the dependent and independent variables, decomposing the total variation, measuring effects, testing significance, and interpreting results (Malhotra, 2010). The one-way ANOVA was used to compare the means of the 10 groups (conditions) to determine whether any of those means are statistically significantly different from each other (Bevans, 2020). The ANOVA tested people's perception of the company and was divided into two separate tests.

One-way ANOVA is an omnibus test statistic and only shows statistical significance for at least two groups, but it does not show which groups (Bevans, 2020). Therefore, to determine which specific groups differed from each other a post-hoc test was used. LSD was the chosen post-hoc test for these two one-way ANOVA analyses.

4.5 Independent Samples t-Test

The independent samples t-test compares the means of two independent groups to determine whether there is statistical evidence that the associated population means are significantly different. Samples drawn randomly from different populations are termed independent samples (Malhotra, 2010).

The independent samples t-test was used to compare the means of three sets of data. It tested the group that had been exposed to CSR activities to the control group who had not been exposed to CSR activities. This was done to determine whether there is statistical evidence that the associated population means are significantly different (Yeager, n.d.).

5.0 Results

5.1 Paired Samples T-Test

A paired samples t-test approach was used as the procedure of choice for hypothesis testing of H1a (a company crisis has a negative effect on consumers' perception of the company) and H2 (purchase intentions decrease after exposure to a value-based company crisis). Two paired sample t-tests were created to test for the differences in means for the perception of the company before and after being exposed to the news article (H1a), and to test if consumers' purchase intention decreases after being exposed to the news article (H2).

5.1.1 Change in Perception

The perception of the company was tested with a t-test where "what is your perception of the company" (Q1) was used for variable 1 and "what is your perception of the company" (Q4_1) was used for variable 2 to test for differences in means. After running the test, the means for the question "what is your perception of the company?" increased from first asked (M = 1.90, SD = .695) to after being exposed to the news article (M = 3.75, SD = .865). Given that 1 indicates *very good*, the closer the mean is to 1, the better the perception of the company. Thus, it is evident from the change in means that the participants have a better perception of the company before being exposed to the news article.

The results of the paired samples test also shows that the difference in mean between the two variables is -1.846. With t(304) = -29.231, p<0.001, indicating a negative effect of being exposed to the news article (see appendix 5a). These results confirm H1a (a company crisis has a negative effect on consumers' perception of the company).

5.1.2 Change in Purchase Intention

A paired sample t-test is performed to test whether consumers' purchase intentions decrease after being exposed to the news article (H2). "How likely are you to purchase a Texel Clothing Co product when released in Norway" (Q2) was used as variable 1 and "how likely are you to purchase a Texel Clothing Co product when released in Norway" (Q5) was used as variable 2 to check for differences in means. The samples' response to likelihood of making a Texel Clothing Co purchase is at first close to neutral, leaning more towards likely/somewhat likely (M = 2.46, SD = .822). However, after respondents are exposed to the news article the mean increases towards unlikely/extremely unlikely (M = 3.62, SD = .877).

This indicates a negative change in how likely consumers are to purchase a Texel Clothing Co item after being exposed to the news article. Considering t(304) = -17.681, p < 0.001, it is statistically significant to determine that there is a difference between the likelihood of purchasing a Texel Clothing Co item before

and after being exposed to the news article (see appendix 5b). These results confirm H2 (purchase intentions decrease after exposure to news article).

5.1.3 Key Findings

It is evident from the change in means that the consumers have a better perception of the company before being exposed to the news article. This is an interesting finding as it shows that the value-related crisis the company is going through harms the company as people's perception decreases. This is also confirmed with a statistical test showing that being exposed to the news article has a negative effect on the consumers.

Another interesting finding is the negative effect the news article has on purchase intention. After the exposure to the news article people are less willing to buy from the fictional company compared to before exposure. This finding can help managers to see how a value related crisis can harm the company as the purchase intention decreases. A decrease in purchase intention can also harm the company's bottom line, as people most likely will buy less from the company going through such a crisis. However, it is also important to separate purchase intention and actual purchasing behaviors. For example, there may be a dissonance between where people *want* to buy from, and where they end up spending their money. Therefore, people may feel embarrassed about purchasing from a company that does not act according to "normal business practices," but is nevertheless the best option for the customer due to e.g., price benefits.

5.2 Correlation

To test H1b (negative emotions have a stronger effect on perception than positive emotions), a bivariate correlation test was run. The variables used were extracted from the factor analysis: factor 2 (positive emotions) and factor 3 (negative emotions). The testing variable was "what is your perception of the company." Pearson was chosen as the correlation coefficient and for the significance the two-

tailed test was used as there were no assumptions whether it was a positive or a negative correlation between the three variables.

The result of the Pearson product-moment correlation determines that the relationship between the factor of negative emotions and perception of the company after a crisis is statistically significant ($r = -.232$, $n = 305$, $p = .001$) (see table 9). There is a negative relationship between level of negative emotion and how the consumer perceives the company. These results support H1b; negative emotions have a stronger effect on perception than positive emotions.

Table 9: Correlations

		Q4_1: What is your perception of the company?	Factor 2: Positive emotions	Factor 3: Negative emotions
Q4_1: What is your perception of the company?	Pearson Correlation	1	-.026	-.232**
	Sig. (2-tailed)		.650	<.001
	N	305	305	305
Factor 2: Positive emotions	Pearson Correlation	-.026	1	.000
	Sig. (2-tailed)	.650		1.000
	N	305	305	305
Factor 3: Negative emotions	Pearson Correlation	-.232**	.000	1
	Sig. (2-tailed)	<.001	1.000	
	N	305	305	305

** Correlation is significant at the 0.01 level (2-tailed).

5.2.1 Key Findings

The aforementioned test provides evidence that negative emotions such as "sadness," "anger," and "disgust" are significantly negatively correlated to

consumers' perception of a company after exposure to a value-crisis. The positive emotions "happy," "inspired," and "optimistic" however, do not correlate with the perception consumers have of a company. This indicates that negative emotions impact consumers more, leading to more dominant negative feelings.

5.3 Analysis of Variance

The aim is to test the 10 conditions against perception of the company; therefore ANOVA was selected as the appropriate method to test if there are any significant differences in means in the perception of the company (H3). Two individual tests were conducted where an experimental design was used (Janssens et al., 2008).

5.3.1 Perception after manipulation

The first test used a 5x2x1 experimental design (Janssens et al., 2008), where there were 10 possible outcomes (denial, reduction of offensiveness, evasion of responsibility, corrective action and no-response) (with CSR/without CSR) (perception after priming). After running a one-way ANOVA using Q4_1 as the dependent variable (DV) and the 10 conditions as the independent variable (IV), it shows a statistically significant difference in means across the conditions as ($F(9,295) = 2.185$, p= .023) (see appendix 6a). The LSD post-hoc test reveals that the mean score of the perception of the company after manipulation is significantly higher in the Evasion of Responsibility w/ CSR ($2.50 \pm .961$, p=.011), the Evasion of Responsibility w/o CSR ($2.48 \pm .871$, p= .018) and the Corrective Action w/o CSR conditions ($2.50 \pm .962$, p= .016) compared to the No Response w/ CSR condition ($1.97 \pm .937$).

Further, there is evidence that the mean score of the perception of the company is higher in the Evasion of Responsibility w/ CSR ($2.50 \pm .961$, p=.002), Corrective Action w/ CSR ($2.37 \pm .718$, p= .017), Denial w/o CSR ($2.33 \pm .961$, p= .029), Evasion of Responsibility w/o CSR ($2.48 \pm .871$, p= .004) and Corrective Action w/o CSR conditions ($2.50 \pm .962$, p= .003) than the No Response w/o CSR condition ($1.85 \pm .795$). The LSD post-hoc test revealed no other significant

differences between the remaining conditions (all had p>0.5) (see appendix 6b). The results indicate that both corrective action and evasion of responsibility score similarly on how the consumer perceives the company after being exposed to the crisis (graph 1).
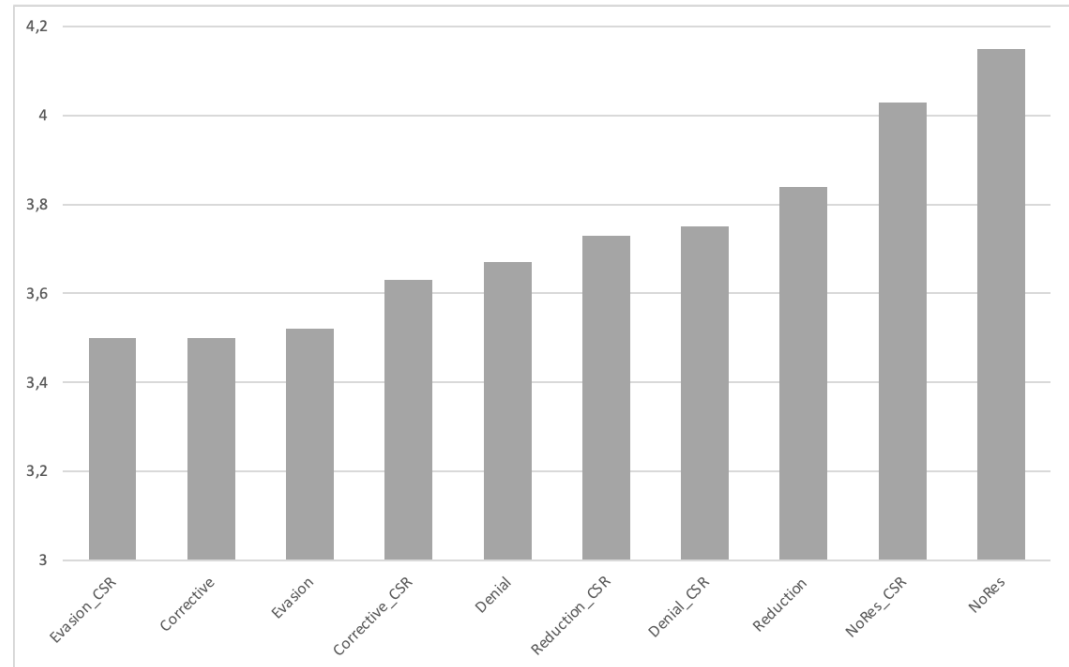
Graph 1: Mean of perception of the company after manipulation by conditions (1 = very good, 5 = very bad)

5.3.2 Composite variable of perception

Before running the second ANOVA test four variables were re-coded into a composite variable, as they measure the same thing. Q10_1 (Texel Clothing is a good citizen of the communities in which it does business), Q10_2 (Texel Clothing Co works to satisfy its social responsibilities to the communities), Q10_3 (As a business, Texel Clothing Co fulfill its social obligations to the community), and Q10_4 (Texel Clothing Co tries to "give back" something to those communities which it operates in) makes up the composite variable. These variables were chosen as an additional way to test consumers' perception of the company, as the questions can be seen as an indirect perception of the company.

When testing the composite variable against the 10 conditions, the results of the one-way ANOVA show that ($F(9,295) = 3.232$, p= <.001) (see appendix 6c),

which provides evidence that there is a significant difference in the mean perception score of the different conditions.

After running the LSD post-hoc test, it is revealed that the mean score of the composite variable was significantly higher in the Denial w/ CSR (2.67 ± .7498, p= .003), Evasion of Responsibility w/ CSR (2.49 ± .8822, p= .027), Reduction of Offensiveness w/ CSR (2.77 ± .7903, p= .001), Corrective Action w/ CSR (3.03 ± .596, p= <.001), Evasion of Responsibility w/o CSR (2.52 ± .879, p= .025), and the Corrective Action w/o CSR conditions (2.71 ± .887, p= .002) compared to the No Response w/o CSR condition (2.03 ± .897).

Additionally, there is evidence that the composite score is significantly lower in the Reduction of Offensiveness w/o CSR (2.33 ± .902, p= .002), Evasion of Responsibility w/o CSR (2.52 ± .879, p= .022), Denial w/o CSR (2.39 ± .952, p=.005), No Response w/ CSR (2.40 ± .892, p= .003), and the Evasion of Responsibility w/ CSR (2.49 ± .882, p= .013) conditions compared to the Corrective Action w/ CSR condition (3.03 ± .695). This indicates that the Corrective Action w/ CSR response mechanism is significantly more effective than the other response mechanism when it comes to consumers' perception of a company's social responsibilities (graph 2). The LSD post-hoc revealed no other significant differences between the remaining conditions (all had p>0.5) (see appendix 6d).
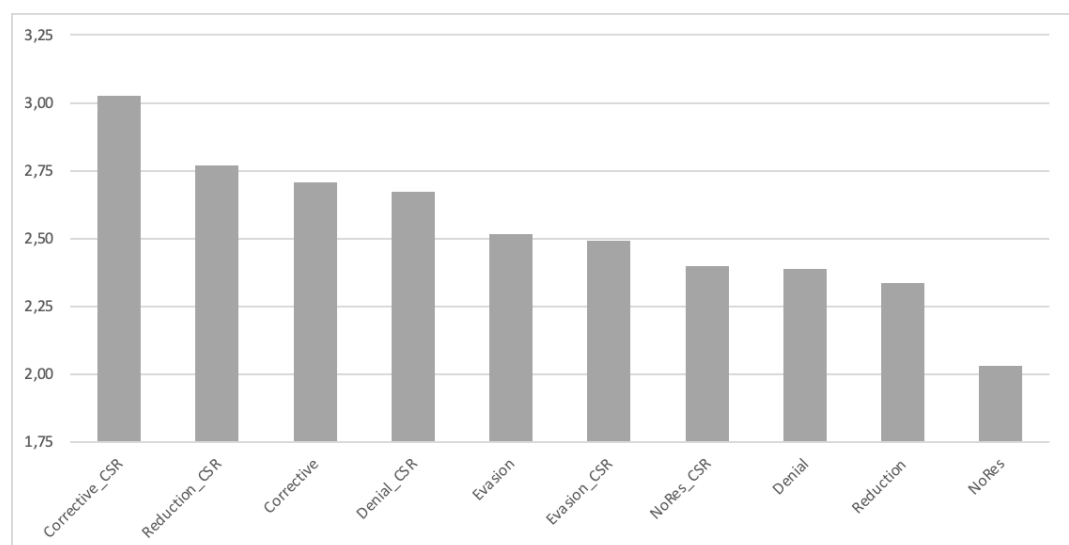
Graph 2: Mean of Composite_Perception by Conditions. (1 = strongly disagree, 5 = strongly agree)

The results from the two ANOVA tests show partly support for H3 (there are significant differences in brand perception depending on the response mechanism). The hypothesis is partly supported as not all the response mechanisms are significant.

5.3.3 Key Findings

A notable finding from the ANOVA tests is the clear indication that no response w/CSR and no response w/o CSR are determined to cause the worst perception of all the mechanisms tested. This indicates that any response is better than no response and should consequently be included in any contingency plans. Furthermore, the results reveal that evasion of responsibility and corrective action are those that lead to the best perception when handling a crisis.

Corrective action w/CSR is the mechanism that is significantly more effective than the other response mechanisms when it comes to consumers' perception of a company's social responsibilities. Hence, effective CSR communication in combination with taking corrective action will give a good perception of the company and its charitable activities after a crisis.

5.4 Independent Samples T-Test

5.4.1 Consumers perception of Response

To test H4 (consumers exposed to companies' CSR activities will have a more positive impression of its response to a value-crisis), an independent samples t-test was run on two samples, comparing the group that had been exposed to CSR activities to the control group who had not been exposed to CSR activities. Q4_2 (how do you think the company handled the situation?) and Q4_3 (what do you think of the company's response?) was set as the testing variables while Priming (CSR or no CSR) was set as the grouping variable.

Table 10 shows that the people who were exposed to CSR activities had a slightly lower average mean for the questions "how do you think the company handled the

situation?" (M=2.26, SD = .996) and "what do you think of the company's response?" (M = 2.28, SD = .994) than the group not exposed to CSR (M = 2.40, SD = 1.052 and M = 2.42, SD = 1.073, respectively). This indicates that people who had been exposed to CSR activities were less satisfied with the company's response to the crisis. However, the null hypothesis of equal variances may not be rejected as the Levene's Test for Equality of Variance is >0.05 (.338 > .05 and .172 > .05, respectively). Therefore, the t-test output for Equal Variance Assumed must be checked every time (Janssens et al., 2008). Moreover, the results from the t-test determine that there is no significant evidence that there is a difference in means between the groups exposed to CSR activities and the group not exposed to CSR activities (p = .235 and p = .215) (appendix 7a). Therefore, H4 is not supported.

Table 10: Group Statistics. 1 = very bad, 5 = very good

	Priming	N	Mean	Std. Deviation	Std. Error Mean
How do you think the company handled the situation?	No CSR	149	2.40	1.052	.086
	CSR	156	2.26	.996	.080
What do you think of the company's response?	No CSR	149	2.42	1.073	.088
	CSR	156	2.28	.994	.080

5.4.2 Consumers perception of social responsibility after a crisis

Further, to test H5 (companies involved in CSR activities achieve a better perception relating to its social responsibility after a crisis than companies not involved in CSR activities), *composite_perception* (Q10_1 + Q10_2 + Q10_3 + Q10_4) were set as the test variable and *priming* (CSR or no CSR) was set as the grouping variable. This was to test for any statistical evidence in the means between CSR and perception of the company's social responsibility.

The mean of the composite of the perception variable indicates that the group exposed to CSR activities had a slightly higher perception of the company's social responsibility (M=2.66, SD = .815) compared to the group not exposed to CSR activities (M= 2.38, SD = .912) (table 11). This claim is supported by the independent samples t-test. Given that the Levene's test for equality of variance is not significant (F=2.202, p=.139), the t-test for equality of means is checked, which shows a 2-tailed significance of .006 (appendix 7b). Hence, there is statistically significant evidence that the mean of the group exposed to CSR activities is higher than the group not exposed to CSR activities, confirming H5.

Table 11: Group Statistics. 1 = very bad, 5 = very good

	Priming	N	Mean	Std. Deviation	Std. Error Mean
Composite_Perception	No CSR	149	2.3826	.91881	.07527
	CSR	156	2.6571	.81479	.06524

5.4.3 CSRs influence on Perception of the Company

The final independent samples t-test is performed to test H6 (CSR has a positive effect on consumers' perception of the company before and after a value-crisis). Question 1 and question 4_1, which both measure consumers' perception before and after the crisis were used as the test variables, while priming (CSR/ no CSR) was used as the grouping variable. Comparing the mean values of the group exposed to CSR (M=1.71, SD = .711) to the group not exposed to CSR (M=2.09, SD = .619), it is evident that CSR leads to a better perception of the company before consumers are exposed to a crisis (table 12). This claim is supported by the t-test, where the Levene's test is significant (<.001), thus looking at the equal variances not assumed in the t-test for equality of means (appendix 7c). Here, the 2-tailed significance is <.001.

However, looking at the mean value after the groups are exposed to the crisis, there is only a 0.02 difference between those who were exposed to CSR (M= 3.73,

SD = .822) and those not exposed to CSR (M= 3.75, SD = .915). The results of the independent samples t-test show that after a crisis, CSR is not found to have a significant effect on consumer perception (sig. = .338) (see appendix 7c). This does not align with H6 as CSR does not have a significant positive effect on perception after a crisis. Therefore, H6 is not confirmed, because even though CSR leads to a positive perception before a crisis, CSR cannot be determined to have an effect on perception after a value-crisis occurs.

Table 12: Group Statistics. 1 = very good, 5 = very bad

	Priming	N	Mean	Std. Deviation	Std. Error Mean
What is your perception of the company? (asked before crisis)	No CSR	149	2.09	.619	.051
	CSR	156	1.71	.711	.057
What is your perception of the company? (asked after crisis)	No CSR	149	3.75	.915	.075
	CSR	156	3.73	.822	.066

5.4.4 Key Findings

An interesting finding is that people who had been exposed to CSR activities were less satisfied with the company's response to the crisis. While this claim is not statistically supported, the mean indicates that there are some differences between the groups. This answer was somewhat surprising as one would think that people exposed to CSR would have a better perception of how the company responds. However, it can be discussed that people that are exposed to the company's CSR activities have higher expectations for the company, hence, when a value-related crisis is exposed, these high expectations will cause people to be more disappointed in the company's "bad" actions.

Moreover, using CSR activities in communication leads to higher perception in terms of a company being "a good corporate citizen." This indicates that brands who use CSR activities as a part of their marketing and communication efforts,

gain advantages in public perception compared to companies who do not share their CSR involvements.

The final test indicates that CSR leads to higher perception in general before a crisis. This indicates that CSR portrays the company in a positive light and makes consumers perceive it as higher. However, after a crisis, CSR has little to no effect, hence CSR alone cannot help a company recover after a crisis.

6.0 Discussion

The present study attempts to offer insights into whether image repairing mechanisms and the use of CSR can help companies successfully navigate consumers' perceptions after a value-crisis. Specifically, which response mechanisms are the most successful, and how they are perceived when used in combination with CSR activities. Due to the increasing speed at which news travels and consequently how crises evolve, understanding how consumers respond to crises is important for businesses (Jin et al., 2014). The knowledge of such factors can help companies understand how to react when faced with a crisis, and what to avoid when appealing to the public. This research extends Dutta and Pullig's (2011) findings about successful recovery mechanisms, into a scope that includes the application of CSR activities.

A notable finding in the present research is the impact value-crises have on brand perception and purchase intentions. This finding is consistent with previous research on product-harm crises (e.g., Dutta & Pullig, 2011). The present study highlights the importance of companies using the appropriate response mechanisms to correct past mistakes. It is evident that using denial and/ or reduction of offensiveness as the response strategy, can lead to detrimental effects for the brand undergoing the crisis. Even worse, the proven negative effect of not responding at all to allegations will likely be difficult to recover from. On the other hand, both evasion of responsibility and corrective action are proven to be response mechanisms with a successful outcome in terms of the perception of the company as a whole, and its handling of the crisis, and should thus be applied in times of crises.

It is clear that consumers will feel angered, sad, and disgusted by brands who conduct its business outside of the norm of appropriate business practices. This will consequently lead to lower WTP which can impact companies' bottom lines. Further, the present study establishes that consumers who are exposed to a company's CSR activities will initially have significantly higher perception of the company than those not exposed to CSR activities. This supports previous research on the topic, with CSR being a significant factor in consumers' overall perception of a company (e.g., Lin et al., 2011).

On the other hand, a surprising discovery in the study is the lack of support in evidence that CSR alone has a direct effect on consumers' perception of a company after a crisis. As Klein and Dawar (2004) established a relationship between CSR and brand evaluations in a product-harm crisis, it was thus expected to find similar significant results in a value-crisis. However, the present study contributes insights into how the use of CSR in companies' communication strategies can impact consumer perceptions both positively and negatively. It is for instance interesting to note that even though the results were not significant, the difference in mean value indicated that the group who were exposed to CSR activities were less satisfied with how the company handled the crisis than those who were not exposed to CSR activities. One interpretation of this finding is that when people are presented with a company's good deeds (here in the form of charitable donations), consumers will consequently have higher expectations of how the company acts. When the company then acts in a way that does not meet these expectations (in this case by polluting), it will disappoint consumers more than if it had not presented itself as a company who is "a good corporate citizen."

The following table gives an overview of the hypotheses of the study, and whether there is support or not from the data for these claims.

Table 13: Summary of Results

Hypothesis	Variables	Results
H1a	A company crisis has a negative effect on consumers' perception of the company	Supported
H1b	Negative emotions have a stronger effect on perception than positive emotions	Supported
H2	Purchase intentions decrease after exposure to a value-based company crisis	Supported
H3	There are significant differences in brand perception depending on the response mechanism	Partly supported
H4	Consumers exposed to companies' CSR activities will have a more positive impression of its response to a value-crisis	Not supported
H5	Companies involved in CSR activities achieve a better perception relating to its social responsibility after a crisis than companies not involved in CSR activities.	Supported
H6	CSR has a positive effect on consumers' perception of the company before and after a value-crisis.	Not supported

7.0 Managerial implications

This study has several interesting findings applicable for managers working with crisis management and contingency plans. CSR can both harm and do good when handling a crisis, as the course of actions goes hand in hand with the procedures the company decides to take. Therefore, it is important for companies to cultivate cohesion in its business practices so that there is not a dissonance between what

the company stands for "in theory," and how it acts, as exemplified by this experiment. CSR activities can initially leave consumers with a positive perception of a company and should therefore be included in organizations' business plans and strategy. However, if it is discovered that the company does business in an unethical manner, the consequences may be worse for a company that is outspoken about being a "good corporate citizen."

The literature review highlights the importance for managers to prepare crisis contingency plans as no company is immune to a potential value- or product-based crisis. The processes in a crisis recovery period are complex, and all crises differ from each other. Having crisis plans in place will reduce the response time and create a unified and organized response after a crisis occurs.

An important finding for managers to consider is that when a crisis occurs, any response to the public is better than no response at all and should be included in a crisis plan. However, the study finds that the best mechanisms for managers to use when going through a crisis is corrective action and evasion of responsibility. This will give the company a better reputation and customers will have a better perception and a higher purchase intention after the crisis compared to using other response mechanisms.

8.0 Limitations

Even though the present study provides insights and contributions into the field of crisis management and CSR, it is not without limitations. One of the main limitations is the relatively small convenience sample (N=305), which made it impossible to generalize the answers into a larger population. Hence, the results found can be determined to represent only this sample. Additionally, due to several participants not completing the survey, the sample size in each condition was small (mean= 30), therefore not normally distributed, and not generalizable.

When designing the survey, it was debated whether to include attention check(s), as inattentive respondents can cause poor data quality (e.g., Gummer et al., 2021; Kung et al., 2018). The survey in the present study does not include an attention check, and a limitation of the study can therefore be that participants are mindlessly answering questions, e.g., by answering in a straight line when

presented with questions in a grid, or answering a question that is inconsistent with previous answers (Gummer et al., 2021). In hindsight, a question in the form of an attention check should therefore have been included to increase the validity of the survey.

As mentioned in section 3.2.2, the anchors in questions 2 and question 5 differed slightly in the wording. This was done to avoid participants' choosing the same answer "by default," as the purpose of this question was to test if purchase intentions changed after exposure to stimulus. However, as the anchors have different wording and order, they may have been interpreted differently by the participants. This can be considered a minor error but is a limitation that could influence the answers received. Another minor limitation was in Q15, "what is your household yearly income?," where there should have been added an option for people who have household earnings above NOK 999.000.

After the survey was published, some participants expressed concerns that they had problems with the Qualtrics survey software. The survey had stopped working in the middle of survey completion and the participants could therefore not finish it. This meant that some participants had to start over again, but this time possibly with a different stimulus. This is a limitation both because people were unmotivated to start the process all over again, as well as it caused people to answer questions based on previous assumptions. Perhaps they first were exposed to a stimulus that included CSR activities, but now are put in a condition that did not include CSR. This may have caused biased answers that may have impacted the results.

As mentioned, the desired demographic for the sample is Norwegian residents. However, as the survey was formulated in English, some respondents indicated that they found it difficult to read and understand the information in the news article and the following questions. Thus, having the survey in English may have deterred possible participants from finishing the survey, affecting the sample size of the survey. Additionally, some participants may have answered without full comprehension of the contents.

Lastly, due to a misunderstanding, the "no response" both with and without CSR conditions were not added to the original survey design. These conditions were therefore not pre-tested. However, as the questions following the news article, and

the information in the survey is about the same, this is considered a minor limitation. The two "no response" conditions were added to the survey about two weeks into the final data collection and were able to gain sufficient responses to consider them valid for analysis.

9.0 Suggestions for Further Research

While the present research gives some insight into the use of response mechanisms and CSR in crisis management, there is still a need for more research that can provide information about the use of CSR in relation to crisis management. For example, whether customers' personal relationship or involvement with a cause will lead to them being more forgiving or stricter if a company that supports the same causes is faced with a crisis. Additionally, an interesting aspect to investigate is whether CSR alone can have a significant impact on crisis recovery. This may give a definite answer to how CSR alone may aid in a crisis without the influence of the recovery mechanisms.

To increase the external validity of the research, it is suggested that the scope of the study be expanded to different areas. This gives the opportunity to investigate whether customers' perceptions differ when applying the experiment to a company in a different industry or a different market. Further, due to the lack of generalizability it would be an idea for future experiments to have a larger population taking the experiment, with more participants in each of the conditions. This will provide answers that can be generalized for the population.

In terms of the execution of the experiment, it is suggested that it should be completed outside the limitations that Covid-19 restriction brings. For example, the experiment can be performed in a controlled lab environment where outside factors are accounted for and removed. This will increase the reliability of the experiment.

10.0 Conclusion

This study has created insight into the importance of using the appropriate image repairing mechanisms after a value-crisis, and how CSR affects consumer

perceptions. Added understanding of this topic is important in order for companies to make informed decisions when faced with a value-crisis and will help in the process of developing crisis contingency plans. As internet and social media usage has increased over the past decades, so has the speed at which crises unfold. Consumers are becoming increasingly aware of their impact in putting pressure on companies to adhere to ethical business practices, forcing several companies to change their course of action and take accountability for previous behaviors. This leads to more unpredictable results for companies' brand and reputation. Therefore, companies' responses to value-based crises have been more important than ever as a failure when handling a crisis can result in poor brand perception, decreasing WTP, and ultimately, company losses. The main objective for this thesis was to look further into how consumers' perceptions change when a company is undergoing a publicized crisis. It was also of interest to look further into how different image repairing mechanisms influence the recovery process and if it gives a more positive perception of the company after the crisis.

This study supports previous research in decrease of purchase intention caused by a crisis which gives negative associations to the company (Dutta & Pullig, 2011; Farquhar, 1989). After exposure to the scandal depicted in the news article, a decline in people's purchase intentions is evident. This indicates that a company's recovery methods are highly important, as a decrease in WTP and brand equity can cause tremendous economic losses.

To answer the problem definition "How can image repairing mechanisms change consumers' perception of a company after a crisis, and can corporate social responsibility help with the recovery process?," the response mechanisms will help the company to accomplish a better perception of the company when using the appropriate one. The study indicates that corrective action and evasion of responsibility have the best outcomes in achieving a good perception after a crisis. Using one of these will help the company sustain consumer perceptions and avoid substantial company losses. On the other hand, the study shows that there is no support that groups exposed to CSR activities will have a better impression of the company after a crisis. However, it shows that if the company is using CSR in its communication, customers view it as a better corporate citizen as it gives something back to the community.

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12.0 Appendices

Appendix 1a - Press release with CSR

Press Release
1st March 2021

Texel Clothing Co to launch in Norway in autumn 2021

European fashion-brand Texel Clothing Co is set to launch several clothing stores in central parts of Norway this upcoming autumn. The clothing brand is renowned for offering sustainable, on-trend fashion and accessories items for men and women. The impending expansion comes after a time of significant growth for the company, already having established stores in 15 European countries. The company is founded on beliefs to better the world, therefore, Texel Clothing Co is committed to donate €1 million every year to mental health treatment and research as a part of their efforts to reduce the stigma around mental health.

"We are excited to announce the launch of our brand into more countries in Europe. We look forward to seeing how Norwegian customers choose to interpret and style our wide selection of styles in the coming seasons."
        - Alex Hammel, CEO of Texel Clothing Co.

About Texel Clothing Co

Texel Clothing Co was founded as a sustainable and innovative fashion brand in Amsterdam in 2014. Texel Clothing Co is currently present in 15 countries in Europe, in addition to its immersive web store that caters to shoppers worldwide. Texel Clothing Co is focused on offering premium materials and design to its customers at reasonable prices, without compromising on quality. Texel Clothing Co is involved in local communities by donating a portion of their earnings to charities like cancer research, after school youth programs, and mental health facilities.

Appendix 1b - Press release without CSR

Press Release
1st March 2021

Texel Clothing Co to launch in Norway in autumn 2021

European fashion-brand *Texel Clothing Co* is set to launch several clothing stores in central parts of Norway this upcoming autumn. The clothing brand is renowned for offering sustainable, on-trend fashion- and accessories items for men and women. The impending expansion comes after a time of significant growth for the company, already having established stores in 15 European countries.

"We are excited to announce the launch of our brand into more countries in Europe. We look forward to seeing how Norwegian customers choose to interpret and style our wide selection of styles in the coming seasons."
Alex Hammel, CEO of Texel Clothing Co.

About Texel Clothing Co
Texel Clothing Co was founded as a sustainable and innovative fashion brand in Amsterdam in 2014. Texel Clothing Co is currently present in 15 countries in Europe, in addition to its immersive web store that caters to shoppers worldwide. Texel Clothing Co is focused on offering premium materials and design to its customers at reasonable prices, without compromising on quality.

Appendix 2a - Survey questions before exposed to news article

Question 1:

What is your perception of the company?

Very good	Good	Neutral	Bad	Very bad

Question 2:

How likely is it that you will purchase a Texel Clothing Co product when it is released in Norway?

Extremely likely	Somewhat likely	Neither likely nor unlikely	somewhat unlikely	Extremely unlikely

Question 3:

I prefer to spend my money in businesses that share my personal values.

Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree

Appendix 2b - Survey questions after exposure to news article

Question 4:

Answer the following questions where 1 is very bad and 5 is very good

	1 - Very bad	2 - Bad	3 - Neutral	4 - Good	5 - Very good
What is your perception of the company?	☐	☐	☐	☐	☐
How do you think the company handled the situation?	☐	☐	☐	☐	☐
What do you think of the company's response?	☐	☐	☐	☐	☐

Question 5

How likely are you to purchase a Texel Clothing Co product when it is released in Norway?

☐ Highly unlikely

☐ Unlikely

☐ Neither unlikely nor likely

☐ Likely

☐ Highly likely

Question 6

To what extent do you think the company is responsible for the incident?

☐ Fully responsible

▢ Somewhat responsible

▢ Neither responsible nor irresponsible

▢ Somewhat irresponsible

▢ Completely irresponsible

Question 7

How trustworthy do you think Green Trutch's findings are?

▢ Extremely trustworthy

▢ Somewhat trustworthy

▢ Neither trustworthy nor untrustworthy

▢ Somewhat untrustworthy

▢ Extremely untrustworthy

Question 8

To what degree would you feel embarrassed to shop at Texel Clothing Co, where 1 is very embarrassed and 5 is not at all embarrassed?

▢ 1

▢ 2

▢ 3

▢ 4

▢ 5

Question 9

To what extent do you agree with the following statements, where 1 is strongly agree and 5 is strongly disagree

	1	2	3	4	5
The news article makes me feel disgust	▢	▢	▢	▢	▢
The news article makes me feel sad	▢	▢	▢	▢	▢
The news article makes me feel angry	▢	▢	▢	▢	▢
The news article makes me feel optimistic	▢	▢	▢	▢	▢
The news article makes me feel happy	▢	▢	▢	▢	▢
The news article makes me feel inspired	▢	▢	▢	▢	▢

Question 10

Answer the following questions where 1 is strongly disagree and 5 is strongly agree

	1	2	3	4	5
Texel Clothing Co is a good citizen of the communities in which it does business	▢	▢	▢	▢	▢
Texel Clothing Co works to satisfy its social responsibilities to the communities it serves	▢	▢	▢	▢	▢
As a business, Texel Clothing Co fulfills its social obligations to the community	▢	▢	▢	▢	▢

Texel Clothing Co tries to "give back" something to those communities which it operates

Appendix 2c - Demographics

Question 11

Gender:

	Male
	Female
	Non-binary/third gender
	Prefer not to say

Question 12

Age

	18-24
	25-34
	35-44
	45-54
	55-64
	65+

Question 13

What is your highest achieved level of education?

	Primary School
	High School
	Trade School
	Bachelor
	Master
	PhD
	Other

Question 14

Shopping habits: how often do you buy clothes?

☐ Several times per week

☐ Four times per month

☐ Once a month

☐ Every third month

☐ Every six month

☐ Once a year or less

Question 15

What is your household yearly income (in NOK)

☐ 0-49,000

☐ 50,000-199,000

☐ 200,000-349,000

☐ 350,000-499,000

☐ 500,000-749,000

☐ 750,000-999,000

☐ Prefer not to answer

Appendix 3a - Denial w/CSR

Report exposes clothing brand Texel Clothing Co for dumping toxins into nature - CEO denies all claims
By Erica Andersen

A report posted by environmental agency Green Truth exposes fashion brand Texel Clothing Co for knowingly dumping environmentally damaging toxins into nature. The report claims that in the years between 2017 to 2020 Texel Clothing Co, through its factory in Bangladesh, dumped contaminated water into nearby rivers, hurting local nature and wildlife.

- Findings are fabricated
Texel Clothing Co, whose main competitors include Zara and H&M, claim that the findings from the report are fabricated and that no illegal dumping has occurred.

- The accusations brought forth by Green Truth has no grounds in reality. We deny all claims that Texel Clothing Co is involved in dumping toxins into the environment. At Texel Clothing Co we care about the environment, the local communities, and the workers at the factories producing our clothes. This is exemplified by the many charities we are involved in, says Texel Clothing Co CEO Alex Hammel in a statement.

Hammel assures customers that Texel Clothing Co is a company that cares about the environment, but is not willing to answer any further questions from the press at this time.

Environmental organizations worried
Sara Peterson, researcher at Green Truth, claims that the consequences of the illegal dumping can have horrendous impact on local nature and wildlife and that evidence suggesting Texel Clothing Co's involvement is overwhelming.

- It comes as a surprise to everyone involved that a renowned company like Texel Clothing Co chooses to deny the evidence that is presented to the public. Our goal with this report is to raise awareness about crimes against nature and wildlife, as well as hold those responsible accountable.

Appendix 3b - Evasion of Responsibility w/CSR

Report exposes clothing brand Texel Clothing Co for dumping toxins into nature - CEO claims factory is responsible.
By Erica Andersen

A report posted by environmental agency Green Truth exposes fashion brand Texel Clothing Co for knowingly dumping environmentally damaging toxins into nature. The report claims that in the years between 2017 to 2020 Texel Clothing Co, through its factory in Bangladesh, dumped contaminated water into nearby rivers, hurting local nature and wildlife.

- Factory is responsible
Texel Clothing Co, whose main competitors include Zara and H&M, claims that the factory producing Texel Clothing Co's collections in Bangladesh are responsible for the illegal emissions.

- Unfortunately it has come to our attention that our clothing manufacturer in Bangladesh have dumped toxins into the environment without our knowledge or consent. We will be working with our factory to investigate what may have caused this. At Texel Clothing Co we care about the environment, the local communities, and the workers at the factories producing our clothes. This is exemplified by the many charities we are involved in, says Texel Clothing Co CEO Alex Hammel in a statement.

Hammel assures customers that Texel Clothing Co is a company that cares about the environment, but is not willing to answer any further questions from the press at this time.

Environmental organizations worried
Sara Peterson, researcher at Green Truth, claims that the consequences of the illegal dumping can have a horrendous impact on local nature and wildlife and that evidence suggesting Texel Clothing Co's involvement is overwhelming.

- It is surprising that a renowned company like Texel Clothing Co chooses to only point fingers at their local factory without taking any blame for the continuing lack of care towards the environment. Our goal with this report is to raise awareness about crimes against nature and wildlife, as well as hold those responsible accountable.

Appendix 3c - Reduction of offensiveness

Report exposes clothing brand Texel Clothing Co for dumping toxins into nature - CEO claims there is no lasting damage to the environment
By Erica Andersen

A report posted by environmental agency Green Truth exposes fashion brand Texel Clothing Co for knowingly dumping environmentally damaging toxins into nature. The report claims that in the years between 2017 to 2020 Texel Clothing Co, through its factory in Bangladesh, dumped contaminated water into nearby rivers, hurting local nature and wildlife.

- No lasting damage
Texel Clothing Co, whose main competitors include Zara and H&M, claims that the toxins released have caused no lasting damage to the local nature or wildlife.

- From our own investigation into this incident we found that Green Truth has severely exaggerated the long term impact the dumping has on the environment. According to our research, no animals have been harmed nor were any forests or rivers damaged. At Texel Clothing Co we care about the environment, the local communities, and the workers at the factories producing our clothes. This is exemplified by the many charities we are involved in, says Texel Clothing Co CEO Alex Hammel in a statement.

Hammel assures customers that Texel Clothing Co is a company that cares about the environment, but is not willing to answer any further questions from the press at this time.

Environmental organizations worried
Sara Peterson, researcher at Green Truth, claims that the consequences of the illegal dumping can have a horrendous impact on local nature and wildlife and that evidence suggesting Texel Clothing Co's involvement is overwhelming.

- It is surprising that a renowned company like Texel Clothing Co chooses to downplay the horrific consequences to the environment these actions may cause. Our goal with this report is to raise awareness about crimes against nature and wildlife, as well as hold those responsible accountable.

Appendix 3d: Corrective Action w/ CSR

Report exposes clothing brand Texel Clothing Co for dumping toxins into nature - CEO is now taking action
By Erica Andersen

A report posted by environmental agency Green Truth exposes fashion brand Texel Clothing Co for knowingly dumping environmentally damaging toxins into nature. The report claims that in the years between 2017 to 2020 Texel Clothing Co, through its factory in Bangladesh, dumped contaminated water into nearby rivers, hurting local nature and wildlife.

- Taking action
Texel Clothing Co, whose main competitors include Zara and H&M, take full responsibility for the incident, citing lack of quality control and internal routines in the company.

- Unfortunately we are responsible for emitting dangerous toxins into a nearby river close to our factory in Bangladesh. This has done more harm than we first thought, therefore we are now going through our routines and are working on how to operate more sustainably. At Texel Clothing Co we care about the environment, the local communities, and the workers at the factories producing our clothes. This is exemplified by the many charities we are involved in already, and after this incident we will commit to a yearly donation of €1 million to local environment charities that are working towards more sustainable oceans, says Texel Clothing Co CEO Alex Hammel in a statement.

Hammel assures customers that Texel Clothing Co is a company that cares about the environment, but is not willing to answer any further questions from the press at this time.

Environmental organizations worried
Sara Peterson, researcher at Green Truth, claims that the consequences of the illegal dumping can have a horrendous impact on local nature and wildlife and that evidence suggesting Texel Clothing Co's involvement is overwhelming.

- It is disappointing that a renowned company like Texel Clothing Co has intentionally caused harm to the environment, but we are happy that they are now taking accountability for their actions and are working with local charities to become better. Our goal with this report is to raise awareness about crimes against nature and wildlife, as well as hold those responsible accountable.

Appendix 3e: No Response w/ CSR

Report exposes clothing brand Texel Clothing Co for dumping toxins into nature - company remains silent
By Erica Andersen

A report posted by environmental agency Green Truth exposes fashion brand Texel Clothing Co for knowingly dumping environmentally damaging toxins into nature. The report claims that in the years between 2017 to 2020 Texel Clothing Co, through its factory in Bangladesh, dumped contaminated water into nearby rivers, hurting local nature and wildlife.

Texel Clothing Co, whose main competitors include Zara and H&M, have no response to the allegations.

Environmental organizations worried
Sara Peterson, researcher at Green Truth, claims that the consequences of the illegal dumping can have a horrendous impact on local nature and wildlife and that evidence suggesting Texel Clothing Co's involvement is overwhelming.

- It is disappointing that Texel Clothing Co, who are already involved in several socially responsible charities, have no response to the allegations. Our goal with this report is to raise awareness about crimes against nature and wildlife, as well as hold those responsible accountable.

Appendix 3f: Denial w/o CSR

Report exposes clothing brand Texel Clothing Co for dumping toxins into nature - CEO denies all claims
By Erica Andersen

A report posted by environmental agency Green Truth exposes fashion brand Texel Clothing Co for knowingly dumping environmentally damaging toxins into nature. The report claims that in the years between 2017 to 2020 Texel Clothing Co, through its factory in Bangladesh, dumped contaminated water into nearby rivers, hurting local nature and wildlife.

- Findings are fabricated
Texel Clothing Co, whose main competitors include Zara and H&M, claim that the findings from the report are fabricated and that no illegal dumping has occurred.

- The accusations brought forth by Green Truth has no grounds in reality. We deny all claims that Texel Clothing Co is involved in dumping toxins into the environment, says Texel Clothing Co CEO Alex Hammel in a statement.

Hammel assures customers that Texel Clothing Co is a company that cares about the environment, but is not willing to answer any further questions from the press at this time.

Environmental organizations worried
Sara Peterson, researcher at Green Truth, claims that the consequences of the illegal dumping can have horrendous impact on local nature and wildlife and that evidence suggesting Texel Clothing Co's involvement is overwhelming.

- It comes as a surprise to everyone involved that a renowned company like Texel Clothing Co chooses to deny the evidence that is presented to the public. Our goal with this report is to raise awareness about crimes against nature and wildlife, as well as hold those responsible accountable.

Appendix 3g: Evasion of Responsibility w/o CSR

Report exposes clothing brand Texel Clothing Co for dumping toxins into nature - CEO claims factory is responsible.
By Erica Andersen

A report posted by environmental agency Green Truth exposes fashion brand Texel Clothing Co for knowingly dumping environmentally damaging toxins into nature. The report claims that in the years between 2017 to 2020 Texel Clothing Co, through its factory in Bangladesh, dumped contaminated water into nearby rivers, hurting local nature and wildlife.

- Factory is responsible
Texel Clothing Co, whose main competitors include Zara and H&M, claims that the factory producing Texel Clothing Co's collections in Bangladesh are responsible for the illegal emissions.

- Unfortunately it has come to our attention that our clothing manufacturer in Bangladesh have dumped toxins into the environment without our knowledge or consent. We will be working with our factory to investigate what may have caused this, says Texel Clothing Co CEO Alex Hammel in a statement.

Hammel assures customers that Texel Clothing Co is a company that cares about the environment, but is not willing to answer any further questions from the press at this time.

Environmental organizations worried
Sara Peterson, researcher at Green Truth, claims that the consequences of the illegal dumping can have a horrendous impact on local nature and wildlife and that evidence suggesting Texel Clothing Co's involvement is overwhelming.

- It is surprising that a renowned company like Texel Clothing Co chooses to only point fingers at their local factory without taking any blame for the continuing lack of care towards the environment. Our goal with this report is to raise awareness about crimes against nature and wildlife, as well as hold those responsible accountable.

Appendix 3h: Reduction of Offensiveness w/o CSR

Report exposes clothing brand Texel Clothing Co for dumping toxins into nature - CEO claims there is no lasting damage to the environment
By Erica Andersen

A report posted by environmental agency Green Truth exposes fashion brand Texel Clothing Co for knowingly dumping environmentally damaging toxins into nature. The report claims that in the years between 2017 to 2020 Texel Clothing Co, through its factory in Bangladesh, dumped contaminated water into nearby rivers, hurting local nature and wildlife.

- No lasting damage
Texel Clothing Co, whose main competitors include Zara and H&M, claims that the toxins released have caused no lasting damage to the local nature or wildlife.

- From our own investigation into this incident we found that Green Truth has severely exaggerated the long term impact the dumping has on the environment. According to our research, no animals have been harmed nor were any forests or rivers damaged, says Texel Clothing Co CEO Alex Hammel in a statement.

Hammel assures customers that Texel Clothing Co is a company that cares about the environment, but is not willing to answer any further questions from the press at this time.

Environmental organizations worried
Sara Peterson, researcher at Green Truth, claims that the consequences of the illegal dumping can have a horrendous impact on local nature and wildlife and that evidence suggesting Texel Clothing Co's involvement is overwhelming.

- It is surprising that a renowned company like Texel Clothing Co chooses to downplay the horrific consequences to the environment these actions may cause. Our goal with this report is to raise awareness about crimes against nature and wildlife, as well as hold those responsible accountable.

Appendix 3i: Corrective Action w/o CSR

Report exposes clothing brand Texel Clothing Co for dumping toxins into nature - CEO is now taking action
By Erica Andersen

A report posted by environmental agency Green Truth exposes fashion brand Texel Clothing Co for knowingly dumping environmentally damaging toxins into nature. The report claims that in the years between 2017 to 2020 Texel Clothing Co, through its factory in Bangladesh, dumped contaminated water into nearby rivers, hurting local nature and wildlife.

- Taking action
Texel Clothing Co, whose main competitors include Zara and H&M, take full responsibility for the incident, citing lack of quality control and internal routines in the company.

- Unfortunately we are responsible for emitting dangerous toxins into a nearby river close to our factory in Bangladesh. This has done more harm than we first thought, therefore we are now going through our routines and are working on how to operate more sustainably. At Texel Clothing Co we care about the environment, the local communities, and the workers at the factories producing our clothes. We will commit to a yearly donation of €1 million to local environment charities that are working towards more sustainable oceans, says Texel Clothing Co CEO Alex Hammel in a statement.

Hammel assures customers that Texel Clothing Co is a company that cares about the environment, but is not willing to answer any further questions from the press at this time.

Environmental organizations worried
Sara Peterson, researcher at Green Truth, claims that the consequences of the illegal dumping can have a horrendous impact on local nature and wildlife and that evidence suggesting Texel Clothing Co's involvement is overwhelming.

- It is disappointing that a company like Texel Clothing Co has intentionally caused harm to the environment, but we are happy that they are now taking accountability for their actions and are working with local charities to become better. Our goal with this report is to raise awareness about crimes against nature and wildlife, as well as hold those responsible accountable.

Appendix 3j: No response w/o CSR

Report exposes clothing brand Texel Clothing Co for dumping toxins into nature - company remains silent
By Erica Andersen

A report posted by environmental agency Green Truth exposes fashion brand Texel Clothing Co for knowingly dumping environmentally damaging toxins into nature. The report claims that in the years between 2017 to 2020 Texel Clothing Co, through its factory in Bangladesh, dumped contaminated water into nearby rivers, hurting local nature and wildlife.

Texel Clothing Co, whose main competitors include Zara and H&M, have no response to the allegations.

Environmental organizations worried
Sara Peterson, researcher at Green Truth, claims that the consequences of the illegal dumping can have a horrendous impact on local nature and wildlife and that evidence suggesting Texel Clothing Co's involvement is overwhelming.

- It is disappointing that Texel Clothing Co have no response to the allegations. Our goal with this report is to raise awareness about crimes against nature and wildlife, as well as hold those responsible accountable.

Appendix 4a - Total variance explained (factor analysis)

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of variance	Cumulative%	Total	% of Variance	Cumulative %
1	5.284	26.422	26.422	5.284	26.422	26.422
2	3.720	18.698	45.120	3.740	18.698	45.120
3	1.888	9.440	54.560	1.888	9.440	54.560
4	1.238	6.189	60.749	1.238	6.189	60.749
5	1.167	5.834	66.583	1.167	5.834	66.583
6	.995	4.975	71.559			
7	.789	3.947	75.506			
8	.712	3.558	79.064			
9	.701	3.506	82.569			
10	.533	2.664	87.746			
11	.502	2.512	90.027			
12	.456	2.282	92.077			
13	.410	2.049	93.808			
14	.346	1.732	95.273			
15	.293	1.464	95.273			
16	.266	1.331	96.604			
17	.227	1.134	97.738			
18	.178	.891	98.629			
19	.144	.721	99.350			
20	.130	.650	100.000			

Appendix 4b - Scree plot

Scree Plot
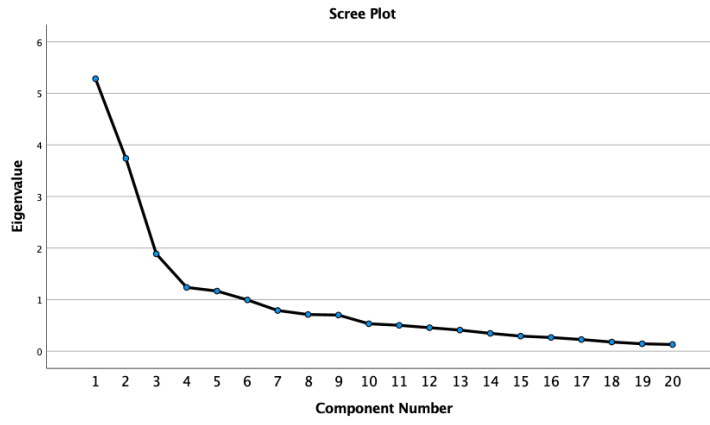
Appendix 4c - KMO and Bartlett's Test of Sphericity After Removing

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.840
Bartlett's Test of Sphericity	Approx. Chi-Square	3154.525
	df	171
	Sig.	.000

Appendix 4d - Total Variance Explained After Removing

Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.281	27.793	27.793	5.281	27.793	27.793
2	3.732	19.652	47.446	3.734	19.652	47.446
3	1.846	9.714	57.159	1.846	9.714	57.159
4	1.238	6.514	63.674	1.238	6.514	63.674
5	1.108	5.832	69.506	1.108	5.832	69.506
6	.797	4.194	73.700			
7	.785	4.129	77.829			
8	.706	3.713	81.542			
9	.535	2.817	84.359			
10	.504	2.653	87.013			
11	.463	2.439	89.452			
12	.410	2.158	91.611			
13	.346	1.823	93.434			
14	.294	1.549	94.983			
15	.266	1.402	96.385			
16	.227	1.193	97.578			
17	.186	.978	98.556			
18	.144	.759	99.315			
19	.130	.685	100.000			

Appendix 5a - Paired Samples t-Test (Change in Perception)

Paired samples statistics for consumer perception. 1= very good, 5= very bad

	Mean	N	Std. Dev.	Std. Error Mean
Q1:What is your perception of the company?	1.90	305	.695	.040
Q4: What is your perception of the company?	3.74	305	.867	.050

Paired samples test - consumer perception

	Mean	Std. Dev.	Std. Error Mean	t	df	Sig. (2-tailed)
Q1-Q4	-1.846	1.103	.063	-29.231	304	<.001

Appendix 5b - Paired Samples t-Test (Change in Purchase Intention)

Paired samples statistics for purchase intentions. 1= extremely likely, 5= extremely unlikely

	Mean	N	Std. Dev.	Std. Error Mean
Q2: How likely are you to purchase a Texel item?	2.46	305	.822	.047
Q5: How likely are you to purchase a Texel item?	3.62	305	.877	.050

Paired samples test - purchase intentions

	Mean	Std. Dev.	Std. Error Mean	t	df	Sig. (2-tailed)
Q2-Q5	-1.165	1.150	.066	-17.681	304	<.001

Appendix 6a - ANOVA (perception after manipulation)

ANOVA (Perception of the company post manipulation)

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	14.283	9	1.587	2.185	.023
Within Groups	214. 255	295	.726		
Total	228.538	304			

Appendix 6b - LSD Post-Hoc Test (perception after manipulation)

Post-hoc test (LSD) dependent variable = perception of company after manipulation

(I) CONDITIONS	(J) CONDITIONS	Mean Difference (I-J)	Std. Error	Sig.
Denial_CSR	Evasion_CSR	.250	.210	.235
	Reduction_CSR	.019	.225	.932
	Corrective_CSR	.117	.217	.591
	NoRes_CSR	-.279	.210	.184
	Denial	.083	.223	.709
	Evasion	.233	.218	.288
	Reduction	-.094	.213	.660
	Corrective	.250	.221	.258
	NoRes	-.402	.211	.059
Evasion_CSR	Denial_CSR	-.250	.210	.235
	Reduction_CSR	-.231	.222	.299
	Corrective_CSR	-.133	.213	.533
	NoRes_CSR	-.529*	.207	.011
	Denial	-.167	.220	.449
	Evasion	-.017	.215	.936

	Reduction	-.344	.210	.103
	Corrective	.000	.217	1.000
	NoRes	-.652*	.208	.002
Reduction_CSR	Denial_CSR	-.019	.225	.932
	Evasion_CSR	.231	.222	.299
	Corrective_CSR	.097	.228	.670
	NoRes_CSR	-.299	.222	.180
	Denial	.064	.234	.784
	Evasion	.214	.230	.354
	Reduction	-.113	.225	.616
	Corrective	.231	.232	.321
	NoRes	-.421	.223	.061
Corrective_CSR	Denial_CSR	-.117	.217	.591
	Evasion_CSR	.133	.213	.533
	Reduction_CSR	-.097	.228	.670
	NoRes_CSR	-.396	.213	.065
	Denial	-.033	.226	.883
	Evasion	.116	.222	.601

	Reduction	-.210	.217	.332
	Corrective	.133	.224	.552
	NoRes	-.518[*]	.215	.017
NoRes_CSR	Denial_CSR	.279	.210	.184
	Evasion_CSR	.529[*]	.207	.011
	Reduction_CSR	.299	.222	.180
	Corrective_CSR	.396	.213	.065
	Denial	.363	.220	.100
	Evasion	.512[*]	.215	.018
	Reduction	.186	.210	.377
	Corrective	.529[*]	.217	.016
	NoRes	-.122	.208	.558
Denial	Denial_CSR	-.083	.223	.709
	Evasion_CSR	.167	.220	.449
	Reduction_CSR	-.064	.234	.784
	Corrective_CSR	.033	.226	.883
	NoRes_CSR	-.363	.220	.100
	Evasion	.149	.228	.513

	Reduction	-.177	.223	.427
	Corrective	.167	.230	.469
	NoRes	-.485*	.221	.029
Evasion	Denial_CSR	-.233	.218	.288
	Evasion_CSR	.017	.215	.936
	Reduction_CSR	-.214	.230	.354
	Corrective_CSR	-.116	.222	.601
	NoRes_CSR	-.512*	.215	.018
	Denial	-.149	.228	.513
	Reduction	-.327	.218	.136
	Corrective	.017	.226	.939
	NoRes	-.634*	.217	.004
Reduction	Denial_CSR	.094	.213	.660
	Evasion_CSR	.344	.210	.103
	Reduction_CSR	.113	.225	.616
	Corrective_CSR	.210	.217	.332
	NoRes_CSR	-.186	.210	.377
	Denial	.177	.223	.427

	Evasion	.327	.218	.136
	Corrective	.344	.221	.120
	NoRes	-.308	.211	.147
Corrective	Denial_CSR	-.250	.221	.258
	Evasion_CSR	.000	.217	1.000
	Reduction_CSR	-.231	.232	.321
	Corrective_CSR	-.133	.224	.552
	NoRes_CSR	-.529[*]	.217	.016
	Denial	-.167	.230	.469
	Evasion	-.017	.226	.939
	Reduction	-.344	.221	.120
	NoRes	-.652[*]	.219	.003
NoRes	Denial_CSR	.402	.211	.059
	Evasion_CSR	.652[*]	.208	.002
	Reduction_CSR	.421	.223	.061
	Corrective_CSR	.518[*]	.215	.017
	NoRes_CSR	.122	.208	.558
	Denial	.485[*]	.221	.029

Evasion	.634*	.217	.004
Reduction	.308	.211	.147
Corrective	.652*	.219	.003

*. The mean difference is significant at the 0.05 level. (

Appendix 6c - ANOVA (composite variable perception)

ANOVA (Composite_Perception)

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	20.965	9	2.329	3.232	<.001
Within Groups	212.625	295	.721		
Total	233.589	304			

Appendix 6d - LSD Post-Hoc Test (composite variable perception)

Post-Hoc test (LSD), dependent variable= composite_perception

(I) CONDITIONS	(J) CONDITIONS	Mean Difference (I-J)	Std. Error	Sig.
Denial_CSR	Evasion_CSR	0,17923	0,20910	0,392
	Reduction_CSR	-0,09736	0,22415	0,664
	Corrective_CSR	-0,35313	0,21575	0,103
	NoRes_CSR	0,27482	0,20910	0,190
	Denial	0,28299	0,22185	0,203
	Evasion	0,15463	0,21766	0,478
	Reduction	0,33594	0,21224	0,115
	Corrective	-0,03348	0,21969	0,879
	NoRes	.64157*	0,21063	0,003
Evasion_CSR	Denial_CSR	-0,17923	0,20910	0,392
	Reduction_CSR	-0,27658	0,22118	0,212
	Corrective_CSR	-.53235*	0,21266	0,013
	NoRes_CSR	0,09559	0,20591	0,643
	Denial	0,10376	0,21885	0,636
	Evasion	-0,02459	0,21460	0,909
	Reduction	0,15671	0,20910	0,454
	Corrective	-0,21271	0,21666	0,327
	NoRes	.46234*	0,20746	0,027

Reduction_CSR	Denial_CSR	0,09736	0,22415	0,664
	Evasion_CSR	0,27658	0,22118	0,212
	Corrective_CSR	-0,25577	0,22748	0,262
	NoRes_CSR	0,37217	0,22118	0,093
	Denial	0,38034	0,23327	0,104
	Evasion	0,25199	0,22929	0,273
	Reduction	0,43329	0,22415	0,054
	Corrective	0,06387	0,23122	0,783
	NoRes	.73893*	0,22263	0,001
Corrective_CSR	Denial_CSR	0,35313	0,21575	0,103
	Evasion_CSR	.53235*	0,21266	0,013
	Reduction_CSR	0,25577	0,22748	0,262
	NoRes_CSR	.62794*	0,21266	0,003
	Denial	.63611*	0,22521	0,005
	Evasion	.50776*	0,22109	0,022
	Reduction	.68906*	0,21575	0,002
	Corrective	0,31964	0,22308	0,153
	NoRes	.99470*	0,21417	0,000
NoRes_CSR	Denial_CSR	-0,27482	0,20910	0,190
	Evasion_CSR	-0,09559	0,20591	0,643
	Reduction_CSR	-0,37217	0,22118	0,093

	Corrective_CSR	-.62794*	0,21266	0,003
	Denial	0,00817	0,21885	0,970
	Evasion	-0,12018	0,21460	0,576
	Reduction	0,06112	0,20910	0,770
	Corrective	-0,30830	0,21666	0,156
	NoRes	0,36676	0,20746	0,078
Denial	Denial_CSR	-0,28299	0,22185	0,203
	Evasion_CSR	-0,10376	0,21885	0,636
	Reduction_CSR	-0,38034	0,23327	0,104
	Corrective_CSR	-.63611*	0,22521	0,005
	NoRes_CSR	-0,00817	0,21885	0,970
	Evasion	-0,12835	0,22704	0,572
	Reduction	0,05295	0,22185	0,812
	Corrective	-0,31647	0,22899	0,168
	NoRes	0,35859	0,22031	0,105
Evasion	Denial_CSR	-0,15463	0,21766	0,478
	Evasion_CSR	0,02459	0,21460	0,909
	Reduction_CSR	-0,25199	0,22929	0,273
	Corrective_CSR	-.50776*	0,22109	0,022
	NoRes_CSR	0,12018	0,21460	0,576
	Denial	0,12835	0,22704	0,572

	Reduction	0,18130	0,21766	0,406
	Corrective	-0,18812	0,22493	0,404
	NoRes	.48694*	0,21609	0,025
Reduction	Denial_CSR	-0,33594	0,21224	0,115
	Evasion_CSR	-0,15671	0,20910	0,454
	Reduction_CSR	-0,43329	0,22415	0,054
	Corrective_CSR	-.68906*	0,21575	0,002
	NoRes_CSR	-0,06112	0,20910	0,770
	Denial	-0,05295	0,22185	0,812
	Evasion	-0,18130	0,21766	0,406
	Corrective	-0,36942	0,21969	0,094
	NoRes	0,30563	0,21063	0,148
Corrective	Denial_CSR	0,03348	0,21969	0,879
	Evasion_CSR	0,21271	0,21666	0,327
	Reduction_CSR	-0,06387	0,23122	0,783
	Corrective_CSR	-0,31964	0,22308	0,153
	NoRes_CSR	0,30830	0,21666	0,156
	Denial	0,31647	0,22899	0,168
	Evasion	0,18812	0,22493	0,404
	Reduction	0,36942	0,21969	0,094
	NoRes	.67505*	0,21813	0,002

NoRes	Denial_CSR	-.64157[*]	0,21063	0,003
	Evasion_CSR	-.46234[*]	0,20746	0,027
	Reduction_CSR	-.73893[*]	0,22263	0,001
	Corrective_CSR	-.99470[*]	0,21417	0,000
	NoRes_CSR	-0,36676	0,20746	0,078
	Denial	-0,35859	0,22031	0,105
	Evasion	-.48694[*]	0,21609	0,025
	Reduction	-0,30563	0,21063	0,148
	Corrective	-.67505[*]	0,21813	0,002

*. The mean difference is significant at the 0.05 level. (The highlighted sections are significant)

Appendix 7a - t-Test (consumer perception of response)

Independent Samples Test

		Levene's Test for Equality of Variances				
		F	**Sig.**	**t**	**df**	**Sig. (2-tailed)**
How do you think the company handled the situation?	Equal variances assumed	.920	.338	1.190	303	.235
	Equal variances not assumed			1.189	299.987	.235
What do you think of the company's response?	Equal variances assumed	1.876	.172	1.243	303	.215
	Equal variances not assumed			1.241	298.547	.215

Appendix 7b - t-Test (Consumer perception of social responsibility after a crisis)

Independent Samples Test

		Levene's Test for Equality of Variances				
		F	**Sig.**	**t**	**df**	**Sig. (2-tailed)**
Composite_ Perception	Equal variances assumed	2.202	.139	-2.763	303	.006
	Equal variances not assumed			-2.756	294.942	.006

Appendix 7c - t-Test (CSRs influence on perception of the company)

Independent Samples Test

		Levene's Test for Equality of Variances				
		F	**Sig.**	**t**	**df**	**Sig. (2-tailed)**
What is your perception of the company? (asked before crisis)	Equal variances assumed	12.688	<.001	5.083	303	<.001
	Equal variances not assumed			5.099	300.417	<.001
What is your perception of the company? (asked after crisis)	Equal variances assumed	.922	.338	.210	303	.834
	Equal variances not assumed			.210	296.127	.834