The Effects of Product Scandals on Parent Brands: Linguistic Signatures of a Protective Mechanism

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We examined whether in case of a scandal, strong parent brands are protected against taking damage by an attribution that is particularly situational. Participants received information about a scandal, around a product brand that was either associated with a strong or a weak parent brand. The language participants used for retelling the scandal was less abstract for the strong parent brand, indicating a different, more situational attribution of the product’s poor performance. This resulted in significantly less negative feedback to the strong parent brand.

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**Extended Abstract**

Brand architectures involving a parent brand can improve the perception of their associated brands and allow for a simple and cost saving introduction of new products (Smith, 1992). New or established product brands may benefit from associations with parent brands (Aaker & Keller, 1989; Sattler, Völckner, & Zatloukal, 2002). The opportunity of such positive transfer effects, however, comes at a price: The transfer is neither restricted to positive affect, nor is it unidirectional. There are also examples that negative evaluations of product brands can affect parent brands and other associated products. The empirical findings concerning such negative feedback, however, are not equivocal: while Sullivan (1990) found that technical problems with one model of Audi deteriorated the brand image and lowered sales of other Audi products, other researchers did not find negative feedback effects (Aaker, 1996, Loken & Roedder John, 1993, Keller & Aaker, 1992; Romeo, 1991). It seems that, under certain circumstances, parent brands are resistant to effects of negative evaluations of associated product brands. In the present study, we examined whether attribution processes that are specific to parent brands with a strong positive image may prevent strong parent brands from negative feedback effects.

Attribution research is concerned with the judgment of causes for a perceived event. For example, Heider (1958) examined whether the behavior of an individual and his or her individual dispositions are the primary cause of an outcome, or whether external, environmental influences are considered as a primary cause. While attribution research is predominant in research on person perception, there are also a few studies examining causal attribution in the domain of product failures and product-harm crises (e.g., Folkes, 1988; Siomkos & Kurzbard, 1994; Su & Tippins, 1998). Previous research focused on the effects of an incident’s severity (Su & Tippins, 1998) and the consumer’s personal vulnerability (Laufu & Gillespie, 2004). However, research on expectancy biases in person perception also suggests that the categorization of an actor and the associated expectations influence how causes for negative incidents are construed. For example, Maass, Salvi, Arcuri, and Semin (1998) found that individuals communicate undesirable behavior more abstractly when it was performed by an out-group member than when it was performed by an in-group member. A high level of abstraction can be regarded as a specific form of attribution pertaining the disposition of the actor or the respective group. In contrast, a low level of abstraction can be considered as a more situational attribution in which the undesirable behavior is perceived as caused by external, environmental factors, and is not generalized to the actors’ dispositions. The underlying mechanism is that expected behavior is construed and communicated in more abstract terms and considered as more intentional, while unexpected behavior is construed and communicated more concretely and is considered as less intentional (Fiedler, Blümke, Friese, & Hofmann, 2003). Since the behavior expected for the in-group is mostly positive while for the out-group expectations are often negative, this is a good explanation for the findings of Maas et al.

We assume that a similar mechanism moderates the responses to a product scandal or failure related to strong or weak parent brand. As strong parent brands we consider parent brands that are well-established in the market and to which consumers hold strong positive views. In contrast, a weak parent brand should be less established in the market and consumers should not have strong attitudes towards these brands. Since strong positive attitudes are directly linked to positive expectations, a product scandal or product failures are not congruent to the expectations towards a strong parent brand. Therefore, we hypothesized that a product scandal that concerns failures of a product associated with a strong parent brand is construed and communicated by consumers in more concrete terms, and does affect the view of the brand to a minor degree than if the same scandal pertains a product of a weak parent brand.

To test our assumptions, participants received information about a scandal associated with a new product of either a strong or weak parent brand. The product was a soft drink and the scandal was that the product did not contain what the consumers expected. The information about the scandal contained a pictograph and two short essays. The information was sparse and allowed for a variety of interpretations about the causation. The pictograph indicated discordance between what the manufacturer was bottling and what the consumer thought he was drinking, but did not provide any clues on how this had happened and whose fault it was. The essays looked like editorial content of some marketing periodical. They described how the respective company prepared the launch of a new brand in several countries. The product behind the new brand was described, the very competitive market was mentioned, and a vague schedule
for the launch was provided. Also, participants were given the information that the planned launch of the new brand had failed and been aborted to avoid further damage. No exact reasons were explained, only a “flop” was mentioned. Participants were asked to carefully study the material. They evaluated both the product brand and the parent brand before, and after the presentation of the scandal. After studying the information of the scandal, we asked participants to retell the story with their own words as if they were telling it to a friend. The space was limited to one page. We analyzed the resulting texts using the Linguistic Category Model (Semin & Fiedler, 1988, 1991, 1992).

Our Data is consistent with our expectations: the language participants used to retell the story was significantly less abstract, indicating a more situative attribution of the events that were described. In line with this, the strong parent brand took significantly less damage than the weak parent brand did.

This finding implies that the risk of imposing a parent brand may be smaller than thought by some marketing experts. The parent brand, if it is strong enough, can clear the path for a more favorable perception, even of negative behavior.

References

Choosing Between Service Sequences: The Joint Effect of Ego Depletion and Mood on Consumers’ Decision Strategy
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Extended Abstract
Previous research on preferences for sequences of outcomes shows that people prefer some sequences over others. For example, people prefer sequences where positive and negative outcomes are spread out over time (Loewenstein and Prelec, 1993). Although previous research presents us with valuable insights into the sequence evaluation process, the conditions under which these sequence preferences hold have not received much attention. Previous research has shown that mood and ego depletion have a profound influence on the level and quantity of information that is processed and as a result on the decision making process (Schwarz, 2001; Baumeister, Bratslavsky, Muraven, and Tice, 1998). Therefore, we believe that when looking at sequence preferences, these two mechanisms can not be overlooked.

This research presents the results of an experiment designed to test a theoretical framework in which the combined effect of mood and ego depletion influences preferences for sequences of service experiences. We argue that ego depletion and mood play an important role in service encounters and that the initial mood state of the customer will influence which components of the service are considered important for the evaluation of the service. In addition, certain events within a service encounter require active self-control by the customer,
such as long waiting times, which might result in ego depletion. In turn, ego depletion will determine how much information is extracted from the service for evaluation.

Our theoretical framework treats mood and ego depletion as two separate mechanisms which operate under different principles. These principles are based upon the level and the quantity of information processing. Based upon these operating principles, we identify 6 ‘rules’ for sequence evaluation which determine service encounter preferences of consumers.

The level of information processing is influenced by mood and can be either gestalt-based or components-based. Gestalt-based refers to the fact that people in a positive mood will process information more superficially (heuristics) than people in a negative mood (Schwarz, 2001) and therefore they will look more at the gestalt, or ‘overall’ appearance of the sequence. Spreading, improvement and the peak-end rule are three sequence characteristics which are important for the sequence evaluation in this case, because spreading, improvement and peak-end are all related to the gestalt or overall ‘appearance’ of the sequence.

Component-based means that people in a negative mood treat the sequence as consisting of separate components instead of looking at the overall pattern. This is grounded in the fact that negative mood states usually lead to more systematic information processing (Schwarz, 2001). Balanced count, myopia and simplified count are characteristics which are important for the sequence evaluation in this case. Balanced count refers to the fact that people determine the overall utility of the sequence and equally weigh all attributes in this count. Myopia (short-sighted) means that people focus primarily on the first element in the sequence. Simplified count means that people will only look at the utility of their most preferred attribute when evaluating the sequence. These sequence characteristics thus focus on the separate components or one component in the sequence instead of the overall pattern.

The quantity of information processing is influenced by the level of ego depletion and can either be focused on multiple components or few components in the sequence. Multiple components refers to the fact that non-depleted people will focus on more information/components in the sequence when making their choice than depleted people. This is based on the reasoning that depleted people have limited resources available to process information and therefore they will use a more simplified decision strategy and evaluate fewer pieces of information (Baumeister, Bratslavsky, Muraven, and Tice, 1998). The peak-end rule, myopia and simplified count are important for sequence evaluation in this case because in all these strategies of sequence evaluation, the focus is on only a few elements in the sequence. Non-depleted people have more resources available and are able to focus on more information/multiple components in the sequence. Spreading, improvement and balanced count are important for sequence evaluation here. All these strategies require the processing of multiple components in the sequence.

The combination of the different levels of mood and ego depletion make up a 2 x 2 experimental design with 4 experimental conditions: positive mood/no depletion, positive mood/depletion, negative mood/no depletion and negative mood/depletion. We expect important interaction effects between mood and ego depletion, where mood moderates the selection of decision strategies based on ego depletion. In particular, people in a positive mood who are depleted, will focus on the peak and end moment in the service encounter. In contrast, people in a negative mood who are depleted, will use myopia and simplified count as strategies for choosing between service sequences.

We investigate our proposed hypotheses in a computerized experiment using Windows MouselabWEB where we systematically manipulate mood and level of depletion and present subjects in each condition with choices between sequences of positive and negative service experiences. We expect that the choice and the decision making process in each experimental condition are based on the rules for sequence evaluation that are provided by the theoretical framework for that specific experimental condition.

References