Do Consumers Need a Signal to Move On? the Effect of Punishing a Scapegoat in Cluster Product-Harm Crisis

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Cluster product-harm crises have deep psychological impacts on consumers, leading to negative influences on involved brands. However, little research deeply investigates signaling factors which could get consumers over such crises. This research introduces “scapegoating effect”, discussing how the existence of a scapegoat brand could drive consumers back to the market.

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EXTENDED ABSTRACT

In the year of 2008, a huge cluster product-harm crisis was sweeping over the dairy industry in China. Six babies died and 296,000 were ill, due to the consumption of the milk being added with melamine (to make it appear higher in protein) (BBC News, 2009a). This event involved many brands of dairy products, and made people feel panic about their daily-consumed products. After this crisis broke, we did a preliminary investigation with results not surprisingly showing that the crisis brought negative influence on the performance of both dairy producers and the dairy industry in China. However, contrary to our expectation, such negative effect seemed to last for only about a quarter, because the pattern of the statistics went back to a normal status three months later.

Based on this interesting phenomenon, we are interested in finding out the factor that drove consumers back to the market so quickly. But through reviewing the previous literature regarding product-harm crisis, we have little inspiring findings. Although previous literature has discussed deeply about individual brand’s response during a product-harm crisis to recover from the crisis, almost no research deals with the issue of whether there’s a factor that could improve consumers’ attitudes towards a whole brand category after a cluster product-harm crisis happens.

However, the timeline of the crisis (BBC News, 2009b) has shown exciting news, since we found some critical events that happened in December 2008 and January 2009, three months after the crisis was firstly exposed. On December 24th, 2008, Sanlu, a dairy producer in China, the first accused brand in this crisis, was declared bankrupt, and on January 22th, 2009, sentences were handed out to Sanlu executives following their trial. Therefore we propose that the factor may be the punishment on Sanlu, mentioned as the “scapegoat” of this crisis by Gao, Knight, and Zhang (2012). In this research, we try to show that the punishment on a scapegoat brand could objectively help with the recovery of a brand category in which cluster product-harm crisis happens, and to further discuss the mechanism of the scapegoating effect.

Under the circumstances of cluster product-harm crisis, we propose that there would be scapegoating effect. With the existence of a scapegoat brand “punished”, it would be easier for consumers to get over such a crisis, because punishments on the scapegoat brand could work as a signal to show an ending of the event in consumers’ perceptions. However, we believe that the scapegoating effect would be greater when the crisis is severer, that is, when substantive crisis happens. In this research, we classify product-harm crisis into two types based on its definition by Dawar and Pillutla (2000). When products are dangerous to consumers, “substantive crisis” happens; in contrary, when products are defective, but not dangerous to consumers, non-substantive crisis happens. Moreover, different consumers would have different reactions to the existence of a scapegoat brand (those with high need for closure vs. those with low need for closure).

When a cluster product-harm crisis happens, consumer brand trust decreases, leading to a disparity between their previous and current beliefs and attitudes. Then when they have to buy or think about purchasing a product in the crisis category, they would suffer cognitive dissonance, and be motivated to process information that could help them deal with it. The appearance of a scapegoat brand is such information showing consumers a signal that the crisis is over, leading to a reduction of cognitive dissonance, thus changing consumers’ attitudes.

In order to test our hypotheses, we have conducted three experimental studies. And in all studies, 6-point Likert scales are used for all questions (Lee, Jones, & Mineyama, 2002; Stening & Everett, 1984). Study 1 and Study 2 are to test the existence of the scapegoating effect in cluster crisis. We apply the same 2 (scapegoat brand: yes vs. no) × 2 (crime type: substantive vs. non-substantive) between-subject design, and in Study 1 we also added a control group (no crisis). Results of ANOVA (Table 1) show that, when a cluster crisis happens in a brand category, consumers’ brand trust on this category would decrease, and when there is a scapegoat brand in the crisis category compared with when there is no scapegoat brand, consumers’ brand trust on that category would be higher, showing the existence of the scapegoating effect. Moreover, when the crisis is substantive, the scapegoating effect is significant, whereas when the crisis is non-substantive, the scapegoating effect is not significant. In Study 3 we used a 2 (scapegoat brand: yes VS. no) × 2 (need for closure: high VS. low) mixed design is used, with the previous factor manipulated between subjects and the latter factor measured as an individual trait, to test the moderating effect of consumer need for closure and the mediating role of dissonance affect in this process, which is supported by the results.

Theoretically, we investigate the influence of cluster crisis on the crisis brand category. In the past, scholars mainly discuss about situations when brand A is in crisis, what the influence would be on brands B, C, and D. In this research, we extend from individual brands to brand category, discussing when brands A, B, C in one brand category are all involved in a crisis, what the influence would be on this category. Moreover, we explore the scapegoating effect in cluster crisis and its mechanism in the field of marketing, for the first time to our best knowledge. Practically, our results suggest to individual brands better not to be the scapegoat. However, it’s quite hard for individual brands to control which brand to be the scapegoat. Therefore what they could do is to do things right. When a cluster product-harm crisis happens, especially when it’s severe, we suggest industrial regulators to take actions quickly. The sooner they punish brands that have made mistakes, the sooner consumers would get back into the market. Although time could heal, a signal such as punishing a scapegoat brand could make the process much faster.

REFERENCES


