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The Integration of Crisis Communication and Regulatory Focus

Deconstructing and Optimizing the Corporate Message

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De Integratie van Crisiscommunicatie en Regulatory Focus: Deconstructie en Optimalisatie van de Bedrijfsboodschap

Thesis

to obtain the degree of Doctor from the
Erasmus University Rotterdam
by command of the
rector magnificus

Prof. dr. A.L. Bredenoord

and in accordance with the decision of the Doctorate Board.

The public defence shall be held on
Thursday 28th October 2021 at 10:30 hrs

by

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Erasmus Research Institute of Management – ERIM
The joint research institute of the Rotterdam School of Management (RSM)
and the Erasmus School of Economics (ESE) at the Erasmus University Rotterdam
Internet: www.erim.eur.nl

ERIM Electronic Series Portal: repub.eur.nl/

ERIM PhD Series in Research in Management, 522
ERIM reference number: EPS-2021-522-ORG
ISBN 978-90-5892-602-9

Design: PanArt, www.panart.nl
Print: OBT bv, www.obt.eu

This publication (cover and interior) is printed on FSC® paper Magno Satin MC.

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Chapter 1: Introduction and General Theory

1.1 Introduction

With Volkswagen's emission scandal, the issue of reputational damage has once more become prominent in the public eye. As time passed, the fallout of VW's fraudulent practices reached staggering proportions: stock prices immediately dropped by a third of their value, which cost the Qatar Investment Authority $5bn (International Business Times 2015). A US based lawsuit resulted in a $14.7bn settlement, making this the second costliest environmental crisis, worldwide, trailing right after BP's infamous oil spill in the Gulf of Mexico (Greenbiz 2016). Legislative changes are being pushed by German and British authorities, in order to prevent similar misdeeds from other manufacturers. Volkswagen's actions have had a far greater impact than a simple loss of image – they have fundamentally shaken people's trust in the automotive industry. It can, of course, be argued that loss of business is a natural result of VW's own misconduct and a fundamental force of the free-market system that discourages unethical behaviour and protects the consumer. Under ideal circumstances, that is certainly the case, however, the events surrounding the company have already had an impact on external parties that had no culpability, whatsoever. Aside from Qatar, Germany, itself, was left reeling, as nearly 2% of its workforce are part of Volkswagen – if the company is forced to downsize, the effects will be felt on a national level (Reuters 2016) *and* they could prove to be crippling for suppliers that rely on VW to do business. Volkswagen may need to face the consequences for their deception, but once penalties have been levied and infrastructure has been established to prevent future offences, restoration is in everyone's shared interest. The economic value generated by the pre-crisis company can be salvaged, provided that the needs of the external stakeholders can still be met. It is entirely expected that these needs will have shifted, however, given the severity and prominence of this event. This dissertation aims to establish precisely how a crisis event shifts the needs of a consumer base and how that shift can be addressed for an optimal crisis resolution, to the benefit of both the general public and the company.

Theory on the subject of reputational damage has evolved greatly over the last decade (Eisingerich, Rubera, Seifert and Bhardwaj 2011), moving away from a prescriptive to a more contingent configuration, which takes into account the impact of the external environment. Nevertheless, the question it strives to answer remains the same: "What strategies must an organization utilize in order to best recover from a reputational crisis?" Situational Crisis Control Theory (SCCT) describes a multitude of variables which determine the selection of strategies in adverse circumstances (Coombs and Holladay 2002), such as internal locus or stability and controllability, which feed into a sense of responsibility in the public eye (Coombs 1995; Coombs and Holladay 1996; Weiner, Amirkhan, Folkes and Verette 1987). The more responsible the firm is held for the current crisis, the more damage its reputation suffers and the recommended strategy becomes more apologetic, on a spectrum that ranges from outright denial, to full admission of culpability and apology.

Recent research has shown that the individual characteristics of the consumer base can significantly impact the effectiveness of corporate communication. Personal-level characteristics, such as customer involvement, their focus on Corporate Social Responsibility (CSR) initiatives (Klein and Dawar 2004), gender and nationality (Laufer and Coombs 2006) are among those mentioned. These examples are noteworthy, because they do not represent a selection of variables that is merely beneficial to a firm's image. Instead, they are a part of the core mechanism of SCCT: they have a direct influence on perceived attribution, which, in turn, determines reputational damage. Companies that engage in CSR are given more leeway in terms of responsibility by CSR-sensitive individuals. This resembles a halo effect and is an extension of the goodwill generated when CSR efforts are recognized and valued by a consumer (Bhattacharya & Korschun 2006). It makes negative events seem less predictable and not under the control of the company, much to the latter's benefit (Klein & Dawar 2004). Differences in gender, on the other hand, are theorized to influence the effects of a crisis through uncertainty avoidance, attribution and a sense of vulnerability, which cumulatively feed into a heightened perception of severity for women (Laufer and Coombs 2006; Bhatnagar & Smith 2013). In a similar fashion, nationalities which differ in terms of risk tolerance are also expected to have different reactions to a crisis event. In short, certain individual-level traits can heavily influence the way a person perceives the company's role during a crisis. In this context, the field of

regulatory focus may provide a great deal of value, as it is highly related to risk aversion, as well as the interpretation of negative signals and communication persuasiveness (Aaker & Lee 2001; Lee & Aaker 2004; Kirmani & Zhu 2007).

In a few simple words, an individual's regulatory focus determines how they approach and set their goals: a **promotion focus** urges the individual towards seeking pleasure, while a **prevention focus** strives to avoid pain (Higgins 1997; Lockwood, Jordan and Kunda 2002). Even when the two foci set the same objective goal (for instance, getting an 8 on an exam), they approach this goal from different directions (to achieve a good grade or avoid a poor one), and thus the nature of their efforts is different. This also influences an individual's perception of risk, along with their information seeking and processing behaviour (Higgins 1997; Van de Walle 2003). A person afraid of potential loss sees greater hazard in a given situation and responds to negative cues more readily, while one aiming for profit is more tolerant of risky behaviour (Higgins 1997; Crowe and Higgins 1997) and attentive to positive signals.

While regulatory focus may seem somewhat distant from corporate communication as a concept, it must be noted that on the most basic level, the goal of communication is to convey a message: a bundle of carefully tailored information is relayed to the targeted recipient, with a clear goal in mind (Benoit 1997). The involvement of regulatory focus becomes entirely intuitive, therefore, due to its well documented propensity to influence the way we perceive, gather and process information (Higgins 1997; Idson, Liberman and Higgins 2000). The introduction of this psychological construct into the field of corporate communication can significantly improve the current theoretical models not only in terms of pure predictive power, but also in practical applicability and flexibility. Including individual-level data into the general model of crisis control does not only offer potential clarity, but it also adheres to an early appeal from Habermas (1975) that a crisis and the entity suffering its effects cannot be separated. At the time of writing, it was meant to signify that crises must be viewed in the context of an organization, but the logic behind it is still pertinent and it *can* be used to improve the current paradigm. As such, the central question of this dissertation is ***"How can the lens of Regulatory Focus Theory be used to bolster the effectiveness of crisis communication?"***

What follows is a theoretical review, separated into three segments. The first part covers organizational reputation and its impact on multiple performance indicators. The second segment deals with crisis events and the theory that was developed in order to deal with them. Finally, a theoretical background on regulatory focus reveals its effects on an individual's cognition and their perception of external factors. Based on this review, I develop three studies grounded in the aforementioned areas of expertise.

1.2 Literature Review

Reputation

Reputation is a time-tested concept, as even non-experts deal with it on a daily basis, and it is perhaps because of its intuitive nature that so many academics have added their own interpretation (Furman 2010). For the sake of clarity, this paper will use Fombrun's (1996) definition, as it seems to be the most widely accepted one (Gutpa 2011; Flanagan, O'Shaughnessy & Palmer 2011; Reuber & Fischer 2011): "reputation is a perceptual representation of a company's past actions and future prospects that describe the firm's overall appeal to all of its key constituents when compared with other leading rivals". The construct is built up over a certain period of time (Fombrun & Van Riel 1997; Gotsi & Wilson 2001; Balmer 1997), with more recent actions and experiences weighing in more heavily on the final result (Wagner, Lutz and Weitz 2009), which is referred to as *recency. Primacy*, on the other hand, describes the notion that first impressions also have a very high impact (Wagner, Lutz and Weitz 2009). As Fombrun's (1996) words suggest, reputation is primarily used to compare one organization to another (Gotsi & Wilson 2001; Deephouse & Carter 2005) via multiple different measures. Finally, the matter of *multiple stakeholders* and *multiple issues* also comes into play, as different stakeholders, both external and internal, can have confliction opinions about a single entity (Walker 2010; Heil & Whittaker 2011) *and* about different aspects of that same entity. Therefore, an organization can be famous as a supplier of quality goods to its consumers, while at the same time being known as a tough negotiator to its suppliers. This becomes quite important in the context of

reputational damage, as the nature of the crisis (issue and affected stakeholders) has to match the corporate communication strategy chosen to deal with the damage. Otherwise, Walker (2011) likens the situation to having one's hair on fire and choosing to deal with it by sitting on a block of ice.

The reason so much attention is being paid to organizational reputation is because scholars and practitioners alike perceive it to be a valuable, intangible asset (Hall 1992; Fombrun and Riel 1997; Cramer and Ruefli 1994). It leads to improved product performance and consumer loyalty (Fombrun 1996; Deephouse & Carter 2005), as well as employee attraction and retention (Alniacik, Alniacik & Erdogmus 2012; Swider, Zimmerman, Boswell & Hinrichs 2011). Even in times of crisis, a strong, positive reputation can become a buffer against negative information in the eyes of a stakeholder (Decker 2012; Brocato, Peterson & Crittenden 2012; Eisingerich, Rubera, Seifert and Bhardwaj 2011). It seems that reputation, like any other resource, can be actively leveraged in the interest of the company, by signalling higher quality to external stakeholders and even intimidating competitors (Herbig and Milewicz 1993). Reputation can be a particularly vital factor for hedonic or experiential products, where it becomes difficult to judge an item's worth prior to consumption (West & Broniarczyk 1998; Shapiro 1983). In cases like these, reputation is used as a means to reduce perceived risk.

Crisis Management

It is not surprising, therefore, that much effort has been spent on dealing with and understanding reputational crises. After all, when an asset is threatened, it is only natural that the firm will try to carefully diffuse the situation in, in order to protect that asset. The first step in dealing with the issue is assessing the crisis and how it is involved with the organization and its stakeholders - a contingency approach suggested by Benson (1988). The notions of organizational control and responsibility are two of the most important factors to consider, as they have a significant impact on how much firm reputation will change from the incident (Coombs 1995; Coombs and Holladay 1996; Weiner, Amirkhan, Folkes and Verette 1987). Control shows how much influence the organization had over

the event, which feeds directly into their responsibility, or how much of the damage from the crisis can be attributed to the firm (Coombs and Holladay 2002). Control and responsibility are so highly correlated that the authors consider them equivalent. These views echo Folkes' research (1984) on consumers' attributions, where he connects customer's crisis reactions to factors of perceived locus, stability and controllability. These three dimensions are then used to explain a consumer's demand for an apology or a refund.

It seems that previous organizational reputation also plays a big role in crisis management (Schnietz and Epstein 2005). A history of corporate social responsibility (CSR), for instance, can shift perceived control and responsibility away from the organization, but only if consumers regard CSR as an important determinant for their purchasing behaviour (Klein and Dawar 2004; Eisingerich, Rubera, Seifert and Bhardwaj 2011). The reliability of this tactic can be rather conflicting: while around 90% of *Fortune 500* companies report some sustainable activities (Chaudhri and Wang 2007), the segment of consumers who are actually *aware* of those activities is actually quite small (Bhattacharya & Korschun 2006). The effects can certainly be beneficial for a company, but if the majority of customers remain unmoved, this cannot be considered a primary line of defence against reputational damage.

Consumer expertise is yet another trait that can impact reputation. Eisingerich et al. (2011) show that if a consumer is more knowledgeable about a product, the positive relationship between poor CSR and consumer defection will diminish. In the same vein, greater knowledge also enhances the *negative* relationship between a firm's service quality orientation and consumer defection. In short, intimate knowledge of the product diminishes the effects of CSR (likely, caused by a reduced halo effect) and enhances the importance of product support services.

A pattern begins to emerge from the studies discussed in the last paragraphs - the importance that a person attributes to a particular signal seems to moderate its effects on reputation: a focus on CSR makes CSR signals more effective (Klein and Dawar 2004; Eisingerich, Rubera, Seifert and Bhardwaj 2011), while a focus on the product enhances the effects of signals related to product quality (Eisingerich et al. 2001). While this idea seems quite obvious, this perspective has certain benefits. For one, it suggests the existence of a

common mechanism, where “CSR focus” and “product expertise” are just different priorities and any given signal can be magnified, should it match the interest of the recipient. These interests need not be confined to just CSR or product performance – any set of priorities, any focus on particular types or sources of information could very well provide the same signal boost. This means that almost any theoretical lens, which deals with information preference and processing, has the potential to find application in the field of corporate communication.

Consumer preferences are, of course, not the only thing that determines reputational outcomes during a time of crisis – the content of crisis communication, itself, is vital, as well. In more specific terms, the different messages that a company employs can be split into distinct strategies, based on their informational content and goals (Coombs 2007). The strategies that a firm may use, after analysing the crisis, fit on a spectrum ranging from defensive to accommodative (Coombs 2006; Rhee & Valdez 2009). Defensive strategies include attacking an accuser, denying the crisis, making excuses, portraying the firm as a victim and justifying the firm’s actions, while praising stakeholder vigilance or attempting to diminish the impact of the crisis. The more accommodative strategies are taking corrective action and ensuring such an event never happens again or outright apologizing for the crisis and providing compensation (Coombs and Holladay 2002). It is generally accepted (Coombs and Holladay 2004, 2008) that strategies situated further along the accommodative spectrum are more effective at reducing reputational damage, but it must also be noted that they are more expensive for the organization as well. Whether that expense is manifested in terms of time, money or human resources, the accommodative spectrum has a distinct cost. Furthermore, while apologizing may appease some members of the general public, there exists a concern that it might inadvertently function as a tacit admission of guilt (Coombs & Holladay 2008), opening up the company to potentially damaging lawsuits. That risk may be exaggerated, however, as many jurisdictions consider the apology to be merely an expression of sympathy and not an indication of guilt (Canada Apology Act 2009; Myers 2016). Nevertheless, this does suggest that the strategy in question may not be an entirely positive signal, as even implied culpability can be bad for one’s reputation, regardless of legal protections.

In spite of earlier notions that the apology strategy is the most effective one, research has shown that all of the accommodative strategies can be expected to perform on a similar level (Coombs 2008). This, however, brings up one of the shortcomings of the SCCT model – its tenuous relationship with message effectiveness, which is presented as merely a function of resource expenditure to the point where the two are treated as synonymous. A more expensive strategy is assumed to be more effective, but little consideration is spared for exactly *how much* more effective it is or under what circumstances. While later iterations of SCCT have shown considerable effort in positioning the theory as a conditional model, these efforts are never truly realised. No matter how complex the theory, it always relies on its most basic principle: "the evaluation of the reputational threat (the situation) is largely a function of crisis responsibility" (Coombs 2007). Even when SCCT looks at other factors, such as prior relationships with the customer or history of previous crises (Coombs 1995; Coombs and Holladay 2002; Coombs 2007), they are only viewed in a role that enhances crisis responsibility and, therefore, increases the potential for reputational damage. The defensive/accommodative spectrum of strategies can be further split into deny/diminish/rebuild and recommendations can be made on the basis of responsibility, goodwill and prior offences but, once again, it all boils down to reputational damage. The restoration strategies, themselves, are implicitly static – their effects invariant and hard to distinguish within-cluster. At its core, the SCCT model acts as a cost-benefit analysis, which deals with *efficiency, rather than effectiveness.* It does not deal with situations where crisis communication can have fundamentally different effects; instead, it tries to match the reputational damage of a crisis to a fixed estimation of damage control, provided by individual strategies. A good match between crisis and restoration strategy would result in a situation where the damage is addressed and no resources are wasted on a strategy that is needlessly accommodative. In fact, it would not be unfair to say that the bulk of SCCT theory focuses more on determining the effectiveness or impact of the crisis event, rather than the restoration message. By shifting our focus toward identifying the optimal conditions for a particular restoration strategy, it may be possible to create a true contingency model of SCCT, earning a considerable increase of effectiveness. This could also be a great opportunity to improve the empirical support for crisis communication literature, allowing for a more evidence-based prescriptive approach,

echoing the calls of Coombs (2009) and Avery, Lariscy, Kim and Hocke (2010), respectively.

Regulatory Focus

Perhaps one of the best ways to examine this issue is through the lens of regulatory focus theory. Much like a focus on CSR or product performance, it too defines a set of priorities, which determine the way an individual may process certain types of information, but the domain of its effects has a wider reach than the previous examples - it deals with positive and negative signals, sources of opportunity and threat (Shah, Higgins & Friedman 1998). First introduced by Higgins (1997; 1998), regulatory focus is a psychological construct used to describe goal setting behaviour. In essence, it states that people under the influence of a promotion focus seek pleasure, while those under a prevention focus seek to avoid pain. Subsequently, these two different goals have a profound impact on an individual's behaviour. The idea is reminiscent of the hedonic principle, popular in ancient Greece, but its closest modern counterpart is probably prospect theory, which deals with people's natural risk aversion and interpretation of gain/loss scenarios (Kahneman and Tversky 1978; Kahneman and Tversky 1992). While prospect theory concerns itself mainly with outcomes and framing effects, regulatory focus actually explores the way individuals process information and that makes it easily applicable to the topic of corporate communication.

The two foci have their own unique associations. Promotion focus has an impact on the way we pursue positive goals, namely our "hopes, wishes and aspirations". It constructs our "ideal self", therefore, individuals who rate highly on promotion focus are a lot more likely to consider this ideal self as a salient goal and the means to achieve it become more prominent. Conversely, prevention focus deals with the "ought self", stressing the importance of security, duty and obligation and increasing the salience of preservation goals (Higgins 1989; Higgins, Shah and Friedman 1997). Regulatory focus can exist in two forms – a permanent trait, expressed in a person's inherent disposition toward a particular focus, *or* a temporary state, brought about by the external environment. This means that

a temporary orientation can be induced (Higgins 1997; Idson, Liberman and Higgins 2000) over the normal, long-term disposition of an individual. A very common method for inducing a promotion focus in experiments is to increase the salience of a subject's aspirations, which, in turn, triggers a promotion focus. Similarly, prevention can be triggered by exposing an individual to a potential (even if only imagined) threat. The relationship between focus and associations, therefore, seems to be a bilateral one – regulatory focus can determine the strength of a given signal, but that same signal can trigger a shift in focus, as well.

Promotion focus is considered to have an "inclusive approach", which attempts maximize gains and minimize non-gains, while prevention focus has an "exclusive approach" which strives to maximize non-losses and minimize losses (Higgins 1997; Jain, Agrawal & Maheswaran 2006). The way these goals are framed alludes to the impact that regulatory focus can have on our perception of cues from the external environment (Higgins 1998). Prevention focused individuals are more sensitive to negative signals – they are more likely to notice or be influenced by them and they will exhibit higher retention and recall for negative information. This sensitivity can also be expressed through a greater amount of perceived uncertainty for any given situation, as the focus on hazard, rather than opportunity can lead to risk aversion. In order to compensate for this risk, prevention-focused individuals will display a higher need for information, before they can make a decision (Florack, Scarabis & Gosejohann 2005; Hmieleski & Baron 2008; Liberman, Idson, Camacho & Higgins 1999; Tseng & Kang 2008)). Promotion-focused individuals, on the other hand, are sensitive to positive signals. Their actions are a lot more likely to be based on perceived opportunities, rather than threats. People with a promotion focus have a much greater tolerance for risk and uncertainty and, therefore, a lesser need for information. This often leads to "satisficing" patterns in their decision-making process (Higgins 1999), but only in regards to security or negative events; in the context of gains, regulatory focus leads to maximizing behaviour, instead (Galinksi, Leonardelli, Okhuysen & Mussweiler 2005). Regulatory focus, therefore, has a significant impact on the way we perceive, gather, process and retain information. This can play a deciding role in the effectiveness of corporate communication.

The concept of regulatory fit is what makes regulatory focus theory so widely applicable. Regulatory fit describes the match between the regulatory focus of a message or signal and the regulatory focus of its recipient. When a promotion signal is matched with promotion focused recipients, or prevention signal with prevention focused recipients, the impact of the signal is enhanced, due to the recipient's reduced resistance and greater mental processing power for messages of a congruent orientation (Cesario, Grant & Higgins 2004; Avnet & Higgins 2006; Cesario, Higgins & Scholer 2007). In short, a preference for positive information strengthens the effects of those same cues. Unlike a preference for CSR or product performance, however, a preference for promotion or prevention signals has a fairly wide reach; in theory, wide enough to apply to Coombs and Holladay's (2007; 2008) restoration strategies. At a quick glance, at least two strategies from the list should exhibit a high degree of regulatory fit. Compensation would fit naturally with promotion focus, as it aims to address consumer disappointment by providing **additional value** (Estelami 2000), a clearly positive, gain signal. Corrective Action would fit with prevention focus, as it provides a stated plan of action and attempts to **fix any damage caused by the crisis**, which satisfies loss prevention needs. These examples of fit would provide powerful advantage for the strategies in question, via increased persuasiveness, believability and appreciation (Cesario, Grant & Higgins 2004; Lee & Aaker 2004). Perhaps as a matter of coincidence, the same two strategies also exhibit a remarkable degree of fit with the *cognitive processes* of their matching regulatory focus. Two experiments carried out by Zhu and Meyers-Levy (2007) showed that prevention focus led to detail-orientated and item-specific thinking, due to the precautionary nature of the focus. Conversely, promotion focus was linked to a relational type of mental processing, such as recall clustering and thematic recognition or thematic generation within an ambiguous context. These specific cognitive processes would likely benefit a fitting strategy. Corrective Action, for instance, is entirely issue-specific, as it tackles the crisis at hand, preventing future reoccurrence and usually presenting a clear plan of action. Compensation, on the other hand, attempts to rectify a perceived loss of value by presenting the consumer with a *secondary* source of value. As the aforementioned strategies seem to have a very high degree of fit with their matching regulatory focus, they present a prime opportunity for this thesis.

In comparison, the more defensive strategies might have a poor fit with prevention focus, as they often rely on misdirection or misinformation, by shifting the focus of attention or outright denying culpability. As prevention focus increases one's need for information and sensitivity to negative signals (such as the crisis itself), these strategies would encounter greater resistance from prevention focused individuals. For instance, denying the very existence of a crisis becomes far more challenging when prevention focus enhances the strength and importance of all negative signals. *Misfit,* therefore, becomes an additional consideration when practitioners weigh the pros and cons of different strategies.

While Apology might be considered the most accommodative strategy, it is also the only message with very little possible connection to Regulatory Focus Theory. It does not fulfil the needs of either regulatory focus, nor does it run *counter* to any regulatory focus goals. At most, it could be linked to the concept of the "ought self" (Higgins, Roney, Crowe & Hymes 1994; Higgins, Shah and Friedman 1997), which is a combination of one's duties and obligations, frequently linked to prevention focus. It is *possible* that an individual with a prominent "ought self" would respond favourably to the recognition of culpability, inherent to the Apology, but this connection is tenuous, at best, because the strategy does not really satisfy any of the individual's regulatory goals.

For every other strategy, however, the lens of regulatory focus can be useful in determining its conditional effectiveness for crisis mitigation. A match between signal and recipient (via regulatory fit) will most likely increase the effectiveness of the signal. Table 1 provides a list of possible communication strategies (Coombs & Holladay 2002), ranked from most defensive (Attack the Accuser) to most accommodative (Apology), and their expected fit with prevention or promotion focus.

Table 1 Communication Strategies and Regulatory Fit

Strategy	Description	Fit
Apology	Accept responsibility	Very low probability of fit with prevention focus, due to tenuous similarity with "ought self" signals.
Compensation	Through monetary means, or otherwise, attempt to compensate for the disruption caused by a crisis event	Promotion focus responds favorably to positive signals and potential value. For a promotion focused individual, the positive signal of "value" can outweigh the negative signal of "a crisis". It fulfills promotion focus goals.
Corrective action	Take clear action, in order to put a stop to a crisis event and ensure it does not happen again	Prevention focus creates a demand for security and stability, both of which are addressed by Corrective Action. It directly fulfills prevention focus goals.
Ingratiation	Remind stakeholders how beneficial their relationship with the firm is	A positive signal centered around benefits would provide a certain degree of fit with promotion focus, but would not outright satisfy promotion focus goals like Compensation would.
Justification	Minimize perceived damage of the crisis	If the strategy works, it will directly address concerns of prevention focus, like damage, severity and threat. Paradoxically, prevention focus might also diminish the likelihood of success, as it increases need for information, risk aversion and sensitivity to negative cues.
Victimization	Paint firm as another victim of the event	These signals rely on misdirection or outright misinformation. As prevention focus increases need for information, risk aversion and sensitivity to negative cues, misdirection becomes less likely to succeed and far more likely to backfire.
Excuse	Minimize responsibility	
Denial	Deny the crisis exists	
Attack the accuser	Confront the source of the claim	

This discussion does also bring up a question that is pertinent to the central research topic of this dissertation: "If the informational content and inherent goals of a restoration strategy can interact with an individual's regulatory focus, then what about the crisis, itself?" One way or another, the informational content of a restoration message will always be tightly connected to the crisis – either in terms of descriptive reference, direct consequences or potential resolution. A crisis event is also, inherently, a very **negative signal**. As such, it is subject to interpretation, based on regulatory focus – its effects most likely enhanced by prevention focus and diminished by promotion. Looking at the way that regulatory focus has been induced in participants across various studies (Shah & Higgins 1997; Spiegel, Pillow & Higgins 2004), however, it is almost guaranteed that the relationship between prevention focus and the perception of a crisis event is a bilateral one, due to the latter's similarity to prevention focus manipulations. Just as prevention magnifies the effects of a negative signal, so, too does a source of threat increase prevention (Higgins 1997; Higgins 1998).

This relationship is noteworthy mainly in relation to the idea that regulatory fit between corporate communication and its recipient can increase the effectiveness of the overall message. If the crisis, itself, causes shifts in the regulatory state of an individual, then it can be used to identify potential "footholds" for a restoration strategy to concentrate on, in order to maximize effectiveness. Therefore, in order to explore the interaction between regulatory fit and crisis communication, the first step is to understand the relationship between the *crisis event* and the regulatory state of an individual. This foundation can be used to identify variables of interest for future research, as well as show ground-level applicability for regulatory focus in the field of crisis communication.

1.3 Thesis Outline

Chapter 2 examines the effects of two different crisis attributes on an individual's emotional and regulatory state and the way these changes translate into a loss of reputation. It shows that high crisis severity enhances an individual's prevention focus,

which, in turn, leads to fear. This shift into prevention focus further decreases organizational reputation, due to an increased need for security and a sensitivity to negative signals. Conversely, crisis responsibility has little potential impact on regulatory focus, but *does* create a strong sense of disappointment, which is also detrimental to the organization's image. The goal of this study is to show that different crises create their own unique circumstances that need to be acknowledged before a restoration strategy can be formed. While these changes are useful in developing a more nuanced model of reputation loss, all of the variables in Chapter 2 were selected for their propensity to generate regulatory fit, which is a vital part of the next two chapters.

Chapter 3 is a short look at the regulatory focus needs exhibited by an individual within a crisis situation: the way they influence one's perception of corporate communication and, therefore, its effectiveness. It is a response to a known issue with the Situational Crisis Control Model – namely, that most accommodative strategies have a similar and equal impact on their recipients (Coombs and Holladay 2008). Chapter 3 shows that the appreciation for Compensation and Corrective Action changes according to an individual's regulatory focus, based on the regulatory fit that the two strategies exhibit with either promotion or prevention focus, respectively. This means that the cognitive and emotional changes discussed in Chapter 2 can be used to predict the effectiveness of specific restoration strategies and guide the decision-making process of practitioners. This also enhances managerial agency, as the choice between strategy clusters becomes much more nuanced, relying on informational content and crisis characteristics, rather than a simple exercise in price-matching. The reward is a more functional incarnation of corporate communication.

Chapter 4 is a logical conclusion of the previous chapters. After establishing the emotional and regulatory consequences of different crisis types, and the role of regulatory fit for their resolution, the final step is to establish a more functional applicability. This chapter utilizes the mechanisms discussed in the previous studies and shows that they can be replicated via emphasis framing, which is a very cheap and flexible addendum to any SCCT strategy. The results showed that disappointment and responsibility increased the effectiveness of a value framed strategy, while a combination of prevention focus, fear and severity did the same for a safety framed strategy. The chapter also proposes a possible interaction

between framing and chosen strategy, based on the fit, or lack thereof, between their informational content, but no evidence for such a relationship was found.

Chapter 2 – The Composition of a Crisis Event and its Mental Impact on the General Public

2.1 Introduction

As this is the first of three very closely related chapters, it is the ideal place to start with the most fundamental questions, laying the groundwork for subsequent research. For instance, the simplest query that can be posed in this context is "What impact can an organizational crisis have on the mindset of those exposed to it?" On one hand, the answer could provide further predictive power for the SCCT model – improving the field's understanding of crisis consequences will certainly increase the accuracy of expected reputational damage, which is a vital element of SCCT literature. More importantly, however, these mental changes can become focal points for future restoration strategies, if they can be utilized as indicators of stakeholder preference for particular action or information signals. The obvious starting point is that a crisis leads to loss of reputation (Benson 1988; Coombs 1995; Coombs and Holladay 1996), but this is also accompanied by a variety of additional effects. Research has already shown that cases of fraud within an organization can severely increase the cynicism of its employees (Pelletier & Bligh 2008; Robinson & Rosseau 1994) and their willingness to trust their own company, leading to disappointment, fear and paranoia. This is not just a matter of decreased reputation, but a fundamental change in the way people perceive and interact with the company. This echoes Sohn and Lariscy's (2013) definition of the reputational crisis as an event that threatens collective perceptions and estimations of an organization. Furthermore, reputational crises are issue-specific, such that they damage stakeholder perceptions most closely related to the crisis event (Zyglidopoulos & Phillips 1999). It is important, therefore, to deeply scrutinize crisis events in order to prepare for their specific consequences.

The goal of this chapter is to develop a framework for identifying and predicting shifts of cognition and emotion, by utilizing research from SCCT and Regulatory Focus Theory

alike. This is the first step toward integrating the two fields of research and it has applications for both reputational damage assessment *and* crisis communication. The general theory chapter established a clear expectation that the concept of regulatory fit could be beneficial for crisis communication: when an individual's regulatory orientation is congruent with a message that they are exposed to, the latter is perceived as more trustworthy and persuasive (Cesario, Grant & Higgins 2004; Avnet & Higgins 2006; Cesario, Higgins & Scholer 2007. However, this effect cannot be properly utilized in the current state of affairs, because it is massively impractical to determine the regulatory orientation of vast swaths of people, especially during a crisis event. Without this information, it is impossible to implement regulatory fit as a communication tool. It is precisely this information that Chapter 2 can provide: by systematically detailing the cognitive and emotional effects of the most common crisis attributes, it is possible to develop an average estimate of the regulatory goals of those affected by the crisis event. For example, if a crisis event triggers a person's fear for their own safety, regulatory focus theory claims a prevention focused message will be more persuasive and impactful, due to the fit between message and recipient. This simple matter of congruence can easily be applied to the topic of crisis communication, ensuring practitioners have an overall guide for what kind of issues they wish to address with their chosen restoration strategy. As such, this chapter focuses exclusively on aspects of the crisis which can theoretically be part of the regulatory focus mechanism. Attributes like severity and responsibility are prime examples of a possible interface between Situational Crisis Communication Theory and Regulatory Focus Theory. They are central to the SCCT model as determinants of reputational damage (Coombs and Holladay 2002, 2004, 2008; Ultz, Schultz, Glocka 2013) and, quite understandably, match very well with a crisis typology, developed by Coombs and Holladay (2002). Furthermore, these crisis attributes can also lead to increased fear and disappointment (Altheid 2002; van der Meer & Verhoeven 2014), but these emotions are *also* the product of failed prevention and promotion focus goals, respectively (Higgins 1989; Higgins, Shah and Friedman 1997). This overlap is the primary link between Situational Crisis Communication and Regulatory Focus Theory and, therefore, the ideal first step toward integration between the two fields. By proving the link between the make-up of a crisis event and the subsequent shifts of an individual's cognition and affect, this chapter will allow the full use of regulatory fit as a tool to optimize crisis communication. If it is possible to determine the

regulatory and emotional state of an individual, based on the crisis they were exposed to, then a message tailored specifically for that mindset will be considerably more effective.

The rest of Chapter 2 will proceed to establish a theoretical similarity between the most common regulatory focus manipulations and the way people are exposed to crisis information. It will then develop a model, detailing the effects of crisis attributes like severity and organizational responsibility on prevention and promotion focus, as well as their emotional consequences, like fear and disappointment. This framework will be tested by a study with a 2 (Severity: high, low) x 2 (Responsibility: high, low) between-subject design, followed by a discussion and implication sections.

2.2 Literature Review

Crisis and Psychological Impact

It is actually surprisingly easy for a negative event to change the way an individual thinks, albeit temporarily. For example, Higgins has, on multiple occasions (Shah & Higgins 1997; Spiegel, Pillow & Higgins 2004), shown that regulatory focus can be manipulated by eliciting negative or positive associations from a subject, which would trigger, respectively, increases in prevention and promotion focus. The manipulation, itself, takes between 5 to 10 minutes and produces a noticeable shift in cognition. In another instance, where participants were asked to solve a pen and paper maze (Friedman & Förster 2001), the manipulation created a significant difference between the groups based solely on the objective of the task. One group was guiding a mouse through the maze, in order to escape from a predatory owl, while the second group was trying to find a piece of cheese. When participants were tested with tasks, which held an affinity for promotion focus, the cheese group showed a significantly greater aptitude, while the owl group scored better on prevention focused tasks. A third, well established method of manipulating focus is by forcing a subject to recollect and ruminate upon previous occasions of threat or opportunity, successes or failures (Brockner & Higgins 2001; Freitas, Liberman & Higgins

2002). Similar to the first method, threat increases prevention focus, while opportunity increases promotion focus. Overall, brief exercises like these have proven effective in shifting an individual's cognitive processes. This shows how common it is for external circumstances to dictate the way we think and the way we set goals for ourselves, even in the absence of direct threat.

Putting organizational crises into this context, it becomes readily apparent that similarities exist between methods of manipulating regulatory focus and real-life reactions to a crisis. First and foremost, the crisis is a threat – much like the owl in the maze or the reminders of our own fears. It can damage either our expectations of a company (Pelletier and Bligh 2008), in cases of fraud; or pose a risk to personal safety, in cases of injury (Rundmo 2000; Sunstein 2003). While the manipulations are fairly abstract and they seek to generate threat or opportunity through indirect means, crisis events are painfully specific in detail (Bruno 2011) – something that has been known to bolster the effects of a signal (Dawar & Parker 1994). Furthermore, a crisis is difficult to ignore. Even if an individual is not personally interested in a crisis event, they are prime subjects for social discourse and media attention, effectively drawing the public's awareness to the issue at hand (Palen 2008). This matter has only become more prominent in recent years, due to technological advancements: the advent of smartphones and electronic cameras provides greater access to live footage (Bennet 2003), while the prominence of social media ensures that same footage will be seen and discussed by a great many people (van der Meer & Verhoeven 2013; Gangadharbatla, Bright & Logan 2014). For example, the VW emissions scandal and the issues with Samsung's Galaxy Note 7 permeated both social media and traditional news outlets, during the height of their popularity. Volkswagen's problems were most likely exacerbated by the Boomerang effect (Sohn & Lariscy 2015; Shim & Sung-Un Yang 2016), turning their previously excellent reputation into a source of additional disappointment. Likewise, Samsung's exploding batteries had no chance of avoiding the limelight, due to how much the issue fascinated the general public, earning the company intense mockery over a period of months and tarnishing the Galaxy product line. Even considerably old crisis events may live on via the internet's morbid sense of humour, acting as a permanent blemish on a firm's image. "The car in front…is a Toyota stuck at 94mph" (The Guardian 2010) is just one among dozens of variations on the same joke, evoking Toyota's product

recall due to the uncontrollable acceleration of their cars. Ultimately, the dangers of crisis events are far more realistic and relevant, than any of the scenarios and manipulations induced in laboratory conditions. Not only that, but the frequency and duration of exposure are also considerably higher for the crisis event. It stands to reason, therefore, that the elements of threat contained within a crisis event would have a similar, if not stronger, effect as the elements of threat in a standard prevention focus manipulation.

This may also help fill out a particular gap in current theory. While there is *some* research on the interaction between corporate communication and regulatory focus, it mainly deals with how the latter can be optimized by taking into account the former. Two articles (Laufer & Jung 2010; Avnet & Laufer 2015) show how basic corporate communication efforts can be improved via regulatory fit, but they miss the *reason* for this communication – **the crisis itself**. Regulatory focus is treated as a purely exogenous variable – a part of the respondent's mindset that determines how they respond to a given piece of corporate communication, but otherwise disconnected from the event that prompted communication in the first place. Ignoring the very real possibility that a crisis can influence one's regulatory focus creates a very distinct gap in our current understanding of crisis communication. This becomes even more apparent, when one considers how the crisis is a much stronger signal, compared to the experimental manipulations that have been described in the chapter so far. This is not only an issue of clarity, but also specificity - any mental shift born by the crisis is bound to be a vital component of the restoration effort. It holds immense practical value, thanks to the regulatory fit mechanism and its propensity to enhance message effectiveness (Higgins 1995; Higgins 2005). In short, every change in the general public's outlook that can generate regulatory fit is a potential foothold for future restoration strategies, and, therefore, a pertinent topic of research.

Of course, there are varying types of crisis: Coombs (1995) has shown that events certainly differ in the perceived responsibility and threat that they elicit. The reason why the Coombs and Holladay (2002) typology revolves around these two factors is their mediating role between the crisis event and its reputational consequences (Coombs 1995; Coombs and Holladay 1996; Weiner, Amirkhan, Folkes and Verette 1987). In essence, the **danger** that a crisis may pose and **the firm's role** in said crisis both contribute to a damaged image. Even though crisis severity tends to take a backseat in SCCT papers, it is very useful for the

purposes of this thesis because it has a very likely relationship with regulatory focus – most likely a bilateral one, as a sufficiently negative signal can both influence prevention focus and be defined by the very same (Higgins 1997; Higgins 1998). As such, it is an excellent avenue to study potential manifestations of regulatory fit.

The role of responsibility is less clear-cut and not nearly as direct, because responsibility for a crisis event does not indicate a failure of promotion focus goals, on its own, like severity does for prevention focus. Responsibility does, however, generate disappointment with another person (Zeelenberg, van Dijk, van der Pligt, Manstead, van Empelen, Reinderman 1998), which is also a noted consequence of failed promotion goals. While there is no causal relationship between responsibility and promotion focus, both of these variables can lead to the same result, when dealing with an organizational crisis, namely, disappointment. This case of equifinality is most convenient for the purposes of this study, as it means that the consequences of responsibility can be a part of the regulatory fit mechanism. This common outcome of disappointment suggests that both responsibility and promotion focus should respond favourably to the same kind of **positive** signal – that of benefit or value. In fact, Estelami's (2000) research already shows that providing value is the preferred way of dealing with customer disappointment, matching Higgins' (1995; 1998) studies on promotion focus and its gain-centric priorities.

Ultimately, severity and responsibility are an excellent fit for the needs of this paper – they are part of a well-established crisis typology and boast a significant impact on reputational damage (Coombs 1995; Coombs & Holladay 2002), they are heavily researched and most importantly, they either directly influence regulatory focus, *or* they can be part of the regulatory fit mechanism. In this sense they are rather unique, because they offer the chance to integrate the fields of Situational Crisis Control and Regulatory Focus and provide new ways of handling reputational damage. The effects of these crisis aspects will be elaborated on in the following segments.

Consequences of crisis severity and responsibility

On a very basic level, all crises are negative events and, therefore, their effects should be exacerbated by an individual's prevention focus, much like any other negative signal (Liberman et al. 2001; Higgins 1995; Scholer & Higgins 2012). As numerous experiments (Friedman & Förster 2001; Liberman, Molden, Idson & Higgins 2001; Lee & Aaker 2004) have shown, however, a sense of danger can *cause* an increase in prevention focus. As long as there is a threat, prevention focus can be increased temporarily, and looking at the Coombs and Holladay (2002) crisis typology, danger is quite common. Natural disasters, malevolence, workplace violence and megadamage are only a few of the examples given by the authors; risk of injury even *defines* one of their three main crisis categories. It seems, therefore, that crisis severity is very likely to influence the regulatory focus of an individual. This effect is unlikely to be shared by responsibility, despite the latter being the predominant focal point of the SCCT model, because responsibility has little to do with the goals of either promotion or prevention focus. To sum up, based on the threat and negative signals it generates, crisis severity should increase the prevention focus of an individual.

H1: Crisis severity increases prevention focus.

While promotion and prevention focus are not two extremes of the same spectrum (Higgins 2002; Haws, Dholakia & Bearden 2010) and not mutually exclusive, there exists a certain incompatibility between the two foci. The goals of opportunity and safety are difficult to meet, simultaneously. Opportunity requires attention to positive signals, while safety is predicated on the recognition of negative ones that might develop into a threat to the individual (Higgins 1997; Jain, Agrawal & Maheswaran 2006). As attention and mental capacity are limited resources, co-ordinating these opposite needs becomes a challenge. When either promotion or prevention focus gain increased priority, they will also require greater cognitive resources, most often at the cost of the competing focus. Even on a purely neurological level, promotion and prevention focus trigger activity in the same areas of the brain: the amygdala, anterior cingulate and the extrastriate cortex (Cunningham, Raye & Johnson 2005). Positive signals increase the intensity of this reaction, if the individual scores highly on prevention focus, while negative signals

do the same to prevention focused individuals. This lends further credence to the notion that the foci draw upon the same mental resources and, therefore, if one focus grows more prominent, the opposing focus must recede.

Furthermore, the opportunity, sought by promotion focus, goes hand in hand with uncertainty, which is hard to reconcile with the need for a predictable status quo, favoured by prevention focus (Higgins 1997; Higgins 1998). Once more, prioritizing either goal comes at the expense of the other. Looking at the functionality of regulatory fit, where a mismatch between the regulatory focus of a message and its recipient leads to a reduced impact, it also becomes apparent that the prevalence of one focus will suppress the signals related to the other. This echoes literature on the topic of priming, which states that an individual who is primed to be receptive to one type of cue will more readily dismiss competing information (Tipper & Cranston 1985; Wentura & Degner 2010).

Ultimately, it is not impossible for an individual to exhibit high degrees of both foci, but there is a long list of complications that make this configuration rather unlikely. Therefore, any change in prevention focus, brought about by a crisis event, should also result in an opposite (albeit, most likely, smaller) change for promotion focus, as the need for safety overcomes the need for opportunity.

H2: Crisis severity decreases promotion focus

The importance of regulatory focus lies in the way it moderates a person's perception of reality – both in searching for and processing information. The propensity of promotion orientated individuals to ignore negative cues (Higgins & Tykocinski 1992; Higgins 1997; Higgins 1998) can play an enormous role for the firm's post-crisis reputation. It is, after all, the best-case scenario for any organization that the general public's attitude remains unaffected after a crisis event. Of course, the exact opposite can be expected of people who rank highly in terms of prevention focus – they are more prone to notice negative cues and their need for stability and security (Higgins 1998) is bound to trigger a greater reaction in the event of a crisis. Looking at a crisis event as a change of status quo, prevention focus will still result in negativity, as it exaggerates the size of potential

losses. Even in a situation where a shift of status quo could be beneficial, prevention focus would diminish the perceived gains (Chernev 2004). The high-risk aversion of prevention-focused individuals is also frequently compensated for by a need for more information, in order to reduce external uncertainty. This means that regulatory focus will ultimately decide how much information a person will expose themselves to, what kind of signals they pick up from it and the extent of their reaction. A similar relationship has already been observed in the context of brand extensions and the viability provided by extension similarity. Yeo and Park (2006) showed that the sense of stability provided by extension similarity (which is important for perceived extension viability) was subject to regulatory fit and, in step with established theory, its effects were enhanced by prevention focus, while promotion focus had the exact opposite result – it would diminish or even reverse the effects. Seeing as the crisis event is also a signal of stability, or rather, the lack thereof (Seeger, Sellnow & Ullmer 2003; Seeger, Ullmer, Novak & Sellnow 2005), these effects are still expected to manifest. Prevention focus should increase the negative effects of the crisis event, which leads to a drop in reputation, while promotion focus should diminish them. Therefore:

H3: Prevention focus decreases post-crisis reputation

H4: Promotion focus increases post-crisis reputation

Crises can also be linked to certain emotional consequences. One prevalent set of studies, based on the SCCT model posits that depending on the responsibility and control attributed to the company, a crisis can cause four distinct emotions: fright, anxiety, sadness and anger (Jin, Pang & Cameron 2007; Kim & Cameron 2011; Jin 2009; Jin, Pang & Cameron 2012). While certainly a good start, this typology is not a perfect fit for the needs of this paper. For one, it tends to ignore severity as a crisis attribute, which seems like a potential misstep for a model that relies on the concept of "threat" (inherently present in both anxiety and fright). Furthermore, it often depends on a combination of both crisis *and* restoration strategy, as antecedents of emotion, while this chapter looks at crisis alone, *in order to prescribe a suitable strategy*. Nevertheless, the model does imply that

responsibility and threat (severity) are significant sources of negative affect and should be avoided for the sake of the firm's reputation. Even outside the context of corporate crises, an event that that can lead to bodily injury is expected to cause fear (Reiss 1991; Rundmo 2000; Sunstein 2003). Even a small probability of a catastrophic event is enough to cause widespread panic (Gray & Ropeik 2002). This can be explained by the fact that most individuals are incapable of properly judging low probability events and often perceive them to be much more likely to occur (Kahneman and Tversky 1979), turning a small potential threat into a significant cause for alarm. According to Regulatory Focus Theory, however, the relationship between a threat and the resulting fear can be explained by prevention focus (Higgins 1989; Higgins, Shah and Friedman 1997). Safety is the ultimate goal of prevention focus, and failure to achieve this goal leads to fear, while success leads to quiescence (Higgins, Shah & Friedman 1997). Furthermore, this relationship is proportional – the greater the prevention focus, the greater the resulting emotion. In the context of this paper, a crisis event is a threat that can both increase one's prevention focus *and* act as a failure of prevention goals – after all, the presence of a threat is a failure of safety. This failure will, therefore, elicit fear as an emotional response, putting prevention focus firmly between the threat and the subsequent negative affect. Of course, the order between cognitive and emotional effects is often subject to debate, as can be seen in Lazarus's work "On the primacy of cognition" (1984), or in Zajonc's "On the primacy of affect", also published in 1984. Nevertheless, in the context of Regulatory Focus Theory, research paints cognition (prevention or promotion focus) as the precursor to affect (Shah & Higgins 1997; Shah, Higgins & Friedman 1998). As this dissertation is based heavily on that stream of literature, it assumes the same order. Given that fear and prevention focus are inextricably linked and whichever variable comes first, the subsequent one happens at the speed of thought, order becomes somewhat less important as it is impossible to alter one, without influencing the other.

H5: Prevention focus increases fear

H6: Fear decreases reputation

Unlike severity, crisis responsibility is not a threat - it has no direct impact on anyone's wellbeing and therefore, is not expected to trigger any self-preservation instincts or shifts in prevention focus. Looking back at the fraudulent behaviour example (Pelletier and Bligh 2008; Dean, Brandes and Dharwadkar 1998) - a crisis ranking high in organizational responsibility, it seems reasonable to isolate panic and fear as products of severity (in its role as a threat), leaving cynicism, loss of trust and disappointment as potential consequences of culpability – signalling a betrayal of one's expectations. This is supported by disappointment theory (Zeelenberg, van Dijk, van der Pligt, Manstead, van Empelen, Reinderman 1998), which posits that the natural reaction towards a negative event beyond one's control is disappointment, whereas regret only follows *personal* responsibility. Disappointment is, essentially, the failure of one's expectations (Zeelenberg, van Dijk, Manstead & van der Pligt 1998) – the more positive the expectations, the bigger the disappointment. In fact, this echoes Higgins' (1995) view that disappointment is the product of a failed promotion (pleasure-seeking) goal. Because promotion focus drives an individual's attention toward positive signals and **expectations**, the higher one's promotion focus is, the higher their expectations become.

In a later piece of research, Zeelenberg and Pieters (2004) show that disappointment can arise from a "failed service encounter" where the business could be held responsible for the negative outcome. This could result in behaviours such as complaining and spreading negative word-of-mouth, which are unique to this particular emotion. In short, responsibility is intimately tied to the emotional consequences of bad experiences. Furthermore, disappointment, like fear, is a prime example of negative affect, and is expected to have a fairly negative impact on organizational reputation. Disappointment can be spread quickly through negative WOM (Wetzer, Zeelenberg & Pieters 2007; Sweeney, Soutar & Mazzarol 2008) and, therefore, factor heavily into an organization's reputation (Bennett & Gabriel 2001; Dellarocas 2003; Rob & Fishman 2005). Thus:

H7: Organizational responsibility increases disappointment

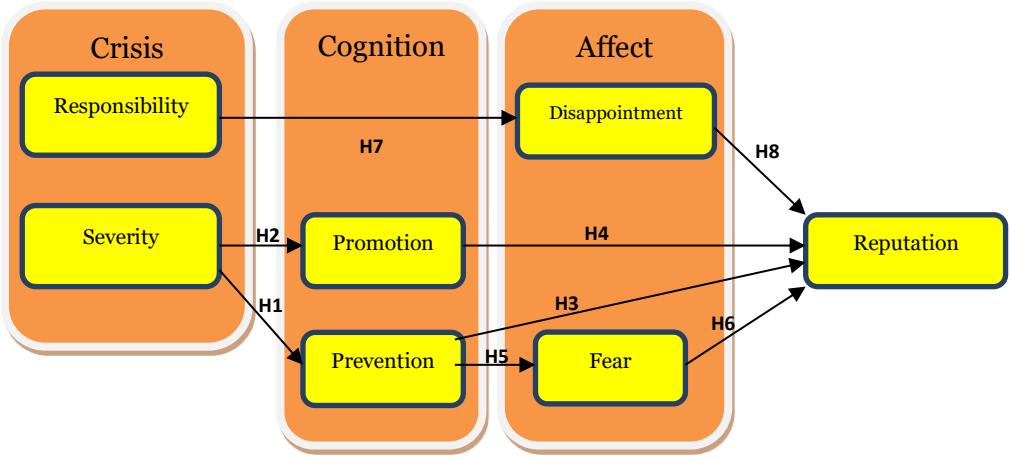
H8: Disappointment reduces reputation

While severity, prevention focus and fear are all linked in the model, the same cannot be said for responsibility, promotion focus and disappointment. In the context of a crisis, or any negative event for that matter, promotion does not work quite like prevention. Even though the same papers that treat fear as a failure of prevention goals also describe disappointment as a failure of promotion goals, this does not translate perfectly for the SCCT model. For one, when the crisis event becomes a threat (measured via severity), it represents a clear violation of prevention goals (namely, expected safety), which leads to fear. This relationship is not mirrored for promotion focus, however, as responsibility is not a clear failure of promotion goals, which are centred around obtaining gain. As there is no failure of goals, promotion focus should not be regarded as a mediator of an emotional outcome, like prevention focus is. Furthermore, the relationship between disappointment and promotion is also not entirely clear-cut in this context. While a greater focus on value *should* lead to greater expectations and, thus, greater disappointment if those expectations are not met (Zeelenberg, van Dijk, van der Pligt, Manstead, van Empelen, Reinderman 1998), promotion is also theorized to *suppress* negative signals (Higgins & Tykocinski 1992; Higgins 1997; Higgins 1998), such as disappointment. This presents two clear and opposite effects which are difficult to reconcile from a purely theoretical standpoint. As such, promotion focus plays a much more limited role in this model, compared to prevention. This should not come as a great surprise, as crises are purely negative signals, and it is entirely expected that prevention will be the dominant cognitive function that dictates their impact. Later chapters will show, however, that that is most certainly not the case for crisis resolution, where promotion plays an important role.

This distinction between the different cognitive and emotional effects of a crisis is not just for the purposes of taxonomy. As previous authors have shown (Wetzer, Zeelenberg & Pieters 2007; Sweeney, Soutar & Mazzarol 2008), emotions carry

unique consequences for and deserve to be examined as separate constructs. This is even more important, when they are tied to the two regulatory foci – it means that crisis attributes have a predictable and fundamental impact on the general public. This impact brings with it new and very specific needs – any shift in regulatory focus will also disturb the balance between an individual's need for safety and their need for pleasure. It will determine the way they respond to an organization's restoration strategy. In short, the impact of a crisis goes beyond assigned responsibility and into more subjective grounds, where concepts such as regulatory fit can be utilized to great effect. First, however, the effects of a crisis need to be delineated in a way that identifies specific variables that can be targeted by practitioners in their restoration efforts. This is what Study 1 provides.

Figure 1 Theoretical Model for Chapter 2



2.3 Methodology

Sample

Data was collected with the assistance of the Erasmus Behavioural Lab, which provides both a large supply of student participants and a venue where the experiment could take place. 238 Business Bachelor students participated, 63.6% of whom were male, had an average age of 20.4 years and 68.2% were Dutch nationals (the remainder being foreign students).

Procedure and Measures

Students were gathered in an initial waiting room, from which they were guided to individual cubicles, where they filled out an online questionnaire. On average, this process took a little under 10 minutes to complete. The short length of the study is intentional, as it reduces the possibility of mental fatigue in the participants or simple loss of interest.

Participants were introduced to the study, which has a 2 (Severity: high, low) x 2 (Responsibility: high, low) between-subject design. The manipulation (see Appendix – Manipulations) was contained within a newspaper article – a fictional one, albeit not to the express knowledge of the participant. The students had to read about a problem with the waterways of Groningen, containing either **discoloring sediment** or **dangerous bacteria**, caused by either **negligence** or **small earthquakes**. The article was followed by two-item manipulation checks for responsibility and severity, as well as several emotion items, inspired by the Positive And Negative Affect Schedule (Watson, Clark, Tellegen 1988). A measure of regulatory focus was provided by a modified version of the Lockwood scale (Lockwood et al. 2002) (see Appendix - Measurements). The Regulatory Focus Questionnaire (Higgins, Friedman, Harlow, Idson, Ayduk & Taylor 2001) was also considered for the role, but its focus on the participant's long-term disposition was deemed a poor fit for an experiment trying to capture situational changes in regulatory focus. Despite these considerations, however, the modified Lockwood scale exhibited a certain problem with reliability: promotion focus had a Cronbach's alpha of .66, while prevention focus had an alpha of only .57. While these values are not encouraging, it should be remembered that the alpha is just a lower bound estimate for reliability (Sijtsma 2008) and the scale does improve in later studies. Interestingly enough, low or fluctuating reliability can be common for many regulatory focus scales, as shown the scale assessment research

of Haws, Dholakia and Bearden (2010). Reputation was measured via the RepTrak scale (Ponzi, Fombrun, Gardberg 2011) with a Cronbach's alpha of .86.

Control Variables

All 3 studies within this dissertation occupy a similar theoretical niche, tightly related to the effects of regulatory focus and, in the case of Studies 2 and 3, regulatory fit. There is also a high degree of overlap between the variables used in the theoretical models for all 3 studies. This presents the opportunity to keep the control variables static across the studies, so the degree to which they influence results would also be kept uniform. This would allow for easier cross-study comparison of effects, should the need arise. Additionally, these control variables are only applied to analyses testing the effects of non-treatment variables. The control variables in question are Gender, Involvement and a binary variable denoting Dutch nationality.

Gender was selected as a control variable, because men tend to have a higher promotion focus, while women score higher on prevention focus (Laufer and Coombs 2006; Bhatnagar & Smith 2013). As regulatory focus measurements play a big role in each of the following studies, keeping track of participant gender is important; more so, because initial differences in regulatory focus might also influence the perception of the crisis event, which would also have an effect on reputation.

Involvement was selected due to its propensity to influence information-seeking behaviour for goal-related signals. Individuals with high involvement tend to seek and process information in a systematic way, while those with low involvement do so via heuristics (Park & Morton 2015). As a result of that, involvement also determines one's attention to goal-congruent information (Wang & Lee 2006), with low-involvement individuals relying on it more heavily. With these effects in mind, involvement would likely have an influence on company reputation, as well as the two instances of affect (Mao & Zhang 2013) in the model: fear and disappointment.

Nationality was tracked in order to determine if there were differences in the responses of native and foreign students, so it was transformed into a binary variable denoting whether or not the participant was Dutch. Because the manipulations in studies 1 and 2 use fictional crises in the Dutch city of Groningen, there may exist a certain informational asymmetry between local and foreign participants. Dutch participants would have a greater access and, perhaps, greater interest in Dutch news, making them more likely to question the manipulation. Keeping track of this possible asymmetry is, therefore, vital for the study because it may influence every single variable related to the manipulations. Nationality can also determine how close participants feel to the events discussed in the study, which could influence fear, disappointment and reputation.

Finally, participants were introduced to an instructional manipulation check, meant to test their general attentiveness to the study, designed and validated by Oppenheimer, Meyvis and Davidenko (2009). It consisted of a multiple-choice question about sports, preceded by instructions to select every possible answer. Students who failed to do so, were, therefore, deemed inattentive, and selected for possible removal from the dataset. The effects of this removal were tested for all three studies within this thesis and it had no effect on hypothesis confirmation. The removal was carried out, in order to minimize the possibility of randomly filled-in answers. For Study 1, 18 participants were removed from the dataset, leaving a total of 220.

Auxiliary Measures

Two additional emotions were also measured: Irritation and Anger. They featured in several other studies on crisis communication (Jin, Pang & Cameron 2007; Jin 2010), but their relationship with regulatory focus is not as clear-cut as Fear and Disappointment, so they were not part of the theoretical framework. Nevertheless, they were measured for possible future studies. A shortened version of the Regulatory Focus Questionnaire was also applied at the very start of the questionnaire (before any manipulations), with an eye to possible interactions between trait-level regulatory focus and state-level outcomes. These measurements are intended for future research.

2.4 Results

Table 2 shows a correlation matrix between all the variables used in this study. Most of the correlations are in step with the expected relationships, but there are two notable exceptions. First, there is a significant correlation between Prevention Focus and Disappointment (r=.198; p<.05), which is not a theorized relationship, but Prevention Focus is certainly known to exacerbate negative signals, so the increase in Disappointment does not come as a surprise. The correlation is not big enough to cause serious concerns about multicollinearity, but it should be taken into account when the two variables are tested in the same model. Also notable is the presence of a *positive* correlation between Promotion Focus and Prevention Focus (r=.139; p<.05), which Regulatory Focus Theory (Higgins 1998) suggests should be negative, although other studies have noted a very similar correlation (Cunningham, Raye & Johnson 2005).

Table 2 Correlation Matrix

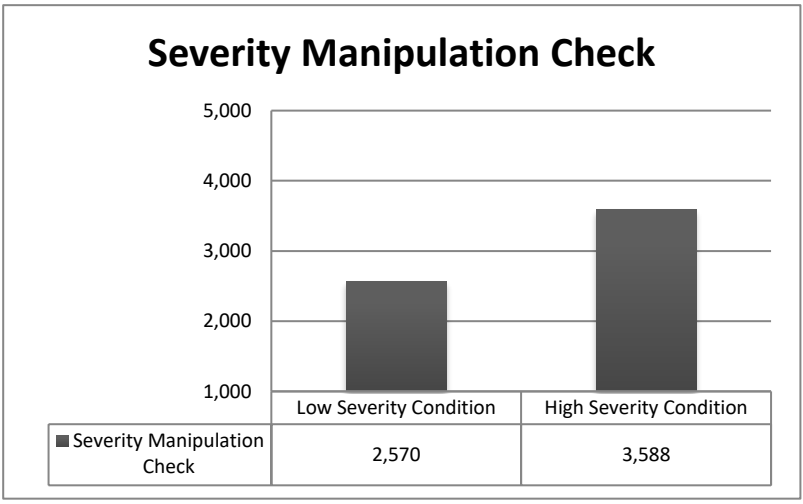
	Mean	*SD*	*1*	*2*	*3*	*4*	*5*	*6*	*7*
1. Promotion Focus	4.517	.909							
2. Prevention Focus	5.321	.798	.139*						
3. Fear	2.25	1.432	-.015	.146*					
4. Disappointment	3.645	1.628	.025	.198*	.320*				
5. Involvement	5.882	.718	.006	.103	-.087	-.145*			
6. Reputation	3.802	.995	.231*	-.139*	-.151*	-.401*	.152*		
7. Dutch	.686	.465	-.098	-.089	-.286*	-.111	-.098	.046	
8. Gender	.632	.483	.045	-.09	-.190**	-.068	.111	.131	.073

*Correlation is significant at the .05 level (2-tailed)

Manipulation Checks

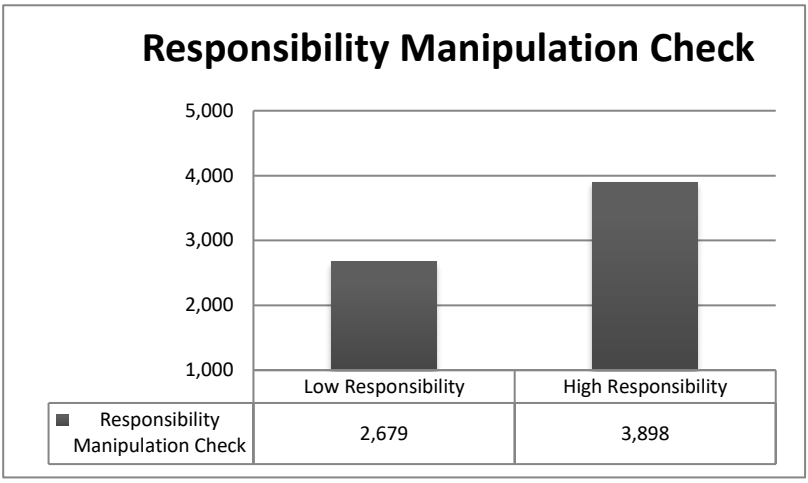
A Severity x Responsibility ANOVA shows a significant effect (Figure 2) of the Severity manipulation on the Severity Check ($F=84.266$; $p<.05$). Participants in the High Severity condition scored higher on the Severity Check ($M=3.588$; $SD=.705$) than participants in the Low Severity condition ($M=2.570$; $SD=.927$). No other effects were significant.

Figure 2 Severity Manipulation Check



Likewise, a Severity x Responsibility ANOVA also found a significant effect (Figure 3) of the Responsibility manipulation on the Responsibility Check ($F=81.949$; $p<.05$). Participants in the High Responsibility condition ($M=3.898$; $SD=.648$) held the company accountable to a higher degree than those in the Low Responsibility condition ($M=2.679$; $SD=.867$). No other effects were significant.

Figure 3 Responsibility Manipulation Check



Regulatory Focus

The same Severity x Responsibility ANOVA was applied to Prevention Focus, but the Severity manipulation had no effect (F=.007; p>.05) and neither did the Responsibility manipulation (F=.748; p>.05).

However, when applied to Promotion Focus, The Severity x Responsibility ANCOVA did show that the Severity manipulation had a significant effect (F=16.093; p<.05). Participants in the Low Severity condition scored higher on Promotion Focus (M=4.751; SD= .786) than those in the High Severity condition (M=4.288; SD= .964). There were no other significant effects.

Emotions

A Severity x Responsibility ANOVA shows no significant effects on Fear for either Severity (F=1.177; p>.05) or Responsibility (F=.043; p>.05).

For Disappointment, on the other hand, the Severity x Responsibility ANOVA revealed a significant effect of Responsibility (F=95.282; p<.05). Participants in the High Responsibility (M=4.315; SD=1.502) condition scored higher on Disappointment than participants in the Low Responsibility (M=3.000; SD=1.483) condition.

Reputation

Finally, a Severity x Responsibility ANOVA on Reputation showed that both Severity (F=4.453; p<.05) and Responsibility (F=8.730; p<.05) had a significant effect. Participants who were exposed to the High Severity (M=3.673; SD=1.030) manipulation considered the company less reputable than those who were exposed to the Low Severity (M=3.942; SD=.942) manipulation. The same applies to the High (M=3.602; SD=1.010) and Low Responsibility (M=3.996; SD=.946) conditions, as well.

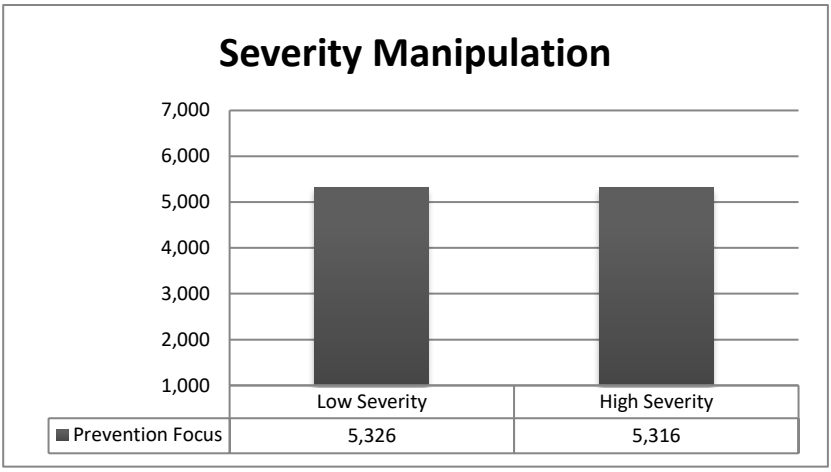
Control Variables

Outside of its potential interaction with prevention focus and regulatory fit, Involvement also showed a significant (or marginally significant) relationship with Fear (B= -.304; p=.006), Disappointment (B= -.256; p=.029) and Reputation (B=.134; p=.085). Given that the High Severity participant group also exhibited a higher degree of Involvement than their peers (M_{Δ}=.226), it makes sense to include it in the overall model. Dutch participants scored lower on Fear (B= -.997; p=.001) and Disappointment (B= -.504; p=.013), compared to their foreign peers, while Gender only influenced Fear (B= -.463; p=.012), with men scoring higher than women. During the post-hoc analysis, it was also found that Gender also had an impact on the Severity Manipulation Check (B=.209; p=.056).

Hypothesis Testing

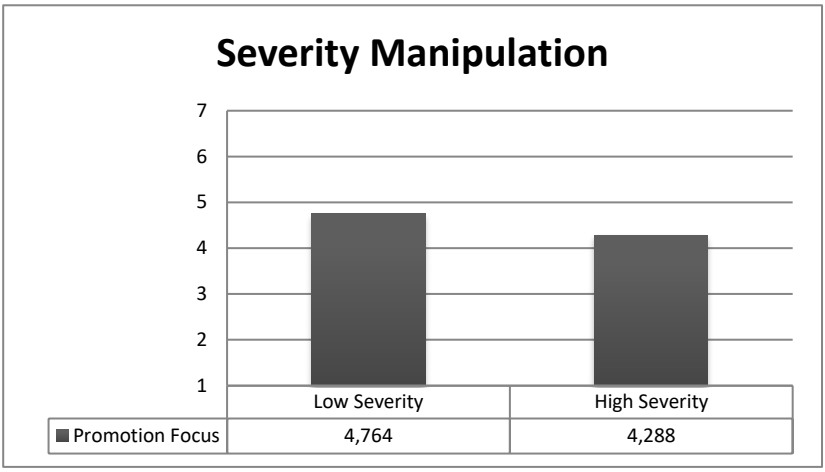
In order to test **Hypothesis 1**, which posits that there is a positive effect of Severity on Prevention Focus, a 2x2 (Severity x Responsibility) ANOVA was carried out (Figure 4). The Severity Manipulation (F=.009; p>.05) had no significant effect on Prevention Focus and, therefore, no significant difference in the Prevention Focus score of participants in the Low Severity condition (M=5.326; SD=.821) and the High Severity condition (M=5.316; SD=.78). Neither the Responsibility Manipulation (F=.797; p>.05), nor the Severity x Responsibility moderation effect (F=.669; p>.05) had any significant effect on Prevention Focus. The Severity Manipulation did not increase Prevention Focus, which means that **Hypothesis 1** is not confirmed.

Figure 4 Effect of Severity Manipulation on Prevention Focus



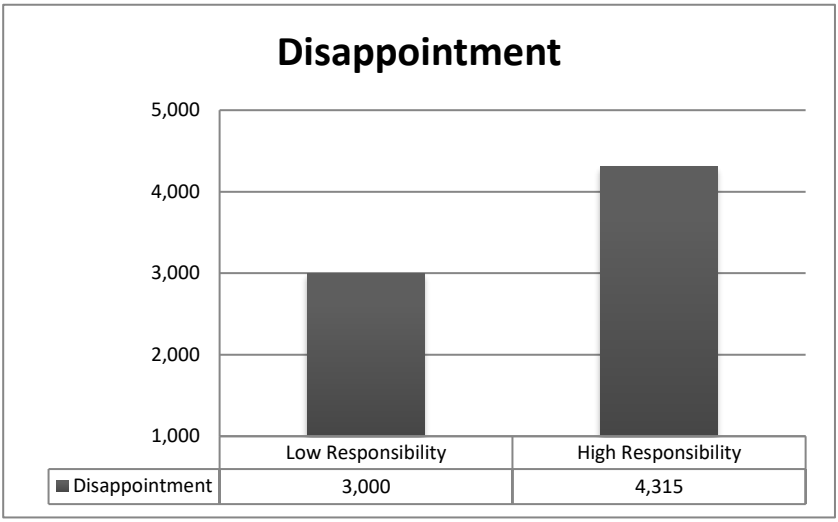
Hypothesis 2, which covers the negative effect of Severity on Promotion Focus, was also tested via 2x2 (Severity x Responsibility) ANOVA. The Severity Manipulation ($F=16.212$; $p<.05$) had a significant, negative effect on the Promotion Focus (Figure 5). Participants in the Low Severity condition scored higher in terms of Promotion Focus ($M=4.764$; $SD=.779$) than their peers in the High Severity condition ($M=4.288$; $SD=.964$). Neither the Responsibility Manipulation ($F=.084$; $p>.05$), nor the Responsibility x Severity moderation effect ($F=.915$; $p>.05$) were significant. Based on these results, **Hypothesis 2** is confirmed.

Figure 5 Effect of Severity Manipulation on Promotion Focus



In order to test the effects of the second manipulation, Responsibility, on Disappointment **(Hypothesis 7)**, another 2x2 (Severity x Responsibility) ANOVA was carried out. The Responsibility Manipulation ($F=42.201$; $p<.05$) had a significant positive effect on Disappointment (Figure 6), with participants in the Low Responsibility Manipulation ($M=3.000$; $SD=1.483$) scoring lower on Disappointment than participants in the High Responsibility Manipulation ($M=4.315$; $SD=1.502$). There was also a marginally significant Severity x Responsibility moderation effect ($B=.721$; $p=.074$), with Severity slightly enhancing the positive effect of Responsibility on Disappointment. **Hypothesis 7** is confirmed.

Figure 6 Effect of Responsibility Manipulation on Disappointment



The positive effect of Prevention Focus on Fear (**Hypothesis 5**) was tested via 2x2 (Severity x Responsibility) ANCOVA, with the control variables and Prevention Focus acting as covariates. Given the inextricable relationship between the two regulatory foci, Promotion Focus was also added to the model, in order to account for its propensity to suppress negative signals (and negative affect). Prevention Focus had a marginally significant positive effect (Table 3) on Fear (B=.230; p=.051), which partially confirms **Hypothesis 5**. It should be noted here, that this effect is extremely close to the significance threshold of .05.

Table 3 Effect of Prevention Focus on Fear

	Effect	SE	p	LLCI	ULCI
Constant	3.670	1.046	.001	1.608	5.732
Prevention Focus	.230	.117	.051	-.001	.461
Promotion Focus	-.046	.106	.666	-.255	.163
Gender	-.422	.192	.029	-.801	-.043
Involvement	-.241	.131	.067	-.500	.017
Dutch	-.858	.199	.001	-1.251	-.465
Severity Manipulation	.359	.268	.182	-.886	.169
Responsibility Manipulation	.096	.255	.707	-.599	.407
Severity x Responsibility	-.248	.367	.500	-.475	.972

DV- Fear $R^2 = .144$ $F = 4.445$

Finally, all effects on Reputation were tested simultaneously, due to theoretically expected and practically observed correlation between the separate independent variables. A 2x2 Severity x Responsibility ANCOVA was carried out, with Prevention Focus, Promotion Focus, Fear and Disappointment as covariates, which would test **Hypotheses 3, 4, 6 and 8**, respectively. The results can be observed in Table 4. Both Promotion Focus (B=.249; p<.05) and Disappointment (B= -.209; p<.05) have a significant effect on Reputation, while Prevention Focus (B= -.136; p>.05) and Fear (B= .014; p>.05) do not. This means that **Hypotheses 4 and 8** are confirmed, while **Hypotheses 3 and 6** are not.

Table 4 Effects on Reputation

	Effect	SE	P	LLCI	ULCI
Constant	2.851	0.719	0.001	1.433	4.269
Promotion Focus	0.249	0.069	0.001	0.113	0.385
Prevention Focus	-0.136	0.078	0.084	-0.290	0.019
Fear	0.014	0.047	0.767	-0.079	0.106
Disappointment	-0.209	0.044	0.001	-0.295	-0.122
Dutch	0.069	0.136	0.613	-0.199	0.336
Gender	0.150	0.127	0.238	-0.100	0.400
Involvement	0.165	0.087	0.060	-0.007	0.336
Severity Manipulation	-0.259	0.176	0.143	-0.088	0.607
Responsibility Manipulation	-0.161	0.180	0.374	-0.195	0.516
Severity x Responsibility	0.159	0.241	0.509	-0.635	0.316

DV- Reputation $R^2 = .255$ $F = 7.163$

The marginally significant effect of Prevention Focus on Reputation deserves further scrutiny, however, in light of the correlation that Prevention Focus exhibits with other variables in the correlation matrix at the start of this section. For instance, tested on its own, Prevention Focus has a significant negative effect on Reputation (B= -.170; p<.05), and further tests show that it is Disappointment that diminishes the former's effect into insignificance. On its own, this may not be enough to warrant confirmation of a hypothesis, but it does prompt a mediation analysis (PROCESS Model 4). The following results (Table 5) show that Prevention Focus increases Disappointment (B=.310; p<.05). With the latter's already established negative effect on Reputation (see Table 4), Prevention Focus has a total effect of (B= -.180; p=.03) on Reputation, mediated by Disappointment, thereby confirming **Hypothesis 3**.

Table 5 Effect of Prevention Focus on Disappointment

	Effect	SE	p	LLCI	ULCI
Intercept	3,660	1,102	0,001	1,487	5,834
Promotion Focus	0,046	0,109	0,669	-0,168	0,261
Prevention Focus	0,310	0,121	0,011	0,071	0,549
Fear	0,310	0,071	0,001	0,171	0,449
Dutch	-0,121	0,213	0,571	-0,541	0,299
Gender	0,142	0,199	0,477	-0,251	0,535
Involvement	-0,290	0,136	0,034	-0,557	-0,023
Severity Manipulation	0,463	0,275	0,094	-1,006	0,080
Responsibility Manipulation	1,591	0,261	0,001	-2,106	-1,076
Severity x Responsibility	-0,667	0,376	0,078	-0,075	1,409

DV- Disappointment $R^2 = .308$ $F = 10.393$

2.5 Post-hoc Analysis

While most of the hypotheses were confirmed, the lack of any relationship between the severity manipulation and prevention focus could be an indication of poor validity for either the manipulation or the prevention focus measurement. As the effects of prevention focus were fairly congruent with the theoretical predictions, it seems more likely that the fault lies with the severity manipulation. It is, after all, rather mystifying that the manipulation is being registered as a negative signal, both by the manipulation check *and* by the drop in promotion focus, but not via the one attribute that exclusively emphasizes negative signals: prevention focus. Based on the results of prior studies, which support the relationship between negative signals and prevention focus, the data deserves further scrutiny. The goal of the post-hoc analysis is, therefore, to explain why the theorized relationship didn't manifest.

The first step of this examination would be to further analyze the effect of severity on Prevention Focus, by utilizing the Severity Manipulation Check (or Severity Check, for the sake of brevity), which can act as a scale measure of severity. This is a purely diagnostic analysis, as this scale measure contains information not available in the binary Severity

Manipulation variable – the individual perceived severity of every participant. Furthermore, a measure of severity like the manipulation check would also be mostly unmoored from any possible confounding factors or artefacts that the manipulation text might contain. For example, if the High Severity condition was found to be unrealistic or unconvincing by some participants, this would be reflected in a lower severity check score, but it would have no impact on the relationship between the severity check and prevention focus. This would not be the case for the Severity Manipulation variable, itself.

As such, a 2x2 (Severity x Responsibility) ANCOVA was carried out with the Severity Manipulation Check acting as a covariate, along with the static control variables. Due to its significant relationship with both Severity and Prevention Focus in the previous analysis, Promotion Focus was used as a covariate, as well. Its inclusion in the model has no impact on any other effect's significance, but its own positive effect on Prevention Focus (B=.127; p<.05) is noteworthy. Two additional effects manifested as a result of this analysis: a significant positive effect of the Severity Manipulation Check (B=.219; p<.05) on Prevention Focus and an insignificant *negative* effect of the Severity Manipulation (B= -.254; p=.126) on Prevention Focus (see Table 6).

Table 6 Effect of Severity Manipulation Check on Prevention Focus

	Effect	SE	P	LLCI	ULCI
Constant	3.235	0.610	0.001	2.032	4.438
Severity Check	0.219	0.065	0.001	0.090	0.348
Promotion Focus	0.127	0.060	0.035	0.009	0.246
Gender	-0.130	0.110	0.239	-0.347	0.087
Involvement	0.149	0.075	0.049	0.001	0.298
Dutch	-0.054	0.115	0.635	-0.280	0.171
Severity Manipulation	-0.254	0.165	0.126	-0.072	0.579
Responsibility Manipulation	0.048	0.146	0.744	-0.336	0.240

Severity x Responsibility	0.098	0.210	0.642	-0.512	0.316

DV- Prevention Focus $R^2 = .098$ *F= 2.875*

This set of effects is highly pertinent to the goals of the post-hoc analysis, because the relationship between the Severity Manipulation and the Severity Manipulation Check has already been established as significant and positive (B=1.018; p<.05). This implies a positive and significant **indirect** effect of the Severity Manipulation on Prevention Focus and an insignificant, negative **direct** effect. Furthermore, this is an obvious match for Tzelgov and Henik's (1991) definition of a *suppression situation*, because the addition of the manipulation check (or rather, the addition of a third variable) greatly increased the predictive validity of the initial predictor - the manipulation, itself. Prior to the addition of the Severity Check, the Severity Manipulation has an effect of (B= -.046; p=.842) on Prevention Focus, while after the addition, the same effect increases both in size and significance (B= -.254; p=.126). While it is certainly normal for effect sizes to shift with the addition of new variables to the model, such a noteworthy increase of significance can only be attributed to a suppression effect. According to MacKinnon, Krull and Lockwood (2000), mediation, confounding and suppression effects are all variations of a "third variable model" and can be tested with the same analysis. The next step, therefore, is to use the SPSS PROCESS (Model 4) mediation analysis, in order to confirm the existence of a third variable effect.

The results confirm the **indirect** effect of the Severity Manipulation (B= .229; p<.05) on Prevention Focus (mediated by the Severity Check) as significant, while the **direct effect is not** (B=-.206; p>.05). In short, the Severity Manipulation does have a significant, if indirect, effect on Prevention Focus. In all likelihood, however, the suppression effect that was just observed is indicative of a confounding element within the severity manipulation's text. Under normal circumstances, the Severity Manipulation should not exhibit both a positive and negative effect on a variable like Prevention Focus – or any variable, for that matter, as, to my knowledge, severity is not theorized to be a multidimensional construct. The most reasonable explanation is that the High Severity condition includes an unintended element that diminishes the implicit effects of the manipulation. After all, suppression effects happen when the addition of one or more variables "clears out criterion-irrelevant variance

from other predictors" (Tzelgov & Henik 1991). This study presents a rather interesting case, however, because the *manipulation check* is suppressing the criterion-irrelevant variance of that very same manipulation. As this variance is unrelated to both Prevention Focus *and* the Severity Check, it is reasonable to conclude there is a confounding effect at play.

It seems likely that low believability for the severity manipulation is to blame: participants in the High Severity condition still describe the crisis as more severe than their peers in the Low Severity group, but they are perhaps not cognitively influenced by what they perceive to be a fake severity. If we examine the severity manipulation check, rather than just the manipulation variable, this confounding effect seems to be diminished. A possible explanation for this effect is that the introduction of the severity check into the model isolates a confounding factor within the manipulation variable, while at the same time, acting as a better representation of perceived severity, delineating two separate and opposite effects.

In order to test this notion, a similar analysis was carried out for the relationship between the Severity Manipulation and Fear. If, indeed, there was an element in the manipulation that nullified the effects of Severity on Prevention Focus, it would likely have a similar effect on the *emotional consequence* of that very same focus. Table 7 shows that to be the case. On its own, the Severity Manipulation (Model I) has no significant effect on Fear, but the Severity Check (Model II) does. A mediation analysis (PROCESS Model 4) confirms that the Severity Check does mediate the relationship between the Severity Manipulation and Fear ($B = .437$; $p < .05$), as well. This further supports the notion of a confounding element within the severity manipulation.

Table 7 Effects of Severity on Fear

	Model I		Model II	
	Effect	**P**	**Effect**	**P**
Intercept	2.436	.001	.891	.050
Severity Check	-	-	.434	.001
Severity Manipulation	.342	.217	-.070	.809
Responsibility Manipulation	.165	.540	.185	.479
Severity x Responsibility	.260	.504	-.317	.402

So far, the existence of the same confounding effect has been revealed by two separate analyses. This may not be enough to pinpoint the identity of the confound with absolute certainty, as that would require an ex-ante confounding check, but the most reasonable conclusion at this point, is an issue of believability for the High Severity condition. Finally, the post-hoc analysis has shown that once the confounding effect has been isolated by a third variable, the relationship between severity and prevention focus is positive and significant, as predicted by Hypothesis 1. Based on these observations, a partial confirmation for Hypothesis 1 is warranted.

The results of the overall analysis are summed up in Table 8. Six out of the model's eight hypotheses were confirmed in the initial analysis, with one of them being a partial confirmation just barely over the significance threshold. Additionally, one hypothesis was partially confirmed in the post-hoc analysis, leaving only one hypothesis completely unconfirmed.

Table 8 Results Overview

HYPOTHESIS	RESULT
1. SEVERITY INCREASES PREVENTION FOCIS	Partially Confirmed in Post-hoc Analysis
2. SEVERITY REDUCES PROMOTION FOCUS	Confirmed
3. PREVENTION FOCUS DECREASES REPUTATION	Confirmed
4. PROMOTION FOCUS INCREASES REPUTATION	Confirmed
5. PREVENTION FOCUS INCREASES FEAR	Partially Confirmed
6. FEAR REDUCES REPUTATION	Not Confirmed
7. RESPONSIBILITY INCREASES DISAPPOINTMENT	Confirmed
8. DISAPPOINTMENT REDUCES REPUTATION	Confirmed

2.6 Discussion

Results showed that the responsibility manipulation increased participant disappointment, while the severity manipulation had a negative effect on promotion focus, as theorized. According to the post-hoc analysis, the severity manipulation also had a positive, albeit indirect, effect on prevention focus. In turn, prevention focus was found to have a positive effect on fear. Finally, prevention focus and disappointment had a negative effect on the company's reputation; promotion focus had a positive effect on the same, while the effect of fear was insignificant.

Given the aforementioned results, the initial goal of the study is largely achieved. The relationship between crisis attributes and the cognitive and emotional state of an individual has been sufficiently illustrated to warrant further interest in the topic. The only real issue would be the relationship between the severity manipulation and prevention focus, but with the extensive testing in the post-hoc section, it seems reasonable to consider the

relationship as tentatively confirmed. The drawbacks of the confounding effect will be further discussed in the Limitations section.

To start with, this study has shown support for the assertions made by a dozen previous articles: attribution and severity are, indeed, essential for crisis communication because they heavily influence the outcome of a crisis event (Coombs 1995; Laufer and Coombs 2006; Coombs and Holladay 2002, 2004, 2008; Ultz, Schultz, Glocka 2013). What the study contributes, however, is a further elaboration on that importance – it shows a detailed psychological process through which severity and responsibility influence the reputation of a company. Severity has an impact on promotion and prevention focus, albeit the latter relationship is only exhibited in the post-hoc analysis. Prevention focus, in turn, increases perceived fear. From these consequences of crisis severity only the cognitive changes (regulatory focus) actually diminish reputation. Even though it is ineffective in the presented model, fear is most likely not a harmless variable and should not be ignored. Conversely, the impact of responsibility, disappointment, is emotional, but it still diminishes organizational reputation. These different pathways are a contribution to crisis communication literature, as they develop the notion that severity and responsibility (or attribution) are factors with their own distinct consequences, rather than just contributors of reputational damage. As the effects of responsibility are emotional, while the effects of severity are largely cognitive, this may also suggest that these separate pathways should be addressed by emotional or rational appeals, respectively. This presents a rather significant avenue for future research, as the choice of appeal in crisis communication is usually not connected to specific crisis attributes. This further cements the need for delineation between crisis responsibility and severity, beyond their mere contribution to reputational damage. In addition, the current findings are important, because certain situations might exacerbate the damage from either crisis attribute. For instance, companies that have built an image of safety and security, such as Volvo, might experience additional adverse effects from the severity path, as it would disrupt their image.

Furthermore, the changes in regulatory focus exposed within this study are particularly important for the long-term development of the crisis and the potential restoration process. If crisis severity increases prevention focus, and decreases promotion focus, that means that any secondary, post-crisis information will be processed *by a more cautious*

individual. This is particularly important for events that unfold slowly or get reported with insufficient information – if the initial severity is considerably high, any *subsequent* details about the crisis will be interpreted in a more negative light. As such, the time limit of dealing with these crises should also be considerably shortened, in order to deal with mounting pressure before it gets out of hand. These cognitive consequences are also very likely to influence the effectiveness of particular restoration efforts. After all, they are supposed to be carefully tailored signals, aimed at the company's stakeholders. A move away from promotion focus and toward prevention focus would create a preference for messages that address the needs of prevention focus, namely, safety and stability. Specific crisis communication strategies that support a safety-based message, like Corrective Action, would become more appealing. Similarly, messages that entice the recipient with potential value, like the Compensation strategy, would become less effective, due to the drop in promotion focus.

On a similar note, crises that score high on responsibility are likely to disappoint a company's audience and result in a significantly lower reputation. This means that for a restoration strategy to work as efficiently as possible, it must first address that negative affect. Taking the definition of disappointment as the emotional fallout of reality failing to meet one's expectations (Zeelenberg & Pieters 2004), this provides two options: 1) reducing one's expectations, in order to avoid disappointment (van Dijk, Zeelenberg & van der Pligt 2003) or 2) finding a way to bridge that gap by providing a positive experience (Bell 1994). The first option might not be terribly effective for a crisis that has already happened, but it may well provide an interesting way to guard against an *incoming* crisis by diminishing the expectations of a firm's stakeholders. It might even be one way to counterbalance the notion that a high reputation invites greater reputational damage in times of crisis (Rhee & Haunschild 2006; Sohn & Lariscy 2012). Perhaps this makes the responsibility path to reputational damage different from the severity path, because the latter is unaffected by expectations and, therefore, a good prior reputation should not pose a risk. Conversely, the second option of dealing with disappointment is far more applicable to a post-crisis context and is, in fact, already present in the SCCT model as the Compensation strategy: the act of giving the consumer "something to offset the suffering" (Coombs and Holladay 2008), either via monetary refund or some kind of gift. Because of

the way it attempts to meet consumer expectations, Compensation seems to have a particularly good fit for crises that score high on responsibility, unlike an Apology or Corrective Action, which are equally accommodative strategies.

In conclusion, the results of this study detail the unique consequences of crisis severity and company responsibility. In turn, these consequences may well create a demand for particular resolution methods – something that can be very beneficial when selecting an appropriate crisis restoration strategy. This is an evolution from the standard SCCT outlook, which posits that a strategy need only be matched to the magnitude of a crisis – the higher an event scores in terms of attribution and severity, the greater the potential for reputational damage and, therefore, the more accommodative and resource intensive the solution. According to the results from the experiment, however, the nature of a crisis event may hold more importance than merely determining how much damage it does. If the crisis can trigger a shift in regulatory focus, then, certainly, it opens up an avenue for regulatory focus theory to play a much greater role in crisis restoration via regulatory fit. As regulatory focus shifts, so will the effectiveness of certain communication strategies shift along with it, depending on their congruence with promotion or prevention focus. Since severity leads a company's audience towards a more cautious mindset, it should have a distinctly harmful effect on corporate messages that rely on denial, misdirection or even monetary compensation. After all, this state of mind is characterized by a greater need for information as well as a reduced sensitivity towards positive (gain) signals. Responsibility, on the other hand, seems to create a demand for promotion-orientated solutions, in order to offset consumer disappointment. These effects will, in fact, be the focus of the following chapters, as they aim to discover how exactly regulatory focus interacts with corporate messages.

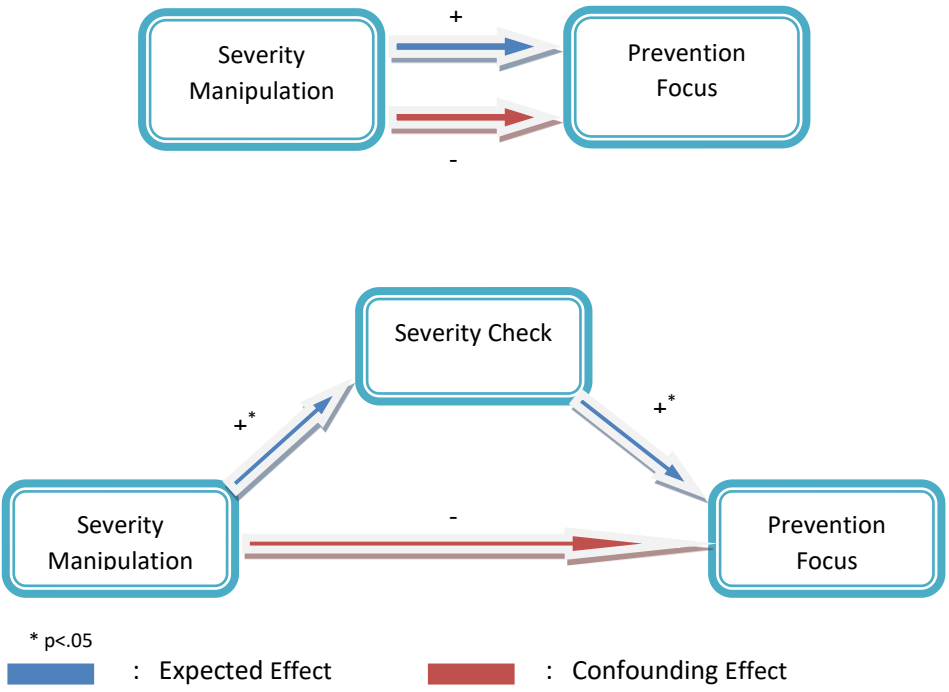
2.7 Limitations and Notes for Future Studies

The chief limitation of this study is the confounding effect related to the severity manipulation, which interfered with the confirmation of a hypothesized effect: the relationship between severity and prevention focus. Part of this issue is diminished by the extensive post-hoc analyses, which are fairly conclusive in their findings and present a

consistent view of what the results would look like without the confounding element. The fact that two separate analyses confirmed the same suppressing/confounding effect diminishes the possibility of a Type I error. While the observed effect most likely exists as discussed, without a confounding check set up *a priori*, it is impossible to say what caused it with absolute confidence.

In fact, the problematic relationship between the severity manipulation and prevention focus (which prompted the addition of a manipulation check as a mediator in the post-hoc analysis) may well be explained by an overall lack of credibility or some other similar flaw in the manipulation. The suppression effect that was observed in the post-hoc analysis is functionally identical to a mediation effect, but occurs when the initial independent variable has both a positive and negative effect on the dependent variable. These two conflicting effects can cancel each other out and present the appearance of insignificance, but when a mediator gets added to the model, it absorbs one of those effects, while the remainder becomes more prominent (McFatter 1979; MacKinnon, Krull & Lockwood 2000). In the context of the current study, it appears that the severity manipulation has both a positive and negative effect on prevention focus, which results in an insignificant relationship between the two variables, because the two effects cancel each other out. These conflicting effects suggest the presence of a confounding factor within the severity manipulation text. For one, there is no theoretical reason why severity would *decrease* prevention focus, but perhaps more telling is the suppressor effect illustrated by the severity check. Under normal circumstances, one would expect the manipulation and its check to have identical effects on a given variable, but that is not the case for Study 1, because the manipulation check only *increases* Prevention Focus (illustrated in Figure 7). It appears that some artefact within the text is causing the negative effect on Prevention Focus, while actual severity, as measured by the manipulation check, is exerting the theorized positive effect. Unfortunately, the study does not have sufficient information to determine what *exactly* causes the confounding effect.

Figure 7 Illustration of Confounding\Suppression Effect in Study 1



Some inferences can be made, however, based on observations in the data. For instance, in the initial analysis it became apparent that Dutch students scored considerably lower on fear and perceived severity. While the addition of nationality (or dutchness, for that matter) had no impact on hypothesis confirmation, the previously mentioned difference between local and Dutch students does suggest a degree of information asymmetry. As Dutch students would have better access to news about the Netherlands, as well as more personal interest in those same news, they would also, potentially, be more capable of spotting a deceptive manipulation about dire events in Groningen. After all, if there really *was* an E. coli outbreak in that city, they likely would have heard of it in the news. This information asymmetry likely explains why Dutch students seem less worried about the severity manipulation – they just don't believe it as much as their foreign peers. It is precisely this lack of credibility that is the most reasonable explanation for the confounding effect, too. In reality, the modular (not to mention brief) nature of the manipulations does

not make it easy for unplanned elements to contaminate either manipulation. This further increases the likelihood that believability is the main problem.

In order to remedy this potential failing of the manipulation, its future iterations will be adjusted in a way that makes them less conspicuous. The easiest way to do that would be to change the nature of the threat – from an obvious and imminent crisis, to a potential one. This way, even participants who keep up with the news would not have sufficient information to immediately distrust the manipulation. For example, a flaw in Groningen's waterways that could *eventually* lead to an E. coli contamination would likely meet with far less scepticism than an outright and immediate crisis. This would most likely diminish the impact of the manipulation, but given the preceding results, it seems like a warranted sacrifice. In conclusion, when presenting study participants with a fictional crisis, one should take care not to trigger undue doubt.

A less impactful, but nonetheless noteworthy limitation of the study is the low reliability scores for the prevention and promotion focus scales. While the scales are unrefined and issues of reliability are somewhat expected, this is still a source of concern. Item removal did not offer avenues of improvement or any useful diagnostic information. The scale worked in accordance to the theoretical framework, so at least validity does not seem to have been impacted, but reliability remains a point of potential and necessary improvement for later studies. Regrettably, there are no real alternatives to this scale, when it comes to measuring temporary changes in regulatory focus, save maybe for the proverb scale (van Stekelenburg 2006), which sees a lot less use in academic research. For a future study, a comparison between the two scales in how they reflect temporary changes of regulatory focus could prove a worthwhile avenue of research.

Chapter 3 – Matching Crisis and Communication: The Impact of Regulatory Fit on Preferences for the Corrective Action and Compensation Strategies

3.1 Introduction

This chapter aims to utilize the effects established in the previous study and demonstrate how readily applicable they can be for the field of crisis communication. **The goal is to integrate the following ideas: 1) that the makeup of a crisis event has a predictable cognitive and emotional impact on those exposed to it and 2) that same cognitive and emotional impact can be used to determine the effectiveness of particular crisis control messages, when matched with the latter's specific informational content.** Chapter 2 already showed that crisis attributes like severity and responsibility have a predictable impact on an individual's regulatory focus and emotional state, although for prevention focus, this was only demonstrated in the post-hoc analysis. According to Higgin's (1995; 1998; 2005) research on regulatory fit, a promotion or prevention focused individual will be receptive and attentive to a message that matches their regulatory focus, thereby increasing the impact of that same message. This means that if a strategy from the SCCT model (Coombs 2005; Coombs 2007; Coombs and Holladay 2012) can exhibit a degree of either promotion or prevention focus, it can be matched to the regulatory focus of a given recipient, which, in turn, is dependent on crisis attributes like severity and responsibility. Ultimately, regulatory focus theory could provide a way to match crisis with strategy, based on more than just resource intensity and expected reputational damage, in order to surpass the performance of the classic SCCT model.

In fact, the concept of regulatory fit has already been utilized in the context of corporate communication. Laufer and Jung (2010) examined customer compliance with product recall initiatives and found that high regulatory fit increased the strength of recall communication, resulting in increased compliance but also a slight decrease in future purchasing intent. In their study, an individual experiencing regulatory fit would display

heightened reactions to the organization's message, but because the message contained both positive and negative signals (product recall, along with some degree of compensation), the reactions were both beneficial (recall compliance) and harmful (loss of purchase intent). This is mostly congruent with the expectations of regulatory focus theory: that the presence of regulatory fit would lead to more persuasive communication (Cesario, Grant & Higgins 2004; Lee & Aaker 2004), heightening both the positive and negative signals, but the mix of beneficial and harmful outcomes is not entirely explained in the paper, itself. Furthermore, the article does pay attention exclusively to promotion focus. Prevention focus being ignored in a crisis situation (a negative signal) is a rather mystifying decision and begs further examination (more so, given Chapter 2's results, which showed the negative impact that prevention focus had on post-crisis reputation). The article's manipulation relies on the addition, or lack thereof, of a small promotional segment to the recall message. It suggests that communication efforts can be altered in some very interesting and clever ways. In the article's case, the inclusion of the relatively small promotional segment augmented the effects of communication, without changing the strategy, itself. In essence, this shows that practitioners have a choice not only of strategy, but also of delivery, which, in turn, provides them with a great deal of flexibility. However, the paper does not explore the possibility that the *core elements* of certain crisis control strategies might exhibit the same kind of regulatory fit as their promotional addendum.

Claeys and Cauberghe (2014) took note of this research and reinforce the idea that a crisis response can be matched to the crisis and the stakeholder, based on quantifiable attributes. They showed that when the restoration strategy employed by the firm matches the needs of the crisis in terms of responsibility and severity, it gains effectiveness and even more so, when using a rational (as opposed to an emotional) framing. This relationship is also heavily dependent on personal involvement, which determines the amount of mental resources devoted to a given situation and, therefore, the persuasiveness of a firm's message. However, even the aforementioned paper does not address the research gap that Chapter 3 aims to fill, because it takes the same cost-benefit approach to crisis restoration as the regular SCCT model: matching small crises with defensive strategies, and larger crises with accommodative strategies. In comparison, an integrative approach between SCCT and Regulatory Focus Theory allows us to identify how specific elements of a given SCCT

strategy would appeal to individuals with congruent or "matching" states of regulatory focus and affect. By employing the lens of information processing literature, such as Regulatory Focus Theory, it becomes much easier to pinpoint which elements of a corporate message actually influence their recipient, alongside the precise mechanism of this influence. In short, this is an opportunity to further develop a contingency approach toward crisis communication and enhance the effectiveness of the SCCT model.

The previous examples show an obvious gap in current literature, and they highlight the need for integration. This is precisely the goal of Chapter 3, but in order to achieve it, the biggest issue of the previous chapter must also be corrected. Due to an unforeseen confounding effect, the relationship between crisis severity and prevention focus was only shown to be significant in the post-hoc analysis of Chapter 2. In order to prove that this significance is not just a product of chance, Chapter 3 will use a very similar manipulation to the previous chapter, and re-test its effects on regulatory focus. The most likely cause for the confounding effect was a low believability for the severity manipulation, so the manipulation will be changed from an ongoing E. coli outbreak to a potential one. The link between crisis attributes and regulatory focus is of utmost importance for this entire dissertation, because it allows practitioners to gauge the mindset of individuals exposed to the crisis event, without the need for lengthy tests and questionnaires, which are often impossible to administer during a developing situation. It is vital, therefore, that this relationship is established in a way that minimizes potential doubt.

Chapter 3 will, therefore, proceed to establish the role of regulatory fit in crisis communication, by identifying the optimal circumstances for specific SCCT strategies, based on the regulatory fit between a message and its recipients. The model will be tested with an experiment, resembling the one used in Chapter 2, in order to ensure the veracity of the relationship between severity and prevention focus, while simultaneously providing enough variance for all the relevant independent variables (promotion focus, prevention focus, disappointment and fear) across the 4 conditions.

3.2 Literature Review

Matching Message and Recipient – the Role of Regulatory Fit

The existence of a "match" between crisis communication strategy and the mindset of its intended audience is an entirely reasonable proposition and something that should be expected from most corporate communication efforts. Multiple academic theories claim that a match between the informational content of a message and the needs of its recipient leads to a more persuasive and effective message. Regulatory Focus Theory posits that when an individual is presented with information or choices that are congruent with their own regulatory orientation, they experience greater motivation (Freitas & Higgins 2002; Spiegel, Grant-Pillow & Higgins 2004), a feeling of "rightness" (Cesario, Grant & Higgins 2004; Aaker & Lee 2006) and improved mental processing (Vaughn, Hesse, Petkova & Trudeau 2009). Framing theory describes the propensity of "small changes in the presentation of an issue or an event [to] produce (sometimes large) changes of opinion" (Chong & Druckman 2007). Whether dealing with *equivalency framing* (logically equivalent outcomes with different frames) or *emphasis framing* (framing effects that focus on a distinct informational signal) (Tversky & Kahneman 1987; Sniderman & Theriault 2004; Ding & Pan 2016), the reception of new information can be dependent upon the congruence between the framing and the recipient's characteristics, such as loss aversion (Levy 1996), need for cognition (Gallagher 2011) or personal beliefs (Gross 2000). Priming theory deals with proactively creating congruence, as priming "increases the accessibility of some construct or category in the memory" (Sherman, Mackie & Driscoll 1990) and can, for example, manifest as increased desire for food (Harrus, Bargh & Brownell 2009) or narcotics (De Witt 1996). Functional Theory posits that opinions and attitudes are formed on the basis of their psychological utility (Schavitt 1989) and this utility can also be a source of "matching". Individuals with a value-expressive opinion (interested in value attainment) react more favourably towards value-related arguments, while those with a social-expressive opinion (interested in conforming to social attitudes) react more favourably toward socially-minded arguments (Lavine & Snyder 1996). Even from a common-sense perspective, matching a corporate message to its recipient should be an entirely

reasonable proposition: if a crisis is impactful enough to create a shift in a person's mental state, surely that precise shift should become the cornerstone of future restoration efforts. The challenge lies in identifying *which* personal characteristics deserve attention and which mechanism of fit can tie them to SCCT's restoration strategies. Luckily, Chapter 2 has gone a long way toward answering those questions, because it was designed to 1) track the cognitive and emotional effects of crisis severity and organizational responsibility, 2) tie those effects to company reputation and 3) test whether all parts of the model can take part in the regulatory fit mechanism.

With so much ground already covered, the next logical step is a close examination of the SCCT strategies and the possible fit they may exhibit with prevention focus, promotion focus, fear and disappointment. After all, the work of Laufer and Jung (2010) has already shown that a short two-sentence addendum can generate regulatory fit for a corporate message, so one can expect very much the same from the informational content of the strategy itself. As message specificity can increase perceptions of fit (Roberson, Collins & Oreg 2005), the highly specific SCCT strategies should be considerably more potent sources of regulatory fit, than the aforementioned framing segments. A short description of the relevant restoration strategies can be found in Table 1, where they are arranged from most accommodative (Apology) to most defensive (Attack the Accuser).

Table 1 Communication Strategies and Regulatory Fit

Strategy	Description	Fit
Apology	Accept responsibility	Very low probability of fit with prevention focus, due to tenuous similarity with "ought self" signals.
Compensation	Through monetary means, or otherwise, attempt to compensate for the disruption caused by a crisis event	Promotion focus responds favorably to positive signals and potential value. For a promotion focused individual, the positive signal of "value" can outweigh the negative signal of "a crisis". It fulfills promotion focus goals.
Corrective action	Take clear action, in order to put a stop to a crisis event and ensure it does not happen again	Prevention focus creates a demand for security and stability, both of which are addressed by Corrective Action. It directly fulfills prevention focus goals.
Ingratiation	Remind stakeholders how beneficial their relationship with the firm is	A positive signal centered around benefits would provide a certain degree of fit with promotion focus, but would not outright satisfy promotion focus goals like Compensation would.
Justification	Minimize perceived damage of the crisis	If the strategy works, it will directly address concerns of prevention focus, like damage, severity and threat. Paradoxically, prevention focus might also diminish the likelihood of success, as it increases need for information, risk aversion and sensitivity to negative cues.
Victimization	Paint firm as another victim of the event	These signals rely on misdirection or outright misinformation. As prevention focus increases need for information, risk aversion and sensitivity to negative cues, misdirection becomes less likely to succeed and far more likely to backfire.
Excuse	Minimize responsibility	
Denial	Deny the crisis exists	
Attack the accuser	Confront the source of the claim	

To start with, the Corrective Action strategy seems like a great example of a message with a safety-based core. The goal of this strategy is to prevent recurrence of the same accident and hopefully repair any damage done (Coombs 2002). Stakeholders are given ample information about the event and its proposed solution (Coombs 2012) and restoring a feeling of safety becomes the firm's focal point (Sellnow, Ulmer & Snider 1998). Every aspect of this strategy makes it a perfect fit for the needs of prevention focus, which revolve entirely around the avoidance of negative events (Higgins 1997; Higgins 1998). In the short term, it signals a commitment to stakeholder safety, which is a signal that is well appreciated by prevention focused individuals. Prevention focus leads to a greater sensitivity to uncertainty and risk (Scholer & Higgins 2008; van Noort, Kerkhof & Fennis 2008), but uncertainty can be alleviated, if a person is supplied with additional information pertinent to their circumstances (Urbany, Dickson & Wilkie 1989; Hirshleifer, Jack & Riley 1992). Therefore, the long-term plans that are inherent to Corrective Action will be met with greater scrutiny, but also a warmer reception as they address a need for security and provide necessary information. In two experiments carried out by Zhu and Meyers-Levy (2007), it was discovered that prevention focused individuals had detail-orientated and item specific thinking process, which should fit well with the issue-specific nature of Corrective Action. Finally, by attempting to eliminate the chances of crisis repetition, the strategy goes one step further towards providing safety. Overall, if there is one strategy from the SCCT model that would appeal to the goals of prevention focus, it would be Corrective Action.

Similarly, Compensation seems geared toward a promotional mindset. It is one of only two strategies that rely on a positive message, the other example being Ingratiation. Unlike its less accommodative counterpart, however, Compensation actually presents the recipient with some sort of material gain, in order to counteract the "loss" incurred from the crisis event (Estelami 2000). It is precisely *action* that sets Compensation and Corrective Action apart from other strategies. While any message can be congruent with promotion or prevention focus, it takes *action* to satisfy their respective goals of gain and safety, in order to produce an even greater degree of fit. While Compensation doesn't necessarily *fix* anything, so much as *makes up* for it (discounts, gifts and refunds don't erase a bad dinner

or service experience, nor do they guarantee it won't happen again), perhaps it doesn't *need to*, as far as promotion focused individuals are concerned. After all, with a focus on personal gain comes a certain disregard for risk and uncertainty (Higgins 1997; Higgins 1998) – the positive cues carry more weight than the negative ones. As promotion focus grows, therefore, the balance between negative event and positive compensation effort begins to shift in favour of the compensation. With promotion focus leading to a more relational and thematic kind of mental processing (Zhu & Meyers-Levy 2007), substituting one negative experience in the mind of a stakeholder with a positive compensation should prove less challenging than normal.

As both strategies suggest a high degree of fit with prevention or promotion focus, it is expected that their effectiveness would increase for individuals with high degrees of the matching focus, thanks to regulatory fit. Regulatory fit increases the persuasiveness of a message by fostering a sense of "feeling right" (Cesario, Grant & Higgins 2004) and enhancing the processing fluency of the recipient, thereby, diminishing resistance (Aaker & Lee 2001; Lee & Aaker 2004). It is expected, therefore, that a match between the core message of a communication strategy and the regulatory focus of the recipient will lead to increased message effectiveness.

There are certainly other strategies in the SCCT model that suggest some possible interaction with regulatory focus, although that interaction might be negative for some of them. Ingratiation, for example, presents yet another positive cue: the second of only two truly positive signals within the whole SCCT typology. At the core of its message lies an attempt to remind a consumer of the previous benefits they have experienced with a company, giving them a reason to continue this beneficial relationship in the future. While this is certainly a positive cue, in line with the mental filter of a promotion focused individual, it does not actually present any direct or immediate value. This puts it below Compensation not only in terms of accommodation, but also in terms of fit with the goals of promotion focus. Accommodation should not necessarily be taken as a predictor of regulatory fit, however. The Apology strategy, which is considered among the most accommodative ones (Coombs & Holladay 2008), has little to do with either regulatory focus; it is neither a particularly positive or negative signal, nor does it fulfil the needs of safety or gain. It may possess *some* small degree of fit with the "ought self" (Keller 2008;

Scholer & Higgins 2012), which governs duties and obligations, because it acknowledges responsibility for a mistake, but the connection is tangential, at best. More defensive strategies like Denial or Diminish can be seen as acts of misdirection, or outright misinformation, if a company *is* actually responsible for the crisis at hand. Actions like this would be particularly ill-fitted under circumstances of high prevention focus, due to a heightened need for information and greater sensitivity to negative signals (Higgins 2002; Pham & Higgins 2005). This would be considered a case of regulatory misfit and a particularly dangerous one, at that. Under normal circumstances, an incongruent message would only lose its effectiveness (Li, Evans, Christian, Gilliland, Kausel & Stein 2011), but in crisis communication, strategies can actually backfire, causing reputational damage to the company (Benoit 1997). Regulatory misfit would most likely increase the odds of a person rejecting the company's message as untrustworthy or inappropriate and, therefore, increase the likelihood of a strategy backfiring. Overall, regulatory fit seems to play a role in the effectiveness of almost every crisis communication strategy, making the results of this body of research quite pertinent to SCCT.

Ultimately, this chapter intends to establish a theoretical baseline for the possibility of fit between SCCT strategies and a recipient's mindset, so it is best to start with the most obvious examples of fit between strategy and regulatory focus, because they are the most likely to manifest the hypothesized effect. Out of all the SCCT strategies, two carry a message with an undisputable fit with prevention or promotion focus, that being Corrective Action and Compensation, respectively. Their fit is not only based on the positivity or negativity of their core message, but on the fact that they are the only two strategies to directly cater to the needs of their matching regulatory focus. Corrective Action gives the highest guarantee of safety within the SCCT toolkit, which is fully congruent with the goals of prevention focus, while Compensation, in line with promotion focus, is the only strategy to deliver immediate benefits to those impacted by a crisis event. The fit between message and recipient is expected to enhance the effectiveness of the message, therefore:

H1: Promotion focus increases the perceived effectiveness of Compensation.

H2: Prevention focus increases the perceived effectiveness of Corrective Action.

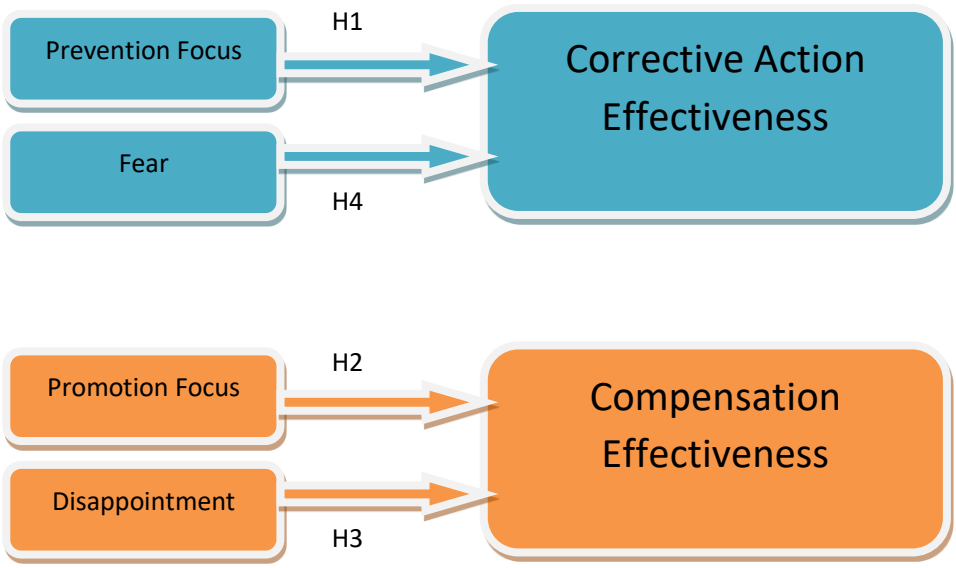
As already mentioned, this increase of message effectiveness is not just a matter of one's regular temperament, but also linked to the changes brought about by a crisis event. As Chapter 2 showed, crisis attributes (severity and responsibility) were linked to particular shifts in regulatory focus. These were not the only changes, however: disappointment and fear were also shown as potential consequences of a negative event. In the context of Study 1's crisis event, disappointment was not tied to a particular regulatory focus, but when Higgins (1997) refers to it as a failure of promotion focus, he establishes a rather interesting connection: as disappointment grows along with the failure of promotion goals, it is also diminished by the *realization of those very same goals*. Even if the crisis event entails no failure of promotion goals, an individual with a high promotion focus would still appreciate a strategy that fits his disposition. Furthermore, disappointment is counterbalanced by delight: when the customer feels that the effort, time and resources they have given do not match the product or service received, it is up to the company to bridge that gap (Estelami 2000). In fact, a very effective and often used way of doing so is through compensation – monetary or otherwise (Buttle & Burton 2002; Maxham & Netemeyer 2002_a, 2002_b), in order to meet and possibly exceed the initial expectations of the maligned consumer.

Conversely, Fear *was* tied to prevention focus in Study 1, even if its expected relationship with Reputation did not manifest. This does not, however, impede the potential for regulatory fit. As individuals begin to experience more and more negative affect, it is only natural that they seek a remedy. Regulatory focus theory (Higgins 1997; Higgins 1998) states, that the presence of a threat and the stimulation of fear create a need for safety, through increased prevention focus. A neurological perspective supports this view with the concept of "fear learning", which posits that exposure to negative stimulus fosters an avoidance attitude toward signals related to the initial negative stimulus (Maren 1996; LeDoux 2000). Therefore, a restoration strategy that caters to that avoidance should be more effective for individuals who are afraid of the crisis and the damage it may cause. Therefore, both the emotional and cognitive fallout of a crisis event create a specific need for restoration (see Figure 1).

H3: Disappointment increases the perceived effectiveness of Compensation.

H4: Fear increases the perceived effectiveness of Corrective Action.

Figure 1 Theoretical Model



Re-test of Chapter 2

The value of the effects covered in Hypotheses 1 through 4 lies in their practical application, but more so when combined with the findings of the previous chapter. Being able to match a single person with their most effective crisis restoration message has little practical use on its own, simply because gathering the required information on the individual level would be rather inefficient. Chapter 2, however, theorized a very clear and expedient way of doing so, just by observing the nature of the crisis event. If crisis attributes have a clear and predictable impact on regulatory focus, fear and disappointment, that greatly diminishes the need for individual-level data collection, because those variables can be inferred from the obvious crisis composition. The confounding factor in Study 1 casts a certain amount of doubt on the veracity of these claims, so it presents a significant problem for the goals

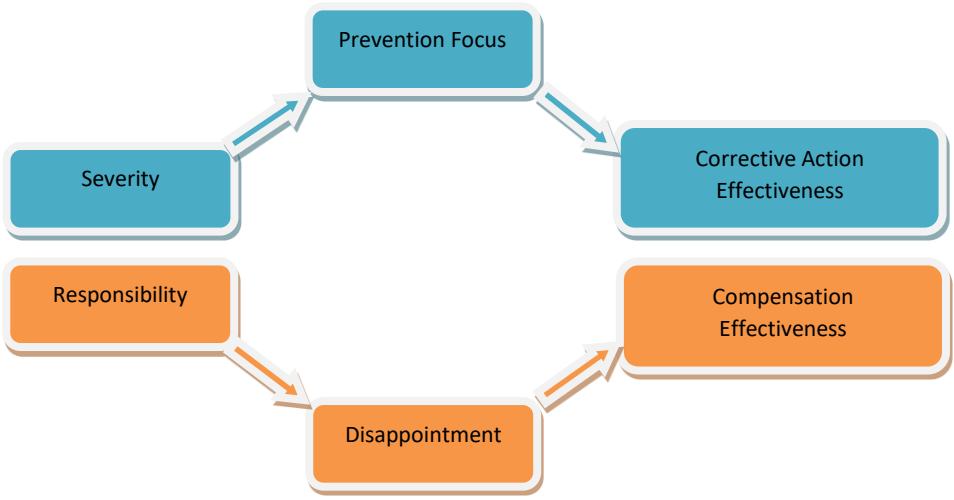
of this dissertation. If it can be rectified with a short re-test, however, the time and effort involved would be a perfectly worthwhile investment

To recap, in Study 1, company responsibility for the crisis was shown to significantly increase participant disappointment, while severity reduced promotion focus. Severity also increased prevention focus, *but this relationship was only significant in the post-hoc analysis*, which managed to isolate the effects of a confounding element. The effect of severity on prevention focus is not only important for the practical implications of the dissertation, but it also feeds into fear, which plays a role in *this* chapter's theoretical model. Ultimately, re-testing the effects of Study 1's manipulations would be a perfectly warranted decision, but it can also provide a small increase to the accuracy of this chapter's findings. If crisis attributes were to be examined in the context of this study, a **mediation analysis** on the effects of severity and responsibility (on strategy perceived effectiveness) would also be able to distinguish between temporary shifts (state) of prevention focus and the permanent (trait) prevention focus of an individual. This would be beneficial for a body of work primarily interested in the temporary effects of crises on cognition and affect. A mediation analysis would lend further support to the notion that there is an uninterrupted relationship between the make-up of a crisis and its ideal resolution. In order to maintain this chapter's focus on the effects of regulatory fit, the number of re-test hypotheses will be kept to a minimum. This re-test will only deal with two mediation hypotheses, rather than a full path analysis. Based on the hypotheses from Chapters 2 and 3, there are two mediation paths that the re-test will focus on. Firstly, the positive relationship between crisis severity and prevention focus, coupled with Hypothesis 2 suggests that crisis severity also increases the perceived effectiveness of Corrective Action, with prevention focus acting as a mediator. Similarly, crisis responsibility is expected to increase the perceived effectiveness of Compensation through disappointment (see Figure 2). Therefore:

H5: Crisis Severity increases the perceived effectiveness of Corrective Action through its positive effect on Prevention focus

H6: Crisis Responsibility increases the perceived effectiveness of Compensation through its positive effect on Disappointment

Figure 2 Theoretical Model for Re-test Section



3.3 Methodology

Chapter 3 proposes a theoretical match between a restoration strategy and the cognitive or emotional state of a given individual, based on the theory of regulatory fit. While a lot of the theory behind the current study hinges on the notion of regulatory fit, it is not necessary to actually *induce* fit within the participants. A far more practical option (and applicable to real scenarios) is to measure the regulatory focus of a participant and determine whether they show a preference for a prevention or promotion-based task or message (Friedman and Förster 2001). The theoretical section has shown that the Corrective Action strategy is expected to be a message congruent with prevention focus and fear. Similarly, Compensation should be congruent with promotion focus and disappointment. This means that the only new variables required for this study (compared to Study 1) are two measures of perceived strategy effectiveness for Compensation and Corrective Action. In turn, this similarity makes the re-test of Chapter 3's confounded hypothesis that much easier. Study 1 has shown that the Severity and Responsibility manipulations will induce a certain amount of variance in the regulatory focus and affect

of the study participants, which suits the purposes of Study 2. In fact, directly manipulating the four independent variables discussed in the theoretical section would present a number of problems. As shown in the previous study, the variables in question are not orthogonal. A Prevention Focus manipulation will invariably have an effect on Fear and, quite likely, Disappointment, much like it did in Study 1. After all, Fear is an expected consequence of a failed Promotion Focus goal (Higgins 1995). As Promotion Focus can suppress negative signals, it is very possible that it might exert its own influence on the negative affect variables, as well. In short, it is borderline impossible to manipulate the experimental factors independently from each other. Therefore, utilizing an improved version of the previous manipulation, only to induce variance in the relevant independent variables does not actually come with any significant drawbacks, considering the distinct lack of alternatives.

The goal of the short re-test is not only to re-examine the first hypothesis from the previous chapter, but to also improve upon the initial crisis manipulation, which seems to have had issues related to information asymmetry between local and foreign participants, as well as an unexplained suppression (or confounding) effect on prevention focus. As such, the manipulation used for this study will resemble the one used in Chapter 2, but it will be modified in a way that aims to reduce the issues of its predecessor. If the former manipulation can be successfully improved, it would become usable in the future, which is preferable to discarding it, altogether.

Participants and Procedure

Participants were once again gathered with the help of the Erasmus Research Participation System, which utilizes BSc business students. In total, the study was administered to 266 participants inside the Erasmus Behavioral Laboratory. The average age was 19 years, 45% of the students were male and 85% were Dutch. Much like the previous study, participants were guided to individual cubicles, where they were exposed to the manipulation and filled out their responses. On average, the study took 14 minutes to complete.

Participants were exposed to a 2 (Severity: high, low) x 2 (Responsibility: high, low) manipulation with a between-subject design. The manipulation (see Appendix) was implemented through an online newspaper article and the scenario was very similar to the one in the previous study, but there was one notable change in the High Severity condition. Rather than state the presence of a dangerous Escherichia coli bacteria in Groningen's water supply, the new manipulation, instead, cited an expert who warned readers that there was the distinct *possibility* of contamination. This shift into a potential threat, rather an immediate one was made in order to increase the believability of the Severity manipulation. The previous study had a potential problem with informational asymmetry between local and foreign students, because the former were more informed about local news and, therefore, more likely to dismiss the manipulation as a lie. This effect should be heavily reduced if the High Severity condition is framed as just the opinion of an expert. This is the main change, aimed at removing the confounding effect from the previous study. The Responsibility manipulation remained unchanged, with the High condition blaming a company for these events, while the Low condition listed a series of miniature earthquakes as the cause.

Once participants were exposed to the manipulations, the appropriate checks were administered for Severity and Responsibility. Two statements were made per check – one normal and one reverse coded. For Responsibility, the first statement claimed that the company was at fault for the event, while the second blamed external circumstances. For Severity, one statement claimed that nobody would suffer severe health problems as a result of the event, while the other claimed that somebody would be harmed. The answers were given on a 5-point verbal scale.

After that, participants were given a set of Emotions (Fear and Disappointment) and asked how they felt on a 7-point scale. Participants were then asked a series of 10 questions (5 for promotion and 5 for prevention focus), based on a modification of the Lockwood (2002) scale, in order to measure regulatory focus. The Prevention Focus items had a Cronbach's alpha of .74, while the Promotion Focus ones scored at .68.

Afterwards, participants were informed about two possible solutions to the crisis in Groningen. They were given a short summary of both the Corrective Action and

Compensation strategies and how they would be carried out under the circumstances and informed that the monetary cost of the two would be identical (5 000 000 Euros). Participants were then asked to rate the effectiveness of either strategy on a 7-point scale. Furthermore, they were also asked which strategy should be carried out and what the top priority of the company should be – consumer satisfaction or complete safety of the product. These last two (binary) measures were not used in the analysis as they were meant to be diagnostic tools to verify a claim made by Coombs and Holladay (Coombs and Holladay 2008), which states that all accommodative strategies share a similar effectiveness. This was not the case, however, as a vast majority of students chose the Corrective Action strategy (96.3%) over Compensation. While this may raise concerns of setting up multiple dependent variables, the strategy choice variable obviously holds considerably less information than the scale measure of perceived effectiveness. As it is considerably less sensitive to the effects of the independent variables, due to its binary nature, it is simply not suitable for hypothesis testing. The safety/satisfaction binary was collected as a preliminary check for the next chapter's topic of safety and value framing and has little to do with the hypotheses of this chapter.

Control Variables

Due to the similar nature the three studies within the dissertation, it is possible to utilize the same set of control variables for every study, thereby keeping their effects on the final results fairly static. This would aid cross-study comparison of effect sizes. As in the previous study, only non-treatment hypotheses will be tested with control variables via ANCOVA (Street 1995; Kirk 2012). The selected control variables are Gender, Involvement and a binary variable denoting Dutch nationality.

Gender has an effect on regulatory focus, such that men tend to score higher on promotion focus, while women tend to be more prevention focused (Laufer & Coombs 2006; Bhatnagar & Smith 2013). It is important to isolate these effects, as all three studies rely on regulatory focus measurements. The gender-based differences in regulatory focus might also influence participant response to the manipulation of a study (before regulatory

focus measurements are taken). Finally, due to the differences in regulatory goals, it is very likely that women will perceive the Corrective Action strategy to be more effective, while men will prefer the Compensation strategy.

Involvement can reverse the effects of regulatory fit (Avnet, Laufer & Higgins 2013) related to prevention focus and dampen the same for promotion focus, if it is sufficiently low. Participants with low involvement are more likely to pay attention to only goal congruent signals (Wang & Lee 2006), as well as focus on heuristic reasoning (Park & Morton 2015), which can have a considerable impact on the study's dependent variables. It can also moderate the effectiveness of crisis communication strategies (Claeys & Cauberghe 2014), making it a pertinent control variable for studies 2 and 3. Finally, involvement may also influence the effects of the manipulation, as uninvolved participants are unlikely to have big reactions to a crisis event.

The Dutch variable was distilled from the nationality of every participant being reduced to a Dutch or non-Dutch binary. The manipulations in this study use a fictional newspaper article talking about events in the Dutch city of Groningen, so it is best to keep track of possible information asymmetry between foreign and local students. Local students may well have more up-to-date information about Groningen, making them more skeptical about the manipulation. Dutch students may also feel closer to the events in Groningen, influencing both their perception of the crisis *and* its proposed resolution.

The same instructional manipulation check (Davidenko 2009) was used as in Study 1, resulting in the removal of 20 inattentive participants the dataset, leaving a total of 246. As before, a preliminary analysis was carried out and this removal had no influence on hypothesis confirmation.

Auxiliary Measures

Once again, the Regulatory Focus Questionnaire was included at the start of the study, for much the same reasons as in Study 1: as a possible avenue for future research. In addition to that, a Proverb scale for regulatory focus (van Stekelenburg 2006) was also included

directly following the Lockwood scale. This was out of concern for the low reliability exhibited by prevention focus and, to a lesser extent, promotion focus in the previous study. If the issue manifested itself once more, the Proverb scale could be used as either a diagnostic tool or as a failsafe, as it should be able to measure temporary shifts of regulatory focus, unlike the RFQ. However, this was not needed in Study 2, as both the measure of promotion focus and prevention focus exhibited considerably higher reliability. As such, the Proverb scale found no use in the analysis. Just like in the previous study, two more emotional measures were also collected: Irritation and Anger. They were not used in the study.

3.4 Results

Table 2 shows the correlations between the variables used in Study 2. Much like in Study 1, there are positive correlations between Promotion Focus and Prevention Focus (r=.173; p<.05), and Prevention Focus and Disappointment (r=.318; p<.05).

Table 2 Correlation Matrix

	Mean	*SD*	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*
1. Prevention Focus	5.293	.900								
2. Promotion Focus	4.315	.907	.173*							
3. Fear	2.191	1.349	.147*	.101						
4. Disappointment	3.325	1.606	.318*	.249*	.374*					
5. Involvement	5.772	.874	.099	-.113	-.091	.044				
6. Corrective Action	6.232	.832	.205*	-.031	-.072	.035	.207*			
7. Compensation	2.793	1.275	-.04	.185*	.078	.159*	-.145*	-.216*		
8. Dutch	.846	.362	.024	-.169**	-.198**	-.082	.017	.024	-.087	
9. Gender	.44	.498	.057	-.007	-.266*	-.120	.101	.126*	-.144*	-.004

*Correlation is significant at the .05 level (2-tailed)

Manipulation Checks

As the manipulations are only used to induce variance within Prevention Focus, Promotion Focus, Fear and Disappointment, there would normally be no reason to carry out manipulation checks, but they are still pertinent to the two re-test hypotheses.

A Severity x Responsibility ANOVA shows a significant effect of the Severity Manipulation and the Severity Check ($F=65.351$; $p<.05$). Participants in the High Severity condition ($M=3.380$; $SD=.793$) scored higher on the Severity Check than those in the Low Severity condition ($M=2.553$; $SD=.880$). There were no other significant effects.

A Severity x Responsibility ANOVA also shows a significant effect of the Responsibility Manipulation on the Responsibility Check ($F=165.436$; $p<.05$). Participants in the High Responsibility condition ($M=3.594$; $SD=.803$) scored higher on the Responsibility Check than those in the Low Responsibility condition ($M=2.376$; $SD=.757$). There was also a significant Severity x Responsibility interaction effect ($F=6.057$; $p<.05$). If Responsibility was Low, Severity would increase the Responsibility check ($B=.367$; $p<.05$), but under High Responsibility, this effect would become insignificant ($B=-.099$; $p>.05$).

Regulatory Focus

Multiple ANOVAs were carried out to determine the effects of the manipulations on other variables in the model.

The Severity Manipulation had a significant effect on Prevention Focus ($F=15.054$; $p<.001$). Participants in the High Severity condition ($M=5.498$; $SD=.803$) scored higher on Prevention Focus than those in the Low Severity condition ($M=5.075$; $SD=.966$). No other effects on Prevention Focus were significant.

The Responsibility Manipulation had a significant effect on Promotion Focus ($F=5.044$; $p<.05$). Participants in the High Responsibility condition ($M=4.468$; $SD=.876$) scored lower on Promotion Focus than those in the Low Responsibility condition ($M=4.220$; $SD=.920$). No other effects on Promotion Focus were significant.

Emotions

To investigate the effects of the manipulations on different emotions a Severity x Responsibility MANOVA was carried out. The Severity manipulation had a significant effect on Fear (F=6,036; p<.05; M_L=2.053/M_H=2.474), as well a marginally significant effect on Disappointment (F=3,209; p=.074; M_L=3,1880/M_H=3,5263).

The Responsibility manipulation had a significant effect on Disappointment (F=31.934; p<.001; M_L=2,8346/M_H=3,8797). No other effects were significant.

Perceived Strategy Effectiveness

A Severity x Responsibility ANOVA was also carried out on the perceived effectiveness measure for Reconstruction. Neither Severity (F=.170; p>.05) nor Responsibility (F=.076; p>.05) had a significant effect and there was no significant interaction. Similarly, a Severity x Responsibility ANCOVA revealed no significant effects of Severity (F=.278; p>.05) and Responsibility (F=.059; p>.05) on the effectiveness of Corrective Action, nor any significant interactions.

Control Variables

Much like in Study 1, this analysis uses Involvement, Gender and the Dutch binary as control variables. Involvement had a negative effect on Promotion Focus (B=-.142; p=.021), a marginally significant effect on Fear (B= -.155; p=.091), as well as an effect on both dependent variables, Perceived Corrective Action Effectiveness (B=.204; p=.001) and Perceived Compensation Effectiveness (B= -.231; p=.008). Gender also had multiple significant effects with women scoring higher on Fear (B=.721; p=.001) and Disappointment (B=.437; p=.027), as well as on Perceived Compensation Effectiveness (B=.347; p=.027) and a near significant effect on Perceived Corrective Action Effectiveness (B=-.171; p=.117). Unlike Study 1, the Dutch binary variable had no relevant significant effects, which means information asymmetry is likely not as big of an issue as it was in Study 1.

Hypothesis Testing

Rather than test every hypothesis individually, it is preferable to analyze the cumulative effects of the independent variables on perceived strategy effectiveness. This allows for

the construction of an overarching model for crisis restoration effectiveness and it shows that the effects remain significant even when they are tested together, eliminating concerns about potential omitted variable bias. Additionally, this allows us to track the effects of independent variables on the perceived effectiveness of a *non-congruent* strategy. If those effects happen to be significantly positive, that would obviously not be the product of regulatory fit and it would present a major concern for the study. It may well be possible, that any variable, which contributes to the overall perceived magnitude of a crisis, might also increase the perceived effectiveness of ***any*** proposed solution, simply because it increases the need for ***a*** solution. It is vital, therefore, to ensure that the observed effects are the product of regulatory fit and not some other mechanism.

In order to test the effects of Prevention Focus (**Hypothesis 1**) and Fear (**Hypothesis 4**) on the perceived effectiveness of Corrective Action, an ANCOVA was carried out with all the listed independent and control variables, along with the two manipulations. The output can be observed in Table 3. Prevention Focus significantly increases (B=.187; $p<.05$) the perceived effectiveness of the Corrective Action strategy, which confirms **Hypothesis 1**. Fear, however, does not have a significant effect (B=-.037; $p>.05$) on Corrective Action's perceived effectiveness, which means that **Hypothesis 4** is not confirmed. Neither Promotion Focus (B=-.039; $p>.05$), nor Disappointment (B=-.005; $p>.05$) have a significant effect, which is in line with the expected effects of regulatory fit.

Table 3 Effects of Prevention Focus and Fear on Perceived Corrective Action Effectiveness

	Effect	SE	p	LLCI	ULCI
Constant	4.503	.562	.001	3.395	5.610
Prevention Focus	.187	.064	.004	.062	.313
Promotion Focus	-.039	.061	.517	-.159	.080
Involvement	.164	.061	.008	.044	.283
Gender	.146	.110	.185	-.070	.362
Dutch	-.008	.149	.956	-.301	.284
Fear	-.037	.044	.397	-.124	.049
Disappointment	-.005	.039	.893	-.083	.072
Severity Manipulation	-.080	.150	.593	-.216	.377
Responsibility Manipulation	.008	.151	.959	-.306	.290
Severity x Responsibility	.128	.208	.540	-.539	.283

DV – Perceived Corrective Action Effectiveness $R^2 = .095$ $F=2.467$

A second ANCOVA was carried out with the same set of independent variables, in order to confirm the effects of Promotion Focus (**Hypothesis 2**) and Disappointment (**Hypothesis 3**) on Compensation's perceived effectiveness (Table 4). In this case, both Promotion Focus (B=.208; p<.05) and Disappointment (B=.141; p<.05) have a positive and significant effect on Compensation. This confirms **Hypothesis 2** and **Hypothesis 3**, respectively. Furthermore, the effects of Prevention Focus (B=-.101; p>.05) and Fear (B=-.038 p>.05) are both insignificant. The results from the two ANCOVAS indicate that the independent variables studied in this chapter only benefit congruent strategies and exert no effect on incongruent ones.

Table 4 Effects of Promotion Focus and Disappointment on Perceived Compensation Effectiveness

	Effect	SE	p	LLCI	ULCI
Constant	3.033	.855	.001	1.349	4.717
Prevention Focus	-.101	.097	.298	-.292	.090
Promotion Focus	.208	.092	.025	.026	.389
Involvement	-.170	.092	.068	-.351	.012
Gender	-.300	.167	.074	-.629	.029
Dutch	-.212	.226	.349	-.657	.233
Fear	-.038	.067	.574	-.169	.094
Disappointment	.141	.060	.020	.023	.259
Severity Manipulation	-.379	.229	.098	-.071	.830
Responsibility Manipulation	-.468	.230	.043	.015	.921
Severity x Responsibility	.490	.317	.124	-1.115	.135

DV – Perceived Compensation Effectiveness $R^2 = .108$ $F=2.838$

Re-test of Crisis Effects

Hypothesis 5 of the Re-test section in Chapter 3 claims that Crisis Severity also increases the effectiveness of Corrective Action, and that this effect is mediated by Prevention Focus. In order to test this, a mediation analysis was carried out via SPSS PROCESS (Model 4), with the same independent and control variables as the previous analyses. The results showed the **Severity>Prevention Focus>Corrective Action Effectiveness** path to be significant with an indirect effect of (B=.074; p<.05), confirming **Hypothesis 5.** The same mediation analysis was carried out for the **Responsibility>Disappointment>Compensation Effectiveness** path and it was significant with an indirect effect of (B=.14; p<.05), confirming **Hypothesis 6.**

3.5 Post-hoc Analysis

Three out of the four initial hypotheses found confirmation, but the effects of Fear on Corrective Action Effectiveness were not confirmed in the analysis. Before this relationship gets consigned as unfounded, however, there is one more factor that needs to be

scrutinized: the potential effect of Involvement. As mentioned in the control variable section, low Involvement can dampen the effects of regulatory fit in a promotion context, but completely *reverse* them in a prevention context (Avnet, Laufer & Higgins 2013). It is necessary to rule out such interference, before finalizing the analysis.

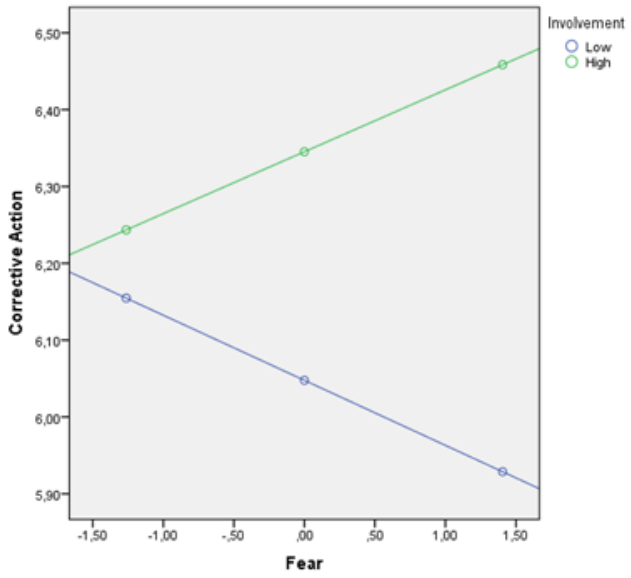
A moderation analysis was carried out to test the possible effects of the Involvement x Fear moderation on the perceived effectiveness of Corrective Action (using SPSS PROCESS model 1). Table 5 shows that there is, indeed, an interaction effect between Fear and Involvement (B=.156; p<.05), depicted in Figure 3. Under conditions of high Involvement, Fear increases the perceived effectiveness of Corrective Action (B=.117; p=.07), but under low Involvement, Fear has the opposite effect – it diminishes that same effectiveness (B=-.156; p<.05).

Table 5 The Effect of Fear x Involvement on Perceived Corrective Action Effectiveness

	B	SE	p	LLCI	ULCI
constant	5.416	.39	.001	4.648	6.185
Fear	-.019	.043	.656	-.105	.066
Involvement	.201	.061	.001	.081	.32
Fear x Involvement	.156	.048	.001	.061	.251
Promotion Focus	-.049	.059	.410	-.166	.068
Prevention Focus	.185	.062	.003	.062	.307
Severity Manipulation	-.059	.106	.576	-.269	.15
Responsibility Manipulation	.078	.109	.475	-.137	.293
Gender	.142	.107	.187	-.069	.353
Dutch	-.004	.145	.978	-.291	.282
Disappointment	-.001	.039	.989	-.077	.076

DV – Perceived Corrective Action Effectiveness $R^2 = .132$ *F=3.573*

Figure 3 The effect of Fear x Involvement on Perceived Corrective Action Effectiveness

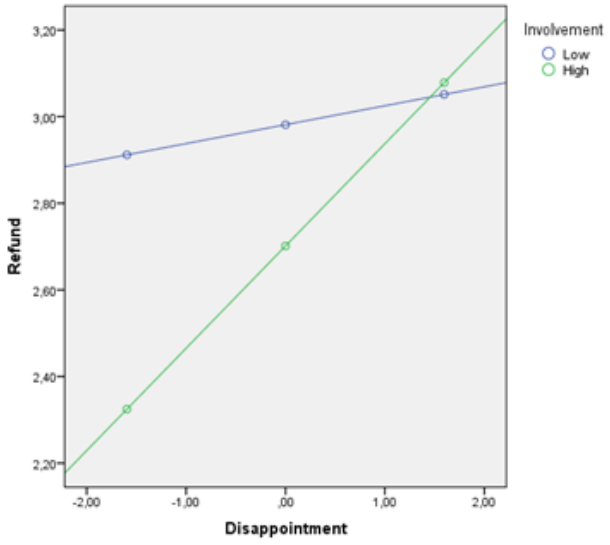


The way low Involvement reverses the effect of Fear on Corrective Action's perceived effectiveness is identical to the effects noted by Avnet, Laufer and Higgins (2013), except the latter dealt with Prevention Focus, rather than Fear. This substitution is not particularly shocking, however, given that Fear is an emotional consequence of Regulatory Focus (Higgins 1995; Higgins 1998). This moderation effect is still highly specific to the topic of regulatory fit, so it raises a fairly interesting question: are the effects of Disappointment, the second negative affect variable in the mode, moderated according to the same pattern? If low Involvement can **reverse** the effect of Fear on its congruent strategy, then it should also **diminish** the effect of Disappointment on Compensation, because it is the product of promotion-based regulatory fit (Avnet, Laufer & Higgins 2013).

Using SPSS PROCESS (model 1), a moderation analysis was carried out, in order to determine if Disappointment's effects on Compensation were moderated by Involvement. The Disappointment x Involvement effect (Figure 4) was significant (B=.119; p<.05) and it matched expectations: under low Involvement, Disappointment had no noticeable effect

on Compensation (B=.047; p>.05), but under high Involvement, the effect was positive and significant (B=.256; p<.05).

Figure 4 Disappointment x Involvement on Perceived Compensation Effectiveness



To sum up, low Involvement seems to reverse the effect of Fear on its congruent strategy, while it only diminishes the effect of Disappointment on its own congruent strategy. This lends further credence to the notion that Fear and Disappointment can be sources of regulatory fit, because these two effects perfectly mirror the previously discussed moderating effects of Involvement on prevention- and promotion-based fit, respectively. As the effects of Fear *in both Involvement conditions* match the regulatory fit theory discussed so far, it seems reasonable to give Hypothesis 4 partial confirmation.

3.6 Discussion

Three out of the four original hypotheses found confirmation in the initial analysis and the fourth one found some measure of support in the post-hoc analysis. The initial results showed that promotion focus and disappointment would increase the perceived effectiveness of the Compensation Strategy, while only prevention focus would significantly improve the perceived effectiveness of Corrective Action. The effects of fear on the perceived effectiveness of Corrective Action were only revealed in the post-hoc analysis, due to the moderating effect of involvement: under conditions of high involvement, fear would have the hypothesized positive effect on Corrective Action, while under low involvement, it would be negative. As this matched Avnet, Laufer and Higgins' (2013) findings about involvement moderating regulatory fit, the same moderation analysis was carried out for disappointment and its effect on Compensation. The results provided a further match, as the effect of disappointment was only *diminished* by low involvement, which is the expected outcome for promotion-based regulatory fit.

The study shows a fairly convincing pattern: when a participant was exposed to a communication strategy congruent with their personal mindset (and the goals the latter dictates), this would create regulatory fit, to the benefit of the restoration effort. As prevention focus, promotion focus and disappointment (as well as fear, in the post-hoc analysis) only benefitted their respective congruent strategies, there is very little doubt that the effects observed in Study 2 are the product of regulatory fit. The moderation effects of involvement on fear and disappointment, observed in the post-hoc analysis, lend further credence to this notion, as they only really found in regulatory fit literature.

For the practitioner, this means that the informational content of a given restoration strategy is yet another prominent factor they need to utilize for their overall communication efforts. Deciding on a strategy is no longer just a balancing act between expected reputational damage and inherent cost - one has to consider the source and aftermath of the damage, as well as how these factors can be addressed by a specific strategy. Normally, determining the regulatory and emotional state of an individual would require some investment of time and monetary resources, which would make it almost

prohibitive to do on a larger scale, but the past two studies have shown that these factors are linked to easily observable crisis attributes like severity and responsibility. Because of these links, a rough estimate of the stakeholders' regulatory and emotional state can be estimated just by examining the crisis, itself. Ultimately, severity encourages the application of a prevention-based message through fear and prevention focus, while responsibility encourages promotion-based messages though disappointment. It is very likely that this "match" effect is not limited to just the two strategies examined in the study, however. It is entirely possible that other messages from the SCCT model can exhibit degrees of fit with an individual's regulatory focus. The topic of misfit also deserves attention – if Corrective Action is congruent with prevention focus, a purely defensive strategy like Denial or Attacking the Accuser is decidedly *incongruent.* Any attempt to sidestep the issue or shift responsibility is more likely to backfire, when used on an individual who is more concentrated on negative signals and has a higher demand for stability. This may seem intuitive, but the current SCCT model (Coombs 2007; Coombs 2007; Coombs and Holladay 2008) focuses on responsibility as the primary factor that drives the need for an accommodative strategy, rather than severity. The current findings can be useful, therefore, in recalibrating the prevalent list of strategies into something more contingent upon the circumstances behind the crisis event. Overall, this would provide managers with more information about the minds of their stakeholders and a greater insight into the appropriate methods of communication. A more thorough analysis of the SCCT model could even codify an *immediate response protocol*, based on the severity and responsibility of a crisis event and the regulatory fit of the strategy. In turn, this would present significant gains of initiative and control over a situation as it unfolds. Given the effects of primacy on the formulation of reputation, this benefit may prove to be quite influential.

Of course, it is important to note that these findings are not limited to the SCCT model, because they are not inherently *reliant* on it. The mechanism that determines the match between crisis and message is primarily based on regulatory fit and it can, therefore, be applied to any other type of message or signaling theory. One does not need to use an SCCT strategy, in order to benefit from fit, so the applicability of this research is quite broad. At the same time, this provides a good deal of flexibility for the SCCT model, as well: without

the need for strict adherence to a particular message, it is easier to tailor a restoration campaign to the needs of the external environment. Perhaps it is even possible to frame neutral SCCT strategies in such a way that allows them to exhibit previously unavailable fit with promotion or prevention goals. In fact, framing would be a very *cost effective* way of providing fit, as it costs neither time nor any material resources.

Academically, this research also contributes to the field of regulatory focus theory. On one hand, the interface between Regulatory Focus Theory and crisis communication provides a degree of applicability that is always valuable even for established theory. Additionally, this study may also be used to expand upon the concept of regulatory fit: the analyses showed an increase in perceived effectiveness for strategies that were congruent not only with promotion or prevention focus, but also with disappointment and fear. With disappointment and fear being able to generate regulatory fit, the impact and applicability of regulatory fit can be extended by a considerable margin. From an academic perspective, this also provides new avenues of research, as it increases the potential sources of regulatory fit. It also reinforces the importance of involvement as a control variable in this context, given its multiple moderation effects in the post-hoc analysis.

3.7 Re-test Discussion

The two hypotheses from the re-test section were also confirmed. The remodelled severity manipulation had a significant positive effect on prevention focus and that effect was large enough to also influence corrective action. Similarly, the responsibility manipulation increased disappointment to an extent that also influenced Compensation's effectiveness. The new version of the severity manipulation seems to have served its purpose and eliminated the confounding element that manifested in the previous study. This re-affirms the positive connection between severity and prevention focus, which was only tentatively confirmed in Study 1. Furthermore, the two mediation effects demonstrate one of the notions that this entire thesis is founded on – the uninterrupted link between specific crisis attributes and the optimal crisis restoration message, mediated by regulatory focus and its emotional consequences. Based on these results, it seems that crisis severity creates a

need for a prevention focused solution, while responsibility demands a promotion focused solution, irrespective of the defensive-accommodative spectrum.

3.8 Limitations and Notes for Future Studies

Using perceived effectiveness as the dependent variable for Study 2 poses certain issues. For one, the concept of strategy effectiveness may well deserve more elaboration than the study gave or even allowed for. No concrete parameters were given for what constitutes an effective strategy and that is likely to confuse participants, even despite the fact that they were all business students. As such "effectiveness" is perhaps more of a proxy for "goodwill and appreciation". Nevertheless, this is not a critical failure, as the central goal of the study was to prove that the informational content of a strategy can be the source of regulatory fit and whether that fit is expressed via goodwill or effectiveness, the difference is minimal, as both variables are expected to be highly correlated to reputation.

It can also be said that asking participants to score two competing restoration strategies might provide some kind of clue toward the purpose of the study and introduce demand characteristics, thereby reducing internal validity. Participants may have gotten the idea that they are supposed to give the "good" solution a high score and the "bad" solution a low score, but even if that were the case for some of them, it would not pose a particularly great issue for the actual goals of the study. As the study is interested in tracking the effects of prevention focus, promotion focus, disappointment and fear on the effectiveness of their respective congruent strategy, it doesn't really matter how the strategies compare to *each other*. Furthermore, both Corrective Action and Compensation are among the most accommodative strategies available and they were both given a budget of 5 million Euros, so even if one of the strategies was perceived as "wrong" the contrast between strategies should not lead to punitive behaviour. If Compensation were replaced with a heavily defensive strategy like Denial, participants may very well decide to penalize the score of the latter, because they find it insulting. Demand characteristics are also unlikely to arise from the regulatory focus questions, as Regulatory Focus Theory is not part of the student's curriculum, so they would not be able to recognize the purpose of the study.

The Compensation and Corrective Action strategies are, most likely, the best places to look for regulatory fit within the SCCT model, but that does not mean that they are the only viable options. It would benefit future studies to expand the selection of strategies that can interact with regulatory focus as it would improve the robustness of the current findings, as well as their applicability. A lot of the purely defensive strategies could provide an interesting avenue of research, as their reliance on misdirection and misinformation could be seen as a larger transgression from a prevention-focused standpoint. Furthermore, due to prevention focus' propensity to exacerbate negative events, the reputational damage of the crisis, itself, can also be increased. This could easily invalidate the effects of a defensive strategy, which is not meant to handle crises of a higher calibre. Thus, an individual's prevention focus could act as a threshold for the different types of corporate communication and their viability.

It may be a problem that the effect of fear on Corrective Action was only significant in the post-hoc analysis, due to a moderation with involvement, but it is also unlikely that the significance of this moderation is the product of a Type I error. After all, the effects of fear on Corrective Action are congruent with the theory on regulatory fit for *both the high and low involvement conditions* (Avnet, Laufer and Higgins 2013). It is unexpected that the average effect of Fear under the two conditions is effectively zero, but this may be because of the "feeling of rightness" that occurs upon the confirmation of an individual's regulatory expectations. It is possible that the effects of this feeling are more potent for an emotional variable like fear, compared to a cognitive one like prevention focus

Chapter 4 – Framing as a Source of Regulatory Fit for Crisis Communication

4.1 Introduction

So far, this dissertation has developed two models, aimed at integrating Regulatory Focus Theory with Situational Crisis Communication Theory. The first model detailed how specific crisis attributes (severity and responsibility) would determine the cognitive and emotional fallout experienced by external stakeholders and how that would ultimately harm the company's reputation. Subsequently, the second model showed that each of these variables could also contribute to the perceived effectiveness of congruent restoration strategies, based on regulatory fit.

Regulatory fit is a mechanism that allows one to identify the appropriate message for a given situation, but it also eliminates a great many options, compared to the traditional SCCT model. If a crisis must be matched with a congruent message, the list of available strategies shrinks dramatically, and, in a way, flexibility disappears for the sake of effectiveness. However, even if the choice of strategy becomes more rigid, there is still quite some leeway in term of presentation, or more specifically, framing of the message. Much like the restoration strategy, framing is also capable of generating regulatory fit (Cesario et al. 2004; Lee & Aker 2004; Cesario, Higgins & Scholer 2008), but it offers a greater degree of choice and control. Most SCCT strategies are not perfectly aligned with promotion or prevention focus, with the exception of Compensation and Corrective action, respectively, but framing does not share this limitation – it can be constructed to fit any disposition. Furthermore, its cost is almost non-existent, when it comes to physical or employee resources, which makes it a very efficient tool.

These benefits may come with certain risks, however: just as they may exhibit fit with the goals of a given individual exposed to the framing of a message, so might *misfit* occur, should the framing not match the informational content of the strategy, itself. Would a Corrective Action strategy be congruent with a value-based framing? That would be quite unlikely, if the combination creates the impression of an inconsistent message. Therefore,

even if framing comes at no upfront cost, caution is still very much warranted. By deconstructing communication strategies to their more basic elements and examining the way they interact, it's possible to improve both academic and managerial understanding of corporate communication. The goal is to highlight the many possible applications of regulatory fit within crisis communication and increase the latter's effectiveness with every instance of fit.

One particular gap that can be identified within the SCCT model is the somewhat lacking delineation between individual strategies and the mechanisms they use, in order to influence public opinion. Strategies lie on a defensive-accommodative spectrum: the defensive ones being relatively cheap and ineffective, while the accommodative ones are resource intensive and boast a high impact (Coombs 1995; Coombs & Holladay 1996). However, there is little clear delineation between the effectiveness of neighbouring strategies, so discussion often revolves around strategy clusters, rather than the informational content of a given strategy (Coombs & Holladay 2008). In practice, this creates a focus on the resource intensity of a given message, rather than its goals or its contents. While later iterations of the model are somewhat more nuanced in this matter (Coombs 2007), they still present restoration strategies almost exclusively as functions of attribution – reserving the most resource intensive strategies (the rebuilding ones) for high-impact crisis events that are solely the fault of the company, while the defensive ones are relegated to unimportant accidents. In doing so, the cost-benefit nature of the model remains unchallenged, as strategy selection is determined solely by the potential reputational damage of a crisis. The goal of this dissertation is to overturn this focus and show that there are many other factors, which can be used to enhance the effectiveness of specific restoration signals, thereby making strategy selection a more methodical and predictable process.

By examining the informational contents of individual SCCT strategies and the signals they put forth, it is possible to isolate the optimal conditions for those same strategies. Matching the signal generated by individual strategies to the crisis (and its impact on the public) generates a more powerful and persuasive message (see Chapter 3). Of course, the match between message and recipient is the very definition of regulatory fit and among the foundations of regulatory focus theory (Higgins 2000). As the work by Laufer et al. (2015;

2010) and previous chapters of this dissertation have shown, answering the cognitive and emotional needs of the individual can increase the effects of corporate communication precisely via regulatory fit. These studies have been limited in a certain way, however, as they generate regulatory fit through objective action that promises *some* kind of utility gain, be it in terms of value or safety. For instance, the comparison between Corrective Action and Compensation in the previous chapter shows that regulatory fit works in the context of crisis communication but, on its own, it presents a limited view of that very same fit. It suggests that fit comes from something tangible, like the utility created by an accommodative strategy (Laufer 2010). While that is true, it is not a *requirement* – fit can be generated simply by the way a message is framed, even without objective increases of value or safety (Crowe & Higgins 1997; Idson, Liberman & Higgins 2000; Kim 2006). The distinction is important, because it highlights a source of fit that has no inherent cost in terms of financial resources, manpower or even invested time.

Research has shown that, through framing, a small segment of text can provide value judgements and recontextualise a message to better fit the mind-set of its recipient (Kahneman & Tversky 1989; Entman 1993). This mechanism is certainly applicable to the context of crisis communication and further helps to deconstruct already established models of corporate messages, but also easily malleable and quite affordable. If the informational content of a strategy is its core, then the framing element can be considered a "hook" – small, but perfectly capable of captivating the interest of the target audience and guiding their interpretation of the message. If the restoration strategy and its framing can generate the same kind of signals, then the concept of signal consistency comes to the forefront. Even though framing can be an extremely flexible source of message effectiveness, if it clashes with the information content (Herbig & Milewicz 1993), the incongruence can destroy the logical cohesion of that same message. This means that in the context of crisis communication, the effects of framing cannot be properly examined without taking the core strategy into account.

The final topic of this dissertation will, therefore, be the utilization of framing in a crisis communication context and its possible interaction with established SCCT strategies. This will allow practitioners to select a cost-efficient and highly adaptable framing for their message, in an effort to enhance its influence and persuasiveness. This chapter is the

culminating step of this dissertation. Chapter 2 showed that a crisis event can successfully be examined through the lens of Regulatory Focus Theory, in order to predict its cognitive and emotional impact on the stakeholder. Chapter 3 showed that these changes, in turn, influence the perceived effectiveness of certain restoration strategies, the goal being a greater differentiation between the options available to practitioners. Chapter 4 further develops the previous experiments by utilizing the concept of framing, in conjunction with the informational contents of a strategy, in order to provide an additional source of regulatory fit and persuasiveness. From a theoretical perspective, it is also vital to examine the possible relationship between a restoration strategy and its framing, because framing cannot exist on its own, so exploring its effects in isolation holds little value.

4.2 Literature Review

Framing and Regulatory Fit

The concept of regulatory fit has already been covered in this dissertation and the definition does not need to be repeated, but both the previous chapters and the work of Laufer and Jung (2010) do not cover one rather important detail – regulatory fit can be the outcome of purely subjective components. For example, Chapter 3 presents two possible crisis resolutions that offer either value-based or safety-based utility – Compensation and Corrective Action, both of which come with a cost of 5 million Euros. While the *value* placed on monetary refunds or total reconstruction of a city's waterways is determined by an individual's own priorities, the *actions* undertaken are not identical in any way. In this case, regulatory fit is the consequence of a match between proposed action and the regulatory focus of a study participant. Similarly, Laufer and Jung's (2010) paper suggests that regulatory fit between consumer and product recall message enhances the impact of the message, but the evidence they use relies on objective differences, rather than just the contents of a given message. They present their participants with a problem - a faulty laptop battery, and then expose them to one of two recall messages. The only difference is that the first message offers a simple replacement, while the second option offers what appears to be a superior battery, which would improve laptop performance. Effectively,

this too is a comparison between two different strategies, revolving around replacement or improvement of a poor product. Even if they don't exactly conform to the SCCT typology, the actions are sufficiently different in terms of outcome and resource requirements to be treated as separate strategies. Participants were most likely not reacting to the *frame* of the message, but rather to the different informational content. As such, the application of framing-based fit to SCCT could still benefit from further scrutiny.

The delineation between these types of fit may seem purely an issue of taxonomy, but there are substantial differences in the underlying psychological process. Regulatory fit happens when an individual pursues their regulatory goals in a manner that sustains their regulatory orientation (Avnet & Higgins 2003; Higgins 2005; Aaker & Lee 2006). When regulatory fit occurs due to the informational contents of crisis communication, the audience should experience improved information processing, combined with a feeling of being right, which improves the effectiveness of the message (Cesario, Grant & Higgins 2004; Cesario, Higgins & Scholer 2008; Avnet, Laufer & Higgins 2013). On the other hand, when regulatory fit comes from a framing segment, that "right" feeling is *transferred* over to the evaluation of the object (Higgins et al. 2003; Lee & Aaker 2004; Cesario, Higgins & Scholer 2007), or message in this case. This transfer can be interrupted, if the feeling is deemed irrelevant to object's evaluation (Higgins, Idson, Freits, Spiegel & Molden 2003). Even if the regulatory fit stemming from SCCT strategies has been shown to be effective in the previous study, that does not guarantee that framing-based fit will show the same results. Additionally, the question of signal specificity could also pose a problem.

Signal theory dictates that in an environment of asymmetrical information, consumers value specific signals over vague ones (Spence 1973; Connelly, Certo, Ireland & Reutzel 2011; Atkinson & Rosenthal 2014). Information that can be used to discern and pinpoint unobservable attributes of interest to the individual effectively reduces uncertainty in a given situation. A specific and useful signal, therefore, leads to trust and message persuasiveness (Roberson, Collins & Oreg 2005). The price behind a given signal can also be viewed as an important quality, as it shows a willingness to invest resources and an ability to bear that same cost, both of which also feed into signal effectiveness (Smith & Bird 2005). In the context of crisis communication, this means that the comparison of expected effectiveness between direct action and framing falls definitively in favour of

action. Taking Chapter 3's manipulation as an example, spending €5,000,000 on total waterway reconstruction is a very specific signal: it can be verified, it deals with specific information, it is pertinent to the problem at hand *and* it comes at a significant price. Compared to that, a simple framing segment has little room to compete, as it contains no specific information of its own. With these details in mind, it seems very likely that framing-based regulatory fit would exhibit a lower effect size, compared to what was observed in the previous chapter. However, one source of fit should not cancel the other out. It is entirely feasible to present a message where both the informational content of the strategy and its framing independently appeal to a particular regulatory focus. In fact, it is almost mandatory for this paper to utilize both sources of fit, in order to disentangle the two separate effects, but also to prove that one signal will not cannibalize the other.

The theory behind framing is actually quite close to regulatory focus, to begin with. Framing, at its very core, provides judgement, context or intent to a message, or a given set of information within that message (Entman 1993), thereby increasing its salience and perceived importance. This effect is highly dependent on the recipient of the message, as well. If recipients possess a mental framework, that matches the theme of the framing employed, the informational contents will become more persuasive and memorable (Latimer, Salovey & Rothman 2007). For example, an individual primed to look for CSR related information would be more sensitive to CSR-framed issues (Wang 2007). The connection with Regulatory Focus Theory is quite intuitive, as prevention and promotion focus provide a very clear framework of mental "schemata" (Entman 1993), which determine the influence of information framing (Dholakia, Gopinath, Bagozzi, Nataraajan 2006). Effectively, regulatory focus determines the kind of signal that an individual is most likely to respond to, while framing can give it a shape that makes it more appealing and easier to process. In turn, an increased ease of processing enhances the impact of the message (Lee & Aaker 2004; Förster & Higgins 2005; Lee & Higgins 2009).

As Chapter 3 has shown, a strategy can be more or less effective, depending on the cognitive and emotional state of the recipient, due to regulatory fit, or lack thereof. If the informational content of a strategy matches the "needs" of a person's current psychological state, it will be received more positively. The effects of framing should mimic these results, as they too are subject to the same forces of regulatory fit, and are perfectly

capable of matching the same set of needs. In fact, the word "need" can very easily be substituted with "regulatory goal" (Shah, Higgins & Friedman 1998) and meeting the requirements of said need has the same consequences as meeting the requirements of a regulatory goal (i.e., regulatory fit). Furthermore, according to the need-specificity hypothesis (Nikula, Reiner, Klinger & Larson-Gutman) signals that are congruent with an individual's need can "serve as cues to install a *configuration of the mental apparatus* that is specific to the particular need aroused and support the enactment of need-relevant behaviour" (Kazén & Kuhl 2005). This effect could be quite impactful for the field of corporate communication, because it presents both opportunity and risk. On one hand, if a corporate message is aptly chosen and satisfies the needs of the crisis event, it can definitely benefit from this change of mental configuration, because certain crisis-related mental attributes can increase the effectiveness of a congruent restoration message (see Chapter 3). For example, if the salience of disappointment and promotion focus increases when an individual is exposed to a crisis-related message, that would increase the effectiveness of a congruent message like Compensation. Herein lies the problem, of course; if the message is *not* congruent, it may well be penalized by the need-specificity effect. Highly defensive strategies are unlikely to function well under conditions of high crisis salience, because they are not particularly congruent with any regulatory goal, and are likely to be *incongruent* with prevention focus. As such, the correct choice of message becomes even more crucial. Additionally, the intensity of a particular need is also proportional to the sensitivity of an individual towards a need-specific signal (Shah, Higgins & Friedman 1998; Allport 1955; Bruner & Krech 1950). It is reasonable to expect, therefore, that elements, feeding into a similar need will also create a sensitivity towards the same need-specific message, or in this case, framing.

When it comes to the needs covered by this thesis, the past two chapters have shown a fairly simple pattern. Although variables were originally grouped in terms of Crisis Attributes (severity and responsibility), Cognition (prevention and promotion focus) and Affect (fear and disappointment), it became apparent that they generate two distinct needs. Crisis severity was linked to prevention focus and through that, fear, so all three variables share a common aspect of *threat.* As they share a common origin, so do they share a need – that of safety (Higgins 1997). The most direct way to reduce the initial threat

is to offer safety and as Chapter 3 showed, as threat increases, so does the importance of safety. In short, the effectiveness of safety-based framing is expected to be enhanced under conditions that increase the need for safety:

H1: Prevention Focus enhances the relative effectiveness of a Safety Framed message in preserving Reputation

H2: Fear enhances the relative effectiveness of a Safety Framed message in preserving Reputation

H3: Severity enhances the relative effectiveness of a Safety Framed message in preserving Reputation

While severity, prevention focus and fear share a common origin – that of the underlying threat of the crisis, the same cannot be said for responsibility, promotion and disappointment. This is because responsibility is not inherently a failure of promotion focus goals – not in the same way that severity is a failure of prevention goals. Promotion focus is more concerned with potential gain, rather than attribution of blame – in fact, promotion focus might even suppress perceived responsibility, as it does so for negative signals, in general (Higgins 1995). For responsibility, promotion and disappointment, therefore, the common denominator is not origin, but perhaps it can be found within the common need generated by all three variables. Much like severity has the emotional consequence of fear, responsibility leads to disappointment, due to a gap between expectations and reality (Zeelenberg, van Dijk, van der Pligt, Manstead, van Empelen, Reinderman 1998). The way to remedy the situation is by providing value in an attempt to bridge that gap (Estelami 2000; Buttle & Burton 2002; Maxham & Netemeyer 2002), but this coincides with the goals of promotion focus. The greater one's promotion focus is, the more one concentrates on obtaining value and the more sensitive one is to positive signals (Higgins 1995; Higgins 2002). Promotion focus, responsibility and disappointment, therefore, share a common need of value. This coincidence of needs may prove quite convenient for practitioners, as crises with high severity are expected to decrease promotion focus via an increase of

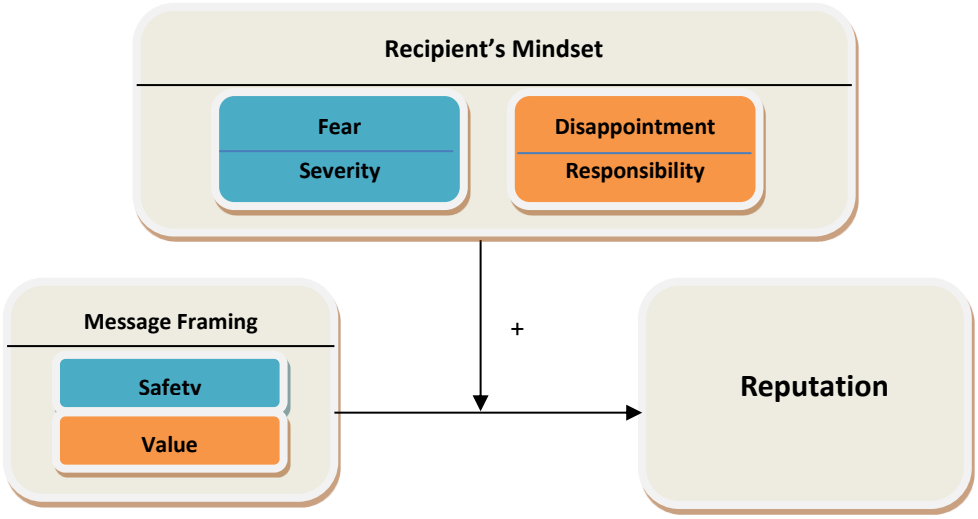
prevention (see Chapter 2). This would make value-based communication less effective, further delineating the strategies that should be utilized in a given situation: under conditions of high severity and its mental consequences, value-based communication would not be advised. Responsibility, disappointment and promotion, on the other hand, are expected to increase the effectiveness of value-based messages, due to their common need for value. Therefore:

H4: Promotion Focus enhances the relative effectiveness of a Value Framed message in preserving Reputation

H5: Disappointment enhances the relative effectiveness of a Value Framed message in preserving Reputation

H6: Responsibility enhances the relative effectiveness of a Value Framed message in preserving Reputation

Model 1 Interaction between Framing and Sources of Regulatory Fit



Restoration Strategies and Mixed Signals

As the previous sections suggest, the value of the framing effects is only applicable in the context of a restoration message – framing cannot exist on its own, after all. While framing is expected to be quite efficient, given its minimal costs, in terms of actual impact there is no reason to expect that it will rival the actual strategies. The framing section, itself, contains no information, but instead, augments the core message in order to better fit a specific set of circumstances. Examining this framing effect is meaningless, therefore, without the presence of a restoration strategy. This is not only due to a preference for accurate representation of SCCT's practical application, but also because there is a very real chance for an interaction between the framing of a message and the informational content of a given strategy, based on their mutual compatibility. Chapters 3 and 4 are based on the

idea that the informational content of a message and its framing, respectively, can have varying degrees of effectiveness, depending on the recipient's mental state. This happens when a person's need for safety or value is properly addressed by the contents of corporate communication. A match between needs and message generates regulatory fit and that enhances the message.

As the framing and strategy segments generate regulatory fit in exactly the same way, from the same set of variables, it is quite likely that they can function simultaneously and further enhance the impact of the overall message. It is vital that framing matches the core strategy, however, since incongruence can lead to multiple problems. For example, a safety framing applied to a value-based strategy like Compensation can reduce the argumentative quality of the overall message, because it creates a mismatch between presentation (framing) and informational content (strategy). A message with weak logical connections is far less persuasive than a well-constructed argument (Wood, Kallgren & Preisler 1985; Ranganath, Spellman, Joy-Gaba 2010). In a similar vein, the issues of consistency and repetition are also worth noting. While the framing and core sections are not identical, they *do* address the same notions of value or safety, and message repetition has been linked to increased persuasiveness, as long as it is not excessive (Cacioppo & Petty 1979; Cacioppo & Petty 1989). On the other hand, *signal consistency* might be the more applicable term for the relationship between framing and chosen strategy, as it deals with the balance between intention (framing) and action (strategy). On the topic of inconsistent signals, however, theory comes to the same conclusion – a discrepancy between intent and action leads to poor credibility (Herbig & Milewicz 1993; Herbig & Milewicz 1996). Therefore, if the framing of a message is incongruent with the strategy, the overall effectiveness of the message will be diminished:

H7: Incongruent combinations of Framing and Strategy diminish post-crisis Reputation.

Ultimately, this study proposes a different and, ostensibly, more efficient method of crisis communication. It applies the knowledge gained from the previous study and constructs a message, in accordance to the recipient's cognitive and affective state, in order to

maximize effectiveness and persuasion. The application of framing, in conjunction with the informational core of an appropriate strategy, provides one more avenue for regulatory fit to enhance the impact of corporate communication. It also suggests that, while cost-effective, framing might be a lot less flexible than originally thought, if incongruence with the core strategy leads to ineffectiveness.

4.3 Methodology

As the focus of this study lies in the effects of framing and its interaction with the informational core of restoration strategies, the make-up of the crisis event was kept static, unlike Studies 1 and 2. As such, the crisis, which participants (n=337) were exposed to, was designed as a fairly moderate one in terms of severity and responsibility. The experiment used a 2 (Framing: value, safety) x 3 (Strategy: Compensation, Corrective Action, Diminish) between-subject design. Just as in the previous studies, student participants were exposed to an article, detailing a crisis event: an unannounced collection of personal data from the user's phone through a music app developed by a Polish company. They were then shown the company's response, which contained both the Framing and Strategy conditions (see Appendix). The framing manipulation consisted of two short sentences, which explained that the company was focused on providing safety (or value) to their customers. One sentence was placed at the start of the message, while the second one was at the end, right after the core strategy, in order to ensure visibility of the manipulation.

As the previous study focused entirely on accommodative strategies, it was deemed beneficial to also test a message that is closer to the middle of the defensive/accommodative spectrum. In addition to Corrective Action and Compensation, a Justification message was constructed to downplay the severity of events discussed in the initial article, and for the purposes of H7 (mixed signals), it is considered to be a "safety" based signal. This is because it attempts to minimize the perceived threat of the crisis and, therefore, serves a function similar to the Corrective Action strategy, albeit one rooted in perception rather than action. Compensation, on the other hand, is a "value" based

strategy, as value is precisely what it provides to the consumers, in the shape of free service.

Much like the previous studies, Promotion Focus (Cronbach's alpha =.72), Prevention Focus (Cronbach's alpha =.66), Severity, Responsibility, Fear and Reputation (Cronbach's alpha =.83) were all measured at the end of the questionnaire, using the same scales.

Control Variables

As with the previous studies, the control variables will be kept to a static selection of three, followed by an attention check at the end of the questionnaire. This will ensure that the effects these control variables can have on the analysis will similarly be kept static across all three studies within this dissertation, enabling better comparison of effects. Additionally, these control variables will be included in an ANCOVA (Street 1995; Kirk 2012), but only for the tests that do not involve a direct treatment effect, such as the ones related to hypotheses 1 through 6.

Gender is theorized to have an effect on regulatory focus, with men scoring higher on promotion focus, while women score higher on prevention focus (Laufer & Coombs 2006; McKay-Nesbitt, Bhatnagar & Smith 2013). As all 3 studies rely on regulatory focus measurements, it is not a bad idea to isolate such influences with no connection to the crisis event, itself. Gender may also impact reputation, with female participants evaluating the company more harshly than their male peers.

Involvement has the potential to reverse the effects of regulatory fit for prevention focus and dampen it for promotion focus, under low conditions (Avnet, Laufer & Higgins 2013). Both of these effects were exemplified in the previous study, but with the emotional consequences of promotion and prevention focus, instead: namely, disappointment and fear. As Study 3 also deals with regulatory fit, keeping track of involvement is absolutely necessary. Additionally, it can also moderate crisis communication effectiveness (Claeys & Cauberghe 2014) and influence information gathering behavior for goal congruent signals

(Wang & Lee 2006). This could easily influence participant evaluation of company reputation.

Finally, the Dutch variable is somewhat vestigial for Study 3, because the current manipulation does not offer any opportunity for information asymmetry. Nevertheless, including it in the analysis will keep the effects of control variables static across all three studies. Furthermore, nationality may well influence regulatory focus, too (Laufer & Coombs 2006), so removing it from the analysis could further skew the results, in relation to the previous studies.

Finally, the same instructional manipulation check (Davidenko 2009) was used as in the previous studies, resulting in the removal of 12 participants from the dataset, due to inattentiveness. This leaves a total of 337 valid response sets. A preliminary analysis was carried out and the removal of inattentive participants had no influence on hypothesis confirmation.

Auxiliary Measures

Perceived Value and *Perceived Safety* were measured by two items each, and were originally intended as **manipulation checks** for the Framing (Safety/Value) manipulation. Initial analysis showed that Framing had no effect on Perceived Value (B=.288; p>.05) or Perceived Safety (B=.150; p>.05). This prompted a reconsideration of the same measures and it became apparent that they were not aptly chosen as signs of a failed or successful manipulation. In the context of this chapter, a successful Framing manipulation would mean that the study participants were exposed to the appropriate framing segment; conversely, failure would mean that they were not. Measures of Perceived Value and Perceived Safety could provide some degree of support for a successful state, but if they are unaffected by the manipulation, that does not indicate failure. The latter case only shows that the Framing manipulation had no direct effect on the participants. This direct effect is not required by the general theory on framing, nor is it necessary for the goals of this chapter, which focuses on *specific conditions* under which framing has stronger effects. Examples of this can be observed in multiple studies that also use an emphasis framing

manipulation. Whether it is a comparison between the use of “fracking” and “hydraulic fracturing” in policy discussions (Bullock & Vedlitz 2017), or an experiment on the way conservative bias toward “global warming” and “climate change” can be eliminated via highlighting techniques (Baumer, Polletta, Pierski & Gay 2017), manipulation checks were omitted. If the treatments strive to expose participants to a particular signal, rather than induce change in a given variable, there is hardly any check that can be applied with the requisite degree of certainty.

The manipulation checks were, therefore, not used in the initial analysis. Interestingly enough, Perceived Value and Safety could arguably function as a proxy for overall message effectiveness, given that they would also represent the effects of the *Strategy* manipulation. This is because the three chosen strategies all aim to increase either perceived safety or value for the target audience. The two variables were not used in the initial analysis, but they proved to be instrumental for the post-hoc analysis.

4.4 Results

Correlation Matrix

Table 1 shows correlations between the variables used in Study 3. While the negative correlations between Reputation, on one hand, and Prevention Focus, Fear, Disappointment and Responsibility, on the other, are to be expected there *are* a few abnormalities. Prevention Focus and Promotion Focus should have a negative correlation, but in this case, the relationship is completely insignificant. Furthermore, Prevention Focus is positively correlated not only to Fear and Severity, but also to Responsibility and Disappointment, as well. The latter correlation is not entirely unexpected, as it echoes a relationship observed in Study 1.

Table 1 Correlation Matrix

	Mean	*SD*	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*
1.Promotion Focus	4.563	1.023									
2.Prevention Focus	5.268	.884	-.035								
3.Fear	4.421	1.666	-.007	.231**							
4.Disappointment	4.487	1.587	-.007	.282**	.412**						
5.Responsibility	4.015	.738	.06	.226**	.140**	.202**					
6.Severity	4.499	1.16	.029	.269**	.279**	.185**	.221**				
7.Gender	1.605	.49	-.033	.058	.128*	.064	.041	-.035			
8.Involvement	5.558	1.019	.058	.227**	.145**	.137*	.246**	.162**	-.023		
9.Reputation	3.103	.907	.117*	-.261**	-.215**	-.243**	-.360**	-.097	.082	-.167**	
10.Dutch	.5935	.492	-.051	-.101	-.204**	-.097	.000	-.212**	.110*	-.140*	.052

*Correlation is significant at the .05 level (2-tailed) **Correlation is significant at the .01 level (2-tailed)

Regulatory Focus

A Strategy x Framing ANOVA revealed no significant effects of either Strategy (F=.356; p>.05) or Framing (F=.401; p>.05) on Promotion Focus. There was no significant moderation effect between the two manipulations. As for Prevention Focus, a Strategy x Framing ANOVA showed a marginally significant effect of Strategy (F=1.82; p=.06), with participants exposed to the Compensation message (M=5.139; SD= .894) scoring slightly lower on Prevention Focus, than participants exposed to the Diminish message (M=5.366; SD= .825). There were no significant moderation effects.

Emotions

A Strategy x Framing ANOVA showed no significant effects of Strategy (F=1.763; p>.05) *or* Framing (F=2.604; p>.05) on Fear. While Strategy was similarly insignificant in its impact on Disappointment (F=.305; p>.05), Framing did have a noticeable effect (F=12.017; p<.05). Participants in the Value framing condition (M=4.795; SD=1.397) scored *higher* on Disappointment than those in the Safety framing condition (M=4.205; SD=1.698).

Crisis Attributes

A Strategy x Framing ANOVA revealed no significant effects of Strategy (F=.450; p>.05) or Framing (F=.003; p>.05) on Severity. Similarly, Strategy (F=.266; p>.05) and Framing (F=.608; p>.05) had no effect on Responsibility. There was no significant moderation effect.

Reputation

Finally, a Strategy x Framing ANOVA ascertained that neither Strategy (F=.606; p>.05) nor Framing (F=.157; p>.05) had any significant effect on Reputation. There was also no significant moderation effect.

Control Variables

The set of control variables used during hypothesis testing is identical to that of the previous two studies. Involvement had an effect on Prevention Focus (B=.185; p=.001), Severity (B=.152; p=.014), Responsibility (B=.186; p=.001), Fear (B=.198; p=.022), Disappointment, as well as on the dependent variable Reputation (B=.198; p=.016). Gender had an effect on Fear (B=.495; p=.006) and Reputation (B=.210; p=.017). The Dutch binary variable had no significant effects to note.

Hypothesis Testing

In the interest of brevity, the results for similar moderation effects will be grouped together whenever possible. Table 2 details three separate ANCOVA analyses of the Framing x Prevention Focus (B=.044; p>.05), Framing x Severity (B=-.034; p>.05) and Framing x Fear (B=.054; p>.05) moderation effects. None of these effects were significant, so there is no support for **Hypothesis 1**, **Hypothesis 2** and **Hypothesis 3**.

Table 2 Moderated Effects of (Value) Framing on Reputation

Parameter	Model 1	Model 2	Model 3
Intercept	5.042**	5.236**	4.974**
Compensation	-.148	-.142	-.149
Corrective Action	-.031	-.028	-.034
Diminish	-	-	-
Framing	-.147	.239	-.158
Promotion Focus	.115	.117	.117
Prevention Focus	-.137**	-.160**	-.161**
Severity	.057	.040	.057
Responsibility	-.369*	-.368*	-.370*
Involvement	-.041	-.040	-.035
Fear	-.067	-.068	-.039
Disappointment	-.065	-.065	-.061
Gender	.241*	.236*	.251**
Dutch	.013	.013	.007
Framing x Prevention Focus	.044	-	-
Framing x Severity	-	-.034	-
Framing x Fear	-	-	.054
R^2	.234	.234	.236
F	7.603	7.604	7.681

**p<.05 **p<.01*

Similarly, a series of three ANCOVAs was carried out to ascertain the veracity of the next set of hypotheses. Table 3 sums up the results for the Framing x Promotion Focus (B=-.217; p<.05), Framing x Responsibility (B=.158; p>.05), and Framing x Disappointment (B=.008; p>.05) effects. As two of those effects are not significant, **Hypothesis 5** and **Hypothesis 6** remain unconfirmed.

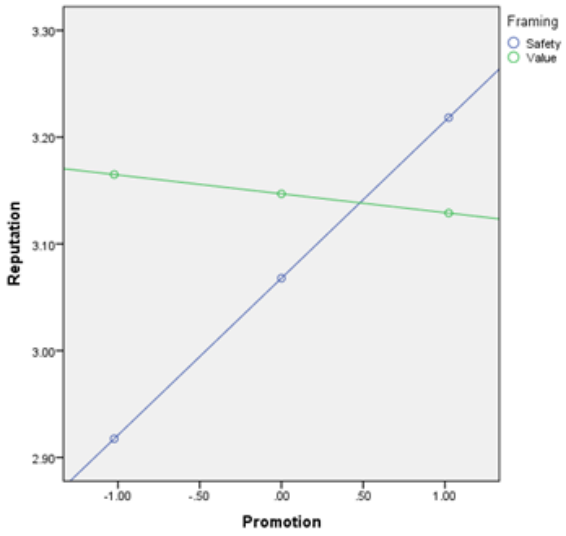
Table 6 Moderated Effects of (Safety) Framing on Reputation

Parameter	Model 1	Model 2	Model 3
Intercept	5.679	4.877	5.139
Compensation	-.141	-.150	-.145
Corrective Action	-.051	-.031	-.031
Diminish	-	-	-
Framing	1.077**	-.548	.047
Promotion Focus	-.001*	.112*	.116*
Prevention Focus	-.157**	-.163**	-.161**
Severity	.063	.055	.057
Responsibility	-.360**	-.287**	-.369**
Involvement	-.042	-.039	-.040
Fear	-.071*	-.066*	-.067*
Disappointment	-.067*	-.063*	-.058*
Gender	.235*	.232*	.238*
Dutch	-.004	.001	.011
Framing x Promotion Focus	-.217*	-	-
Framing x Responsibility	-	.158	-
Framing x Disappointment	-	-	.008
R^2	0.248	0.238	0.234
F	8.206	7.755	7.586

**p<.05 **p<.01*

Even though the Framing x Promotion Focus moderation effect was significant, its actual pattern does not match Hypothesis 4. Figure 1 depicts the moderating effect of Promotion on the relationship between Framing and Reputation. It shows that the effect of a Safety Framing is enhanced by Promotion Focus (B=.216; p<.05), while the Value Framing seems unaffected (B=-.001; p>.05). This runs counter to the prediction of **Hypothesis 4**, which means that the hypothesis is not confirmed.

Figure 1 Effect of Framing x Promotion moderation on Reputation



Finally, a two-way ANOVA was carried out to determine whether incongruent combinations of Strategy and Framing would diminish Reputation. The moderation effect between Strategy and Framing was clearly not significant (F= .152; p>.05), which means that **Hypothesis 7** was not confirmed.

4.5 Post-hoc Analysis

Family Selection and Higher Order Interactions

An omnibus test for moderations was carried out for all of the unconfirmed hypotheses, in order to determine whether any higher-order moderation effects exist. Due to the inherent connections between the independent variables in the model (highlighted in Chapters 2 and 3), such an interaction would not be surprising. A post-hoc analysis like this, however, comes at the expense of a considerably inflated Type I error rate. The more effects this omnibus test examines, the greater the probability that at least one of them will be the result of a Type I error. In order to keep this inflation as low as possible, certain measures can be taken, in line with multiple testing literature. The most relevant method for this case would be the delineation and restriction of **families**: "set[s] for which significance statements will be considered and errors controlled jointly" (Shaffer 1996). Multiple testing is usually discussed in the context of mean comparisons, so a family refers to a set of means that are tested for statistical differences.

In the context of this post-hoc analysis, families denote groups of variables that will be used in an omnibus test, looking for possible higher-order moderation effects. The goal is to eliminate irrelevant interaction effects, rather than accommodate an error-correction technique. By limiting the number of entries in the family, the probability of incurring a Type I error for the family set (also known as the **familywise error rate**) goes down, because there are fewer comparisons to make (Benjamini & Yakutieli 2001). Weeding out comparisons that a researcher is not interested in a-priori is a valid way of keeping down the Type I error rate (Ahmed 1991).

Defining a family is often a difficult prospect, but for the goals of this chapter, it is fairly straightforward. Using the first six hypotheses as a starting point, one can very easily distinguish two separate groups of variables: 1) Prevention Focus, Fear and Severity, which are hypothesized to enhance the effectiveness of a Safety framed message on Reputation and 2) Promotion Focus, Disappointment and Responsibility, which are hypothesized to enhance the effectiveness of a Value framed message on Reputation. This delineation also

matches the needs that the two sets of variables generate, safety and value, respectively. Establishing two families according to these groups and only exploring within-family moderation effects for the omnibus test will severely reduce the number of effects being tested, thereby reducing the number of Type I errors. From a theoretical perspective, between-family moderation effects hold little interest, because they are not supported by the literature review of this chapter, nor by general regulatory focus theory. For instance, if a Promotion Focus x Severity moderation enhanced the effectiveness of a value framed message, it would be extremely difficult to tie that to already existing research. Conversely, a within-family moderation effect would be fairly easy to justify, due to the common salience of "value" or "safety". Also Prevention Focus and Promotion Focus are known the enhance congruent signals, so it is common for them to interact with congruent variables (Jain, Agrawal & Maheswaran 2006 ; Uskul, Sherman & Fitzgibbon 2009). Finally, having fewer moderation effects in the omnibus test would also significantly reduce multicollinearity within the model, which can obscure significant effects by inflating their p-value. Reflecting the contents of Hypotheses 1 through 6, the post-hoc analysis will explore the higher-order moderation effects generated within the aforementioned families, and the way they moderate the relationship between the framing of a message and the post-crisis reputation of the company.

An omnibus test for the value-based family of variables showed no significant difference of R^2 between the direct effect model and the 4-way interaction model ($_{\Delta}F= 1.334$; $p>.05$), which means that there are no significant 4-way or lower order moderations. The same comparison was made for the safety-based variables and the results were equally insignificant ($_{\Delta}F= 1.750$; $p>.05$). The interaction between a particular Strategy and Framing was also examined under different conditions of Prevention and Promotion, but no significant effects were observed ($_{\Delta}F=.890$; $p>.05$).

The initial analysis was rife with insignificant and conflicting results. Not a single hypothesis found confirmation within the dataset. Furthermore, in the case of H4, not only did promotion *not* enhance the effects of a value framing – it did so for the safety framing, which is not the signal one would expect promotion focus to amplify. These results are not only inconsistent with the theory this study is based on, but also with the results of the

previous chapters in this dissertation. In order to resolve this problem, the scope of the post-hoc analysis was extended.

The Role of Message Effectiveness

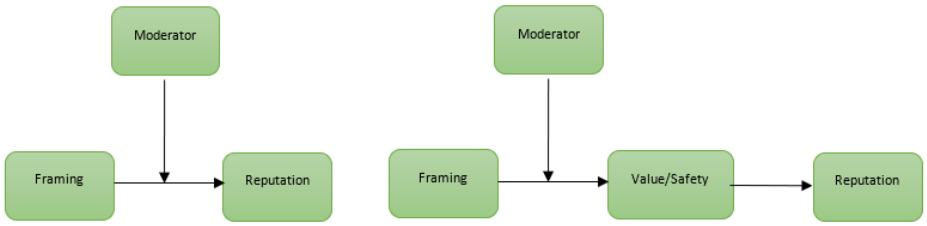
As discussed in the methodology section, the Perceived Value and Perceived Safety measures have a uniquely close relationship to both the strategy and framing manipulations. Both the Diminish and Corrective Action strategies are messages that, at their core, attempt to increase Perceived Safety, while the Compensation strategy tries to increase Perceived Value. Similarly, the framing manipulations aim to highlight the fictional firm's dedication to either value or safety. As all of the hypotheses in this study revolve around regulatory fit and its propensity to increase message effectiveness (and therefore company Reputation), Perceived Value and Perceived Safety are variables of considerable interest. They are most likely more effective representations of message effectiveness than Reputation, itself, because they are more closely related to the contents of the restoration message. Additionally, Perceived Value and Perceived Safety should also have a positive effect on the initial dependent variable (Reputation) as they represent positive aspects of a consumer's relationship with the company. In fact, this relationship can be observed in the data, as both Perceived Value ($B=.182$; $p<.05$) and Perceived Safety ($B=.141$; $p<.05$) have a positive effect on Reputation. As such, these two variables might be able to shed some light on the inconclusive results of this chapter, because of their closer "proximity" to the overall message that participants were presented with.

The first six hypotheses can be summed up rather briefly, because they all describe the same theoretical mechanism: when the framing signal is congruent with specific personal attributes of the recipient, the match generates regulatory fit, which, in turn, increases the effectiveness of the entire message, to the benefit of company reputation. This relationship did not manifest in the initial analysis under any condition at all. However, if theory suggests that a signal should be amplified under conditions that generate regulatory fit, it may be prudent to measure this effect not via Reputation, but through variables that are closer to the hypothesized effects of regulatory fit. In this regard, Perceived Value and Perceived Safety are better suited to measure the effects of the restoration message, while

Reputation is only a consequence of those effects. The theoretical section of this chapter already mentioned that effect size may well be an issue, due to the small informational content of the framing segments. If that is the reason why all of the analyzed effects were insignificant, providing a more proximal measure of message effectiveness may go a long way towards remedying the problem. This comes at the cost of reduced practical applicability, as Perceived Safety and Perceived Value do not carry the same weight as Reputation, but given the insignificant results so far, that is hardly a concern.

Effectively, this means that for the post-hoc analysis Reputation will temporarily be replaced by Perceived Safety or Perceived Value as the dependent variable, depending on what is appropriate for the individual hypothesis. As H1, H2, and H3 deal with the moderated effectiveness of a Safety Framing, the dependent variable representing message effectiveness will be Perceived Safety. Similarly, H4, H5, and H6 detail the moderated effectiveness of a Value Framing, which warrants the use of Perceived Value. Due to the positive relationship between Value, Safety and Reputation, this is not necessarily a complete replacement, as anything that influences the new dependent variables, may very well influence Reputation, too. Ultimately, this is very much like inserting two mediators into the original model, in order to better detect smaller effects. The proposed changes, depicted in Figure 3 should not alter the general spirit of the model by any great extent. Certainly, switching to a completely new dependent variable has serious implications for the Type I error rate, but if Value and Safety mediate the theorized effects onto Reputation, that would no longer be a cause for concern and certainly not an inflation of the $\boldsymbol{\alpha}$.

Figure 3 Original Model (left) and Post-Hoc Model (right)



The results of this post-hoc analysis show several significant higher-order interactions, the presence of which supersedes the theorized 2-way moderations, because their effects are now shown to be conditional, based on a third variable (Lance & Vandenberg 2010; Anguinis, Edwards & Bradley 2017). This may not be a particularly great deviation from the original configuration, because this third variable *still belongs to the hypothesized moderators*. The first omnibus test (Table 4) to be carried out contained all of the possible two-, three- and four-way interactions that could be constructed with the Framing Manipulation and the three variables from the "safety" family – Severity, Prevention Focus and Fear, representing **Hypotheses 1, 2** and **3**. The test showed that the highest order moderation to add a significant change in the F-test was the 3-way moderation ($_{\Delta}$ F=2. 637; p=.05), which indicates that there is at least one significant 3-way moderation in the set of variables from the safety family. Additionally, it means that the single possible 4-way moderation effect was not significant. Based on the omnibus test, the most likely 3-way moderation candidates are Framing × Prevention × Fear (B=-.120; p=.184) and Framing × Prevention × Severity (B=-.169; p=.169), as they are the 3-way moderations closest to significance.

Table 4 Safety-based Omnibus Test

Model	**R^2**	**Adj. R^2**	**Std. Error of the Estimate**	**Change Statistics**				
				$_{\Delta}$ R^2	$_{\Delta}$F	df1	df2	Sig. $_{\Delta}$F
Direct Effects	,104	,074	1,13984	,104	3,447	11	325	,001
2-Way Moderation	,114	,067	1,14419	,010	,589	6	319	,739
3-Way Moderation	,136	,081	1,13548	,022	2,637	3	316	,050
4-Way Moderation	,142	,085	1,13333	,006	2,198	1	315	,139

The results of three ANCOVA tests can be observed in Table 6, which details the aforementioned moderation effects. The two moderation effects were first tested jointly

(Model I) and then separately (Model II & Model III), in order to avoid multicollinearity. Given the high correlation between Prevention Focus, Fear and Severity, separate tests would not be able to tell if one effect is merely an artifact of the other, significant by virtue of correlation with the real moderator, due to common products. Conversely, a joint analysis could have problems with high multicollinearity, as it contains 7 interaction products, which are *highly correlated* to each other by virtue of sharing common elements. For example, the correlation between the two 3-way moderation effects is r=.89, which is quite high. Therefore, a brief comparison between models is necessary (see Table 5).

Table 5 Prevention, Severity and Fear moderating the effects of Framing on Perceived Safety

	Model I		Model II		Model III	
Variable	Effect	p	Effect	p	Effect	p
Intercept	-.905	.677	.383	.842	1.292	.408
Compensation	-.139	.370	-.153	.324	-.147	.342
Corrective Action	.403	.008	.406	.007	.407	.007
Framing	-7.528	.013	-5.693	.043	-4.146	.036
Promotion	.134	.029	.135	.028	.133	.030
Prevention	1.235	.002	.944	.006	.800	.004
Responsibility	-.250	.006	-.246	.007	-.249	.006
Severity	.616	.160	.724	.091	.010	.867
Disappointment	-.077	.091	-.072	.112	-.075	.098
Fear	.372	.260	-.050	.248	.474	.142
Involvement	.005	.945	.011	.868	.003	.962

Gender	.169	.196	.183	.159	.159	.225
Dutch	-.079	.551	-.079	.551	-.087	.512
Framing x Prevention	1.569	.006	1.170	.027	.869	.022
Framing x Severity	.942	.152	1.167	.064	-	-
Prevention x Severity	-.120	.130	-.143	.066	-	-
Framing x Prevention x Severity	-.192	.111	-.239	.038	-	-
Framing x Fear	.657	.158	-	-	.847	.058
Prevention x Fear	-.088	.156	-	-	-.108	.074
Framing x Prevention x Fear	-.139	.110	-	-	-.178	.034

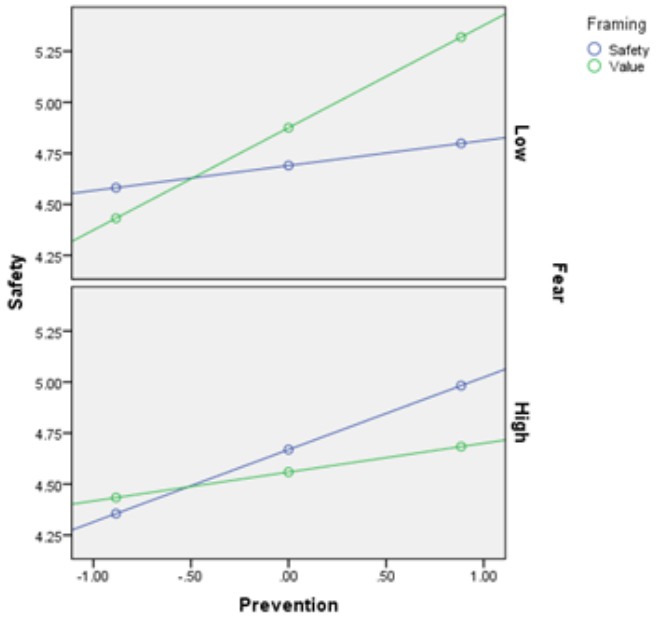
Model I presents both Framing x Prevention x Severity (B= -.192; p=.111) and Framing x Prevention x Fear (B=-.139; p=.110) as insignificant, but the previous omnibus test indicates that there should be at least one significant 3-way moderation, which further prompts individual tests. Models II and III show two significant moderation effects and it is very likely that both of them are unique effects, because in Model I there was no clearly dominant effect. It must be noted that separating the interaction effects into different models does potentially introduce a certain amount of bias, but in this case it seems unavoidable, given the findings of the omnibus test. When any given model has a significant F statistic (or in this case, a significant change in the F statistic, due to moderation), but no significant predictors, it is standard practice to try removing highly correlated predictors (Milliken

1990; Gedajlovic & Shapiro 1998), even when moderation is concerned (Delaney & Huselid 1996), in an effort to curtail multicollinearity. While Variance Inflation Factor is not a particularly useful metric on its own when it comes to moderation (Echambadi & Hess 2007), the highest VIF observed in the cumulative Model I (VIF= 680) is almost double the highest in Models II and III (VIF= 360), and the two 3-way interaction effects, themselves, are highly correlated at r=.89. Even with this *potential* multicollinearity, however, the joint model does not seem to alter the effect sizes by any great margin, compared to the individual tests. Given the high correlation between the 3-way effects, one might expect a far greater degree of overlap. In order to better estimate the presence of multicollinearity in the model, a total of ten randomized subsamples were constructed, each containing 90% of the data within the set. This allows us to check whether the effects are stable across multiple iterations of the model and whether small sections of data are responsible for large shifts in effect size (Echambadi, Arroniz, Reinartz & Lee 2006). Instability for predictor coefficients across the sets would indicate the presence of multicollinearity. For the separate tests, the significance of the Framing x Prevention Focus x Severity effect (Model II) would range between 0.009 and 0.137, while the significance of the Framing x Prevention Focus x Fear effect would range between 0.009 and 0.088, with the bulk of the results being significant. When the moderation effects were tested together, the significance of the effects would range from 0.041 to 0.515 and from 0.047 to 0.313, for the Severity and Fear moderations, respectively. It seems obvious, therefore, that the joint analysis introduces a great deal of instability within the model, which, in turn, suggests the presence of high multicollinearity. In conclusion, it seems warranted to proceed with the separate tests, keeping in mind that they may include some degree of bias.

As such, the Framing x Prevention x Fear moderation effect (B=-.178; p<.05) was treated as significant and it can be observed in Figure 4. For a Safety Framing, the Prevention Focus x Fear interaction has an effect of (B= .064; p=.280) on Perceived Safety, while the effect of the same interaction for a Value Framing is (B= -.104; p=.089). In short, a combination of high Fear and high Prevention Focus has a cumulative enhancing effect on the relative effectiveness of a Safety Framing. **Hypotheses 1 and 2** discuss the enhancing effects of Prevention Focus and Fear (separately) on a Safety Framing and this 3-way Prevention Focus x Fear x Framing moderation can be seen as supportive of both hypotheses, not only

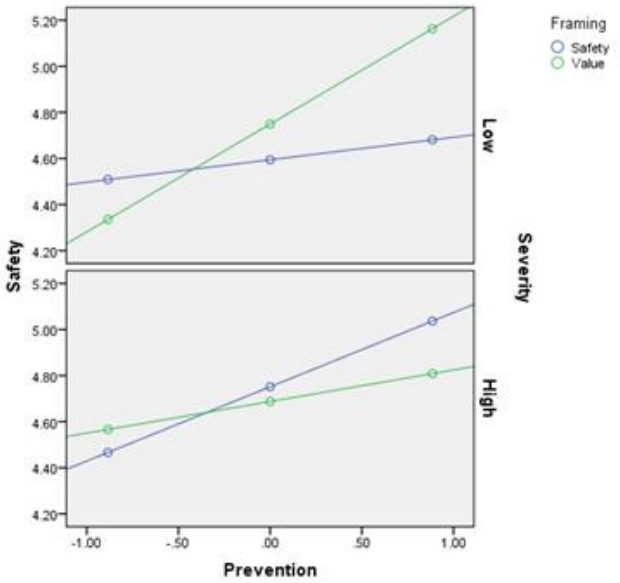
because a significant higher-order moderation effect means that all lower-order effects are also significant, but because the *direction* of the effects is similar to the one in the hypotheses.

Figure 4 Effect of Framing x Prevention Focus x Fear moderation on Perceived Safety



Similarly, the Prevention Focus x Severity x Framing effect (B= -.239; p<.05) can be seen as a combination of **Hypotheses 1 and 3**, as both Prevention Focus and Severity enhance the effectiveness of a Safety Framing (Figure 4). For a Safety Framing, the Prevention Focus x Severity interaction has an effect of (B= .083; p=.336) on Perceived Safety, while the effect of the same interaction for a Value Framing is (B= -.144; p=.066).

Figure 5 Effect of Framing x Prevention Focus x Severity moderation on Perceived Safety



Mirroring the test for the safety-based "family" of variables, an omnibus test was performed for the value-based family, as well (see Table 6). In this case, however, it only indicated the presence of significant 2-way moderations, with the most likely ones being Framing x Disappointment (B=.131; p=.095) and Framing x Responsibility (B=.329; p=.046). Other significant moderations were present, but they were not connected to Framing, so they were of no concern for this analysis.

Table 6 Value-based Omnibus Test

Model	R^2	Adj. R^2	Std. Error of the Estimate	Change Statistics				
				ΔR^2	ΔF	df1	df2	Sig. ΔF
Direct Effects	.086	.055	1,00758	.086	2,764	11	325	.002
2-Way Moderation	.151	.106	.97994	.065	4,099	6	319	.001
3-Way Moderation	.169	.114	.97541	.018	1,743	4	315	.140
4-Way Moderation	.170	.111	.97686	0	.061	1	314	.805

Three ANCOVAs were carried out (Table 7), similarly to the previous set of analyses, detailing a joint test of the moderation effects (Model IV) and two separate tests (Model V & Model VI Compared to the 3-way moderations, there was still a noticeable, if smaller, increase in p-value, when the effects were tested at the same time – a fairly small change in significance of either effect, but still sufficient to warrant separate tests. In this case (Models V & VI), the Framing x Responsibility (B=.354; p<.05) moderation has a considerably larger effect size than the Framing x Disappointment (B=.161; p<.05) moderation, but the small difference in significance in the joint analysis (Model IV) strongly suggests that the smaller effect is not an artifact of the larger one.

Table 7 Disappointment and Responsibility moderating the effects of Framing on Perceived Value

	Model IV		Model V		Model VI	
Variable	Effect	p	Effect	p	Effect	p
Intercept	3.443	.001	3.899	.001	3.697	.001
Compensation	-.255	.060	-.248	.069	-.237	.080
Corrective Action	-.077	.556	-.079	.551	-.060	.648
Framing	-1.701	.008	-.641	.069	-1.326	.029
Prom	.144	.007	.151	.005	.139	.009
Prev	.109	.111	.110	.108	.126	.063
Rez	-.001	.993	-.156	.050	.031	.778
Severity	.050	.326	.055	.284	.046	.369
Disappointment	-.052	.392	-.034	.574	-.132	.001
Fear	-.049	.191	-.051	.179	-.053	.163
Focus	.071	.209	.069	.222	.064	.259
Gender	.052	.643	.064	.570	.050	.662
Dutch	-.114	.326	-.095	.414	-.111	.342
Framing x Disappointment	.130	.080	.161	.028	-	-
Framing x Responsibility	.298	.049	-	-	.354	.018

The moderating effects of Disappointment on the relationship between Framing and Perceived Value can be observed in Figure 6. Under low conditions of Disappointment there is no significant difference between the effectiveness of the Value and Safety Framings (B=-.174; p>.05), but when Disappointment is high, the Value Framing performs significantly better than the Safety Framing (B=.336; p<.05). This indicates support for **Hypothesis 5.**

Figure 6 Effect of Framing x Disappointment moderation on Perceived Value

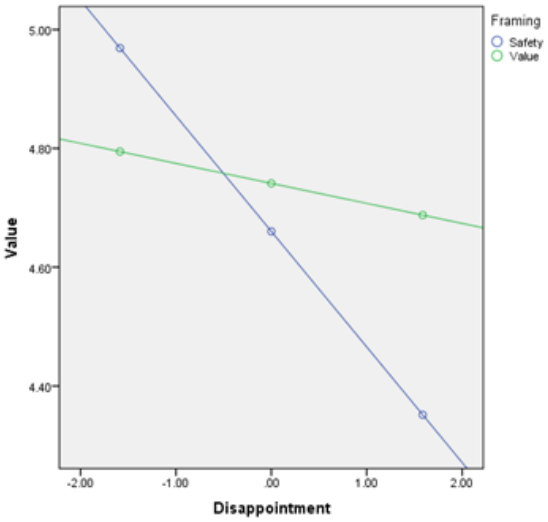
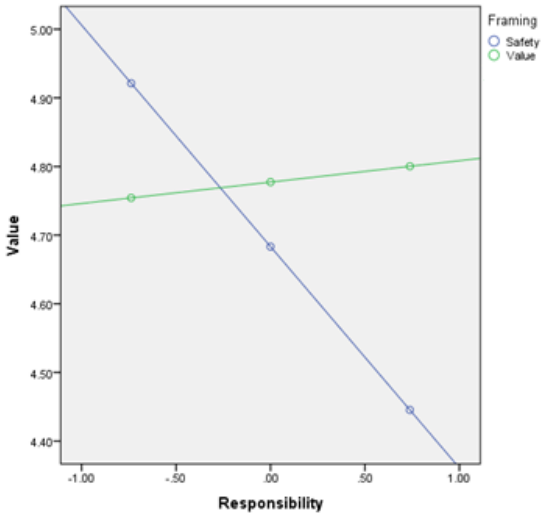


Figure 7 depicts the moderating effect of Responsibility on the relationship between Framing and Perceived Value and looks quite similar to the previous effect. Much like Disappointment, an increase in Responsibility also enhances the relative performance of a Value Framing, albeit at a slightly higher rate. Under conditions of low Responsibility, there is no significant difference between the performance of the Value and Safety Framings (B=-.167; p>.05), but for high Responsibility, the Value framing performs considerably better than the Safety Framing (B=.355; p<.05). This effect reflects the one covered by **Hypothesis 6.**

Figure 7 Effect of Framing x Responsibility moderation on Perceived Value



Hypothesis 7, which detailed the interaction between Framing and Strategy type was also examined more closely during the post-hoc analysis, but there were no significant interactions between the two variables. Therefore, there is no evidence to suggest that the signals of the two manipulations could interfere with each other. It must be noted, however, that during this analysis it became apparent that no Strategy type managed to generate regulatory fit with a corresponding variable from the "value" or "safety" families. The effects studied in the previous chapter could not be replicated here, which suggests that *some* kind of interference might be taking place, but not as initially hypothesized.

Finally, several tests were carried out to ascertain whether the significant moderation effects, that influence Perceived Value and Perceived Safety, carry over to Reputation, as well. A confirmed mediation would diminish worries about Type I error inflation and it would maximize the similarity between the original and post-hoc models, because the ultimate outcome variable would still be Reputation. Given the relatively small correlation between Reputation and Perceived Safety (r=.279) or Perceived Value (r=.299), this mediation effect is far from guaranteed.

In order to carry out the analysis, PROCESS Models 7 (moderated mediation) and 11 (moderated moderated mediation) were utilized, as their output can show the conditional indirect effects of Framing on Reputation. Like any analysis in PROCESS, both models use bootstrapping (n=5000). Table 8 summarizes the relevant output, which shows that out of the 4 moderation effects, all have a significant effect on Reputation. Ultimately, Framing has an indirect effect on Reputation, which is conditional on Responsibility, Disappointment, Prevention Focus, Severity and Fear. Because all moderation effects of Framing on Perceived Value and Perceived Safety indirectly affected Reputation, the post-hoc analysis does not have a different dependent variable from the original model, which means that hypothesis confirmation may be carried out to some limited extent.

Table 8 Mediated Moderation Analysis of the Conditional Indirect Effects of Framing (X) on Reputation (Y)

Moderator 1	Moderator 2	Mediator	Indirect Effect	LLCI	ULCI
Responsibility	-	**Value**	.0822*	.0145	.1679
Disappointment	-	**Value**	.0349*	.0026	.0769
Prevention Focus	**Fear**	**Safety**	-.0300*	-.0693	-.0053
Prevention Focus	**Severity**	**Safety**	-.0397*	-.0969	-.0024

*significant at 95% Confidence Level

Table 9 recaps the findings of the original and post-hoc analyses, in order to show the differences between the two models, as well as highlight the theoretical relationships that this study has put forth.

Table 9 Comparison between Initial and Post-hoc Analyses

	Initial Analysis: 2-way moderations	Post-hoc Analysis: 2- and 3-way moderations, mediated by Perceived Safety or Perceived Value.
H1	Prevention Focus enhances the relative effectiveness of a Safety Framed message. Unconfirmed.	A significant 3-way moderation covers both of these hypotheses. The **Framing x Prevention Focus x Fear** effect shows an increase in Perceived Safety for a Safety Framed message, when both Prevention Focus and Fear are high. Perceived Safety significantly mediates this effect to Reputation, which means that H1 is confirmed for conditions of high Fear and H2 is confirmed for conditions of high Prevention Focus. **Partially Confirmed**
H2	Fear enhances the relative effectiveness of a Safety Framed message. Unconfirmed.	
H3	Severity enhances the relative effectiveness of a Safety Framed message. Unconfirmed.	Similarly, the **Framing x Prevention Focus x Severity** effect shows an increase in Perceived Safety for a Safety Framed message (only) when both Prevention Focus and Severity are high. This effect was also significantly mediated via Safety. **Partially Confirmed**
H4	Promotion Focus enhances the relative effectiveness of a value Framed message. Unconfirmed.	No significant effect was observed. **Unconfirmed**
H5	Disappointment enhances the relative effectiveness of a value	Disappointment enhances the indirect effect of a Value Framing on Reputation (via Perceived Value). **Confirmed**

	Framed message. Unconfirmed.	
H6	Responsibility enhances the relative effectiveness of a value Framed message. Unconfirmed.	Responsibility enhances the indirect effect of a Value Framing on Reputation (via Perceived Value). **Confirmed**
H7	Combinations of incongruent Framing and Strategy diminish post-crisis Reputation. Unconfirmed.	No significant effect was observed. **Unconfirmed**

4.6 Discussion

The goal of Study 3 was to show that framing could become a source of regulatory fit, under the same circumstances as the restoration strategies used in Study 2, thereby providing an additional source of message effectiveness. Furthermore, in order to control for the possibility of incongruent signals, the relationship between framing and the informational contents of a strategy was also examined. Based on these goals and the relevant theory, the chapter hypothesized six moderation effects between framing and a selection of individual attributes, as well as an additional moderation between framing and strategy type.

The initial analysis did not lend confirmation to a single hypothesis, but that changed in the post-hoc analysis, which introduced perceived value and perceived safety. They were treated as a more direct measure of message effectiveness, compared to the initially chosen reputation, therefore making regulatory fit easier to detect. Two omnibus tests made it apparent that the safety-based moderation effects, described in Hypotheses 1-3, were more appropriately expressed by a pair of 3-way moderations, because those were

the highest order interactions involving the hypothesized variables. Interpreting lower-order moderations would be meaningless (Edwards 2009), when their effects are contingent on another variable (more so, when that variable is already part of the same set of theorized relationships). Both of them combined two separate hypotheses, but, overall, kept the direction of the expected enhancing effects.

A combination of high fear and high prevention focus had an enhancing effect on the relationship between the Safety Framing and perceived safety, and so did a combination of high severity and high prevention focus. The fact that under conditions of low severity or low fear, prevention focus turned out to be beneficial for the Value Framing *is* strange, but it should be noted that these are not really conditions that would be expected to generate regulatory fit. The effects of this combination are hard to explain, but they are also unrelated to this chapter's hypotheses. For the value-based moderations, described in H4 through H6, both disappointment and responsibility enhanced the relative effectiveness of the Value Framing, while promotion focus had no effect. Finally, strategy type had no moderating effect on the effectiveness of either framing, which means that H7 was also not confirmed. At the same time, however, strategy type also had no interactions with any of the value- or safety-based variables, as it did in the previous chapter, which leaves open the possibility of *some* kind of interference between framing and strategy type, or at the very least, the cannibalization of similar effects that was mentioned during the literature review.

Finally, a series of mediated moderation tests were carried out to ascertain whether the effects listed in the post-hoc analysis had any impact on reputation, the original dependent variable. While earlier analyses already established a positive correlation between value/safety and reputation, Models 7 and 11 of the PROCESS add-on for SPSS can determine whether that relationship is contingent on the values of the aforementioned moderators. Results showed that to be the case for all four interaction effects. ***The relationship between framing and reputation would exhibit significant changes based on the values of prevention focus, fear, severity, disappointment or responsibility, and these effects would be mediated via perceived safety or perceived value***. Given the crossover interactions observed with the Safety Framed messages, **Hypotheses 1, 2 and 3** are only partially confirmed (for specific values of fear and severity), but **Hypotheses 5 and 6**

warrant confirmation, thanks to the significant indirect effects. **Hypotheses 4 and 7** remain unconfirmed.

Ultimately, the results show that communication effectiveness is, indeed, bolstered when the framing of a given message is congruent with the mental and emotional state of its recipient. Out of the initially six hypothesized variables that could enhance the effects of framing, via regulatory fit, 5 enhanced its effectiveness on perceived value or safety, and the effects carried over to reputation. Only promotion focus did not in any way enhance the effectiveness of its congruent (value) framing on reputation. Additionally, no interaction was found between strategy type and framing. Even with the insignificant results of the initial analysis, this post-hoc presents a fairly convincing argument for the inclusion of framing as one more tool, that can achieve regulatory fit in crisis communication.

Academic and Managerial Implications

The theoretical section of this chapter already predicted that there may be an issue with the small effect sizes of the hypothesized relationships. The fact that reputation was not the most immediate measure of message effectiveness only exacerbated the problem. However, it is not the case that the dependent variable of Study 3 was chosen poorly – in fact, it is part of an extremely valuable lesson about the proper examination of regulatory fit. As a reminder, reputation was chosen to be the dependent variable of this chapter, in order to address a limitation of Study 2. The dependent variables for that study were two measures of perceived message effectiveness for the Corrective Action and Compensation strategies. While they did a good job at exposing the effects of regulatory fit, they were not as practically relevant as a widely used performance indicator, like reputation. This is why the latter was chosen as the dependent variable for Study 3, but the post-hoc analysis showed a distinct shortcoming to that decision. It became apparent that reputation was not a direct a measure of message effectiveness and, therefore, not the optimal way to detect regulatory fit. Trying to determine the effects of regulatory fit, based on reputation would add an unnecessary step in the model, which often diminishes effect size. This could

have been reasoned before the data collection stage, because the relationship between message effectiveness and reputation is fairly obvious in the context of crisis communication. As the two variables serve distinct and separate purposes, it would be perfectly acceptable to use them both in a configuration identical to the post-hoc model. This would provide both an excellent way to measure regulatory fit *and* a considerable degree of practical relevance. It should also be noted that *selecting* an appropriate measure of message effectiveness is an important step. A choice can be made between highly specific scales that can reflect the goal of a corporate missive, or generalized measures of message effectiveness. For instance, if a message is designed only to reduce perceived company responsibility, then a scale measuring responsibility (Brown & Ki 2013) would be the ideal choice. If the goal of corporate communication cannot be distilled into one variable, however, a more generalized approach is always an option, based on whether the message is perceived as convincing, believable, right and important (Dillar, Shen & Vail 2007). Regardless of the choice, however, message effectiveness is the most immediate consequence of regulatory fit and any other variable should be examined the appropriate order.

In addition, the results of Study 3 also bring up a very interesting topic of how crisis communication actually translates into reputation. Through perceived value and perceived safety, we get to observe this process in far greater detail, as evidenced by the stark contrast between the initial and post hoc analyses. In the context of a mid-level crisis, which didn't rank particularly high in either severity or responsibility, the impact of the value and safety variables on post-crisis reputation was almost identical. However, there is little reason to expect this parity to hold under different circumstances. Different types of crises, different types of companies or different industries are quite likely to exert their own unique effects on this relationship. Reputation is, after all, constructed from multiple issues and signals and many corporations put an emphasis on a carefully selected *set* of issues, rather than rely on all of them equally. It stands to reason that their reputation will be more sensitive to those same issues, if they are a core feature in all their public relations. The people who buy cars from Volvo and Dacia, for instance, are likely to put very different weights on offers of safety and value. Acknowledging and addressing these differences might significantly enhance the effectiveness of a particular restoration strategy (or its

framing) and this is certainly a viable avenue for future research. The possibility for different weights of value and safety, therefore, provides an additional (if unforeseen) example of why the conditional approach is an important avenue of research for the SCCT model.

Ultimately, this study shows that a restoration message can easily be changed, in order to better fit the needs of the recipient and, in so doing, it gains a significant increase in efficacy. Such a tactic can be massively useful for practitioners, as it entails no resource expenditure, whatsoever. As such, framing becomes a readily available improvement to the SCCT model, where the balance between cost and effectiveness is often the chief concern. There isn't even a need for detailed demographic analysis or opinion polls. The previous studies have shown that all of the attributes which determine the effectiveness of particular frames are directly influenced by the make-up of the crisis. This means that intimate knowledge of the crisis is the chief requirement when deciding on the optimal communication strategy. Under normal circumstances, the company is in prime position to have that information, even before the media or other relevant stakeholders. If the decision-making process is streamlined, according to the findings of this research, the response time of a company could be drastically reduced. This reduced response time may well guarantee that the company's restoration message is among the first signals (regarding the crisis) that a stakeholder is exposed to, making it more persuasive, as it will not have to compete with conflicting messages. In short, being able to get ahead of the story would make damage control a far easier task. As such, the results from this study can be used to improve corporate communication on multiple levels.

Study 3 also attempted to address some of the shortcomings of the previous study, in its use of actual performance measures like reputation, rather than asking participants to rate proposed strategies. The main benefit to this approach was that it represented a more accurate assessment of real effects, as opposed to merely participant preferences. The goal was only partially achieved, as the initial analysis that used reputation as a dependent variable proved insufficient, but perceived value and safety, which were used in the post-hoc analysis, are just as valid performance indicators and even have a positive effect on reputation. In fact, all analyses in the post-hoc section were re-tested using PROCESS's moderated mediation models (Models 7 & 11) and it was confirmed that the moderation

effects that influenced value and safety did also feed into reputation. However, these performance indicators also show a certain drawback – the possibility that the moderating variables have a *direct* negative effect on them, in addition to the positive influence of regulatory fit. For example, both disappointment and responsibility have a negative direct effect on perceived value, which means that in the figures that explore their moderating effects on the Value Framing, there are actually two combined effects present – the positive effect of regulatory fit and the negative direct effect. This can present a rather muddled view of what is actually going on in the dataset and is a problem that does not occur when using perceived strategy effectiveness as a dependent variable, because it does not share the same negative relationship with any of those personal-level attributes.

The role of perceived value and safety in the post-hoc model was unexpected, but also intriguing. The overarching theme of this dissertation is the application of Regulatory Focus Theory to the field of crisis communication. Study 3 produces both support for this notion and a need to restructure the initial assumptions. While the first model proved insufficient, the post-hoc model exhibited patterns very similar to those originally hypothesized, but, perhaps, for a more appropriate set of dependent variables. Even so, the new model does pose slightly different implications for current theory. Originally, framing's effect on perceived value and safety was assumed to be inconsequential. Its role was that of a cognitive hook, that would enhance the effectiveness of a strategy by generating regulatory fit, should it match specific personal traits of the participant. The post-hoc analysis showed, however, that perceived value and safety are integral parts of the overall mechanism, as *they* are the ones to benefit from regulatory fit. It is very likely that they are just better measures of the effects of the manipulation (or the overall restoration message) and therefore serve as proxies for message effectiveness. Both the strategy and the framing segments are in some way meant to change the recipient's perceived value or safety, whereas the change in reputation is merely a consequence of that shift. Despite their first (mistaken) role as control variables, they highlight a process that is fundamentally different from the one originally proposed. In short, value and safety seem to act as mediators of the effects proposed in this study, which gives the value and safety framings a much more prominent role.

Regrettably, this study has little to show on the topic of mixed messages and the interaction between framing and the informational contents of a strategy. Even in the post-hoc analysis, no interaction effect was found between framing and strategy on either reputation, perceived safety or perceived value. The main problem isn't that H7 remains unconfirmed, but the fact that the strategies, themselves, did not have any effect on reputation, nor did they interact with any of the moderators that were discussed in this and previous chapters. Compensation saw no unique benefit from promotion focus and the Justification and Corrective Action strategies did not respond to prevention focus. The same applies to the other variables from the same "families" that were constructed during the analysis. In short, the core strategies did not generate any kind of regulatory fit (in contrast to the previous chapter), but framing did.

This echoes a notion from the introduction of this chapter – the possibility that one part of the message might cannibalize the other. In fact, this is the main reason *why* framing and strategy were tested in the same study, alongside their possible interaction. Strangely, though, it is the core strategy that is likely being overwhelmed by the framing signal (and its interactions), while theory suggests that it should be the other way around. Based on signal specificity, it is the framing effect that should be weaker, because it contains no solid information, no plans of action and nothing particularly memorable, other than a claim for value or safety. From a purely practical standpoint, there is also the issue of length – the framing manipulation is much shorter than the strategy one and the latter takes up a very visible, central part of the text. Perhaps issues of recency and primacy play a role here, as the two short framing sentences are placed in the beginning and end of the message. First and last impressions have more weight, after all (Mayo & Crockett 1964; Davelaar, Goshen-Gottstein, Ashkenazi, Haarmann & Usher 2005), but surely not to the point where they erase everything in-between. The only factor that would create a situation like this is a critical lack of involvement, which would favour the less mentally taxing signal over the more specific one (Park, Lee & Han 2015). Even that seems unlikely, however, as involvement *was* measured and it had no effect on the results – direct or otherwise. It's also hard to claim that only one source of regulatory fit can be active at a time, when prevention focus, fear, severity, disappointment and responsibility are all, apparently, sources of fit within the same model. It *may* be argued that the overall impact of the crisis

was not as high as in the previous studies and perhaps that is why there is no differentiation between the strategies – they might all be sufficient to completely cover up the damage. In short, this is a rather fascinating configuration, that deserves further study. Future research on the topic of communication strategies and framing should take into account the possibility of conflict between the two segments and develop appropriate models.

Limitations

The results of Study 3 do not provide outright support for most of the chapter's hypotheses, but they are certainly useful for elaborating the process that takes place when regulatory fit is introduced to situational crisis communication theory. Furthermore, many of the initial flaws are a lot less severe upon closer scrutiny. The main issues can be listed as such: first of all, the post-hoc analysis suggests that the initial theoretical model was simply incorrect – the model tested in the post-hoc section is similar, but not identical. Even then, a lot of the proposed two-way interactions unexpectedly take the form of 3-way moderations. Furthermore, repeated analysis of the same hypotheses inflates the probability of a Type I error. Finally, the nature of the post-hoc model seems somewhat tautological: a value framing is good for perceived value and a safety framing is good for perceived safety. A lot of these problems can, however, be untangled and some of them even share a root cause.

To address the first point, namely the different models, it must be noted that the theory behind the initial analysis and the post-hoc model is very much the same – the latter model is just slightly more detailed in regards to the process behind regulatory fit. The framing hypotheses represent six iterations of the same idea: "the framing signal can be matched to the recipient's mental state, in order to generate regulatory fit, which strengthens the overall message". Whether this is about a safety framing coupled with prevention focus or a value framing and disappointment, the mechanism at play remains the same – regulatory fit. Reputation was chosen as the dependent variable not because it was the ideal way to trace this effect, but because it was important for the practical goals of this study – namely, finding a way to improve crisis communication efforts in a way that is immediately

recognizable by top management. When the initial analysis showed no results, the most obvious course of action was to examine a variable closer to the effects of regulatory fit, *but still very much tied to the original dependent variable.* As such, the two perceived value and perceived safety, which were shown to have a positive correlation with reputation, became mediators, in an effort to bring clarity to the initial model. They did not hold the same practical value as reputation, but due to the significant mediation analysis, they did not need to. Any effects that influenced them would also influence reputation.

The insertion of the value and safety measures is very similar to the way Study 1 (post-hoc analysis) used a manipulation check to clarify the relationship between severity and prevention focus. While some may claim that an insignificant direct effect renders any mediation analysis moot, Rucker, Preacher, Tormala and Petty (2011) argue against this point. They cite issues of small effect size, small samples and suppression effects, all of which can render the direct effect insignificant, but still produce a significant mediation, particularly when the independent variable and the mediator have a "strong relationship". While this study does not contain any notable suppressor effects (unlike Study 1), the small size of the conditional framing effect is quite likely the reason for the initial insignificance. As the results show, even the *indirect* effects of framing on reputation are quite small, which fits with Rucker et al's (2011) explanation that even with a sample size of 20, a small enough direct effect (c=.20) can remain insignificant, without the addition of mediation. From a purely theoretical perspective, the effects of framing were not expected to be particularly large – they were deemed valuable because of their negligible cost, rather than their impact. The framing effect was treated as a way to augment the restoration strategy, but not something that would change it to any great extent. It should be reiterated, though, that while the mediated effect of the framing moderations on reputation may be small, their effects on perceived value and safety were substantial. Finally, the moderated mediation analyses (Process Models 7 & 11) showed the effect of framing on post-crisis reputation was, in fact, contingent on several of the initially theorized moderators: prevention focus, fear, disappointment and responsibility. The effects were indirect (mediated by value and safety), but that does not particularly contradict the theory this study is based on, nor does it inflate the Type I error rate.

The problem of the 3-way moderations is further lessened by the presence of a very similar 3-way moderation in the previous study, looking at the effectiveness of a Corrective Action strategy (that of Prevention Focus x Fear x Severity). The effect, itself, was not massively pertinent to the topic of Chapter 3, but it does set a precedent of the same set of variables interacting with each other in the context of crisis communication. It can, of course, also be argued that looking for interactions of a higher order than the ones originally hypothesized leads to a greater probability of a Type I error, but it is difficult to pinpoint this effect to any precise degree. For one, moderation tends to have issues with multicollinearity and those issues become larger for higher-order interactions, as the number of correlated products within the model goes up. In turn, this can inflate the p-value and suppress the Type I error rate (and inflate the Type II error rate). This effect can be observed in the comparison between combined and individual moderation tests in the post-hoc section. Additionally, and perhaps most importantly, the presence of a significant 3-way moderation makes the interpretation of lower order effects meaningless. If we know that the moderating effect of prevention focus on the relationship between framing and perceived safety is contingent on fear, it makes no sense to ignore fear altogether. This is further emphasized when fear is already a part of the theoretical model, and is predicted to have the same moderating effect as prevention focus.

There is, however, one notable problem in regards to the findings of the post-hoc analysis – it is very difficult to extend them to future research in their exact form. While the post-hoc analysis is fairly conclusive, there is no guarantee that future studies will find the same 3-way moderation effects, rather than the hypothesized 2-way moderations. Even from a theoretical standpoint, there is no obvious reason why the "safety" family of variables produced 3-way moderations, while the "value" family exhibited only 2-way moderation effects. It is hard to say *why* the Framing x Prevention Focus x Fear and Framing x Prevention Focus x Severity moderations were significant, but the Framing x Fear x Severity moderation was not. Of course, one might argue that that prevention focus is the important segment here and it is necessary for the interaction between these variables, but this is little more than rationalization. Ultimately, this study predicts that regulatory fit can be created within the two sets of variables and their interaction with framing; it

predicts that regulatory fit will be beneficial for the goals of corporate communication, but the exact form of that fit can be difficult to foresee.

Finally, the tautological appearance of the post-hoc model also needs to be addressed. While it is true that a lot of the findings appear to describe an overly simplistic relationship (i.e., value framing creates more perceived value), upon closer scrutiny, that is not really the case. The effects shown in the post-hoc are invariably moderation effects. The manipulations do not, themselves, influence the measures of value and safety – instead, they change the sum total effects of responsibility and disappointment on value and of severity, prevention and fear on safety. In turn, safety and value act as equal mediators and the aforementioned moderation effects increase reputation. This can easily be observed in Figures 4 through 7, where an otherwise negative effect is either diminished or reversed. It's not the case that a value framing increases perceived value only under a specific set of circumstances, but it generates *regulatory fit* under those same conditions. In turn, regulatory fit enhances the value signal of the framing segment and this effect is what feeds into perceived value and eventually reputation. There is no other theoretical explanation for the results at hand. Variables like disappointment and responsibility are not expected to have a positive effect on perceived value, but they *can* generate regulatory fit, in combination with the appropriate framing, which creates the positive impact. This means that for this study, the link between a value framing and perceived value is not tautological – it is achieved through the same regulatory fit mechanisms that were theorized in the original hypotheses. The post-hoc analysis is valuable precisely due to its focus on these effects, highlighting the benefits and creation of regulatory fit.

Chapter 5 - General Discussion

5.1 Synopsys and Theoretical Reflection

The main purpose of this body of research is to improve the effectiveness of crisis communication and our understanding of its underlying processes, through the integration of Regulatory Focus Theory. An initial literature review in Chapter 1 pointed out several gaps in current crisis communication literature, such as the need for more empirically driven and prescriptive research. The application of *regulatory fit* was chosen as a possible solution to this problem, on the basis of a repeating pattern in reputation management literature, detailing how information cues and signals could be bolstered by matching personal-level characteristics. For example, if stakeholders consider corporate social responsibility to be an important factor, a company exhibiting signs of CSR will be afforded a certain buffer when it comes to reputational damage (Klein and Dawar 2004; Eisingerich, Rubera, Seifert and Bhardwaj 2011). Similarly, Eisingerich et al. (2011) found that consumers' product knowledge strengthened the negative relationship between the firm's service quality and consumer defection. The literature review concluded that a similar match could be established between specific crisis communication strategies and the regulatory focus of the involved public, resulting in regulatory fit and improving the effectiveness of a restoration message.

This idea was the impetus behind all three papers within the thesis. Chapter 2 was designed as a necessary foundation: its goal was to demonstrate that crisis severity and organizational responsibility have a distinct and predictable influence on the regulatory and emotional state of an individual, which would also diminish a company's post-crisis reputation. This link between crisis and a person's mental state can provide substantial benefits for a more precise and tailored restoration effort, as well as improve the overall understanding of a crisis event.

Chapter 3's aim was to test the aforementioned effects of regulatory fit, by matching the mental state of an individual exposed to the crisis event, with a restoration strategy that is congruent with their regulatory needs. By showing that a successful match could increase

the effectiveness of the Corrective Action and Compensation strategies, the research could provide an empirically and theoretically grounded procedure, that would optimize the use of crisis communication strategies.

Finally, Chapter 4's purpose was to increase the practical value of the prior chapter by replicating the effects of regulatory fit through the use of a value or safety framing. Due to framing's negligible cost, it could provide a very cheap and flexible way for communication specialists to augment their message for the sake of greater effectiveness.

Chapter 2 – The Composition of a Crisis Event and its Mental Impact on the General Public

Based on the empirical results within this thesis, the goals of each chapter have been accomplished with varying degrees of success. For example, Chapter 2's purpose of establishing a link between the attributes of a crisis and the mental state of an individual was somewhat curtailed by the confounding factor in the severity manipulation. The initial insignificance in the relationship between crisis severity and prevention focus was ameliorated by the post-hoc analysis of Chapter 2 and the relevant mediation hypotheses in Chapter 3. Overall, the data suggests that crisis severity and organizational responsibility have their own effects on the regulatory focus and emotions of the general public. Organizational responsibility was linked to an increase in disappointment, while crisis severity reduced promotion focus and (in the post-hoc analysis) increased prevention focus, which, in turn, increased fear. All of these changes, save for fear, had a negative impact on reputation.

These effects are reminiscent of the notion that organizational crises are issue and event-specific (Zyglidopoulos & Phillips 1999; Reynolds & Seeger 2005) in their effects on reputation and that they predominantly influence reputational aspects closely tied to the crisis. For instance, a crisis of product quality will diminish a firm's reputational for product quality, but it is unlikely to influence its reputation for customer service. Likewise, the attributes of a crisis event seem to have a specific effect on a person's mental state as it relates to the company. This is not only beneficial for the research contained within this

thesis, but it also has a wide array of possible uses for other theoretical models. By identifying the emotional consequences of a crisis, it may well be possible to anticipate their behavioural responses, as well. Disappointment is usually connected to negative word of mouth and official complaints (Zeelenberg & Pieters 1999), due to the aggrieved party's belief in their own legitimacy (van Dijk & Zeelenberg 2002), as well as the external attribution of blame (Zeelenberg, van Dijk & Manstead 1998). Conversely, fear is often associated with avoidance behaviour (Reiss 1991; Delbaere, Crombez, Vanderstraeten, Willems & Cambier 2004; Tamir, Chiu & Gross 2007) triggered by an individual's desire to avoid a painful or threatening situation. By identifying the emotional fallout of a crisis, this chapter suggests an avenue of future research tying *behavioural* consequences to crisis attributes, as well. Additionally, some authors treat crisis events as an exercise in group sense-making and construction of meaning (Gephart 2007; Frandsen & Johansen 2011); the effects studied in Chapter 2 could provide further guidance about the direction of this shared experience.

Finally, pinpointing the mental state of the crisis audience can be immensely helpful for the effectiveness of any restoration efforts. Being able to estimate the regulatory and emotional state of a person means that a practitioner is better equipped to meet their regulatory needs. In fact, this directly satisfies Seeger's (2006) recommendation for crisis communication best practices: it identifies the crisis-related needs and concerns of the general public. This is not limited to regulatory focus, either. The information gleaned from Chapter 2 could also be used to determine whether a message should focus on a rational or emotional appeal (Skelly & Mackie 1994), depending on the effects of severity and responsibility. Similarly, it can also pinpoint which emotions should be highlighted for an emotional appeal. Ultimately, the foundation of Chapter 2 may not be as stable as originally envisioned, but it still provides ample cause to delve deeper into the application of regulatory fit in crisis communication.

Chapter 3 – Matching Crisis and Communication: The Impact of Regulatory Fit on Preferences for the Corrective Action and Compensation Strategies

After Chapter 2 showed a connection between specific crisis attributes and a change in the cognitive/emotional state of the individual, Chapter 3's goal was to utilize that relationship and create a crisis communication model that can fully benefit from regulatory fit. The main focus was put on the idea that when a message aids an individual in the pursuit of their regulatory goals, that message will benefit from increased effectiveness and persuasion (Cesario, Grant & Higgins 2004; Cesario, Higgins & Scholer 2008; Avnet, Laufer & Higgins 2013). As such, this chapter represents the true point of integration between Situational Crisis Communication Theory and Regulatory Focus Theory: it takes a core segment from RFT, regulatory fit, and utilizes it in a way that creates more responsive and effective communication.

Corrective Action and Compensation were chosen as the SCCT strategies that are most in line with the goals of prevention focus and promotion focus, which are non-loss and gain, respectively (Higgins 1998; Idson, Liberman & Higgins 2000; Uksul, Sherman, Fitzgibbon 2009). Given the context of crisis communication, the thesis uses the terms "safety" and "value" where appropriate. The cognitive and emotional measures from the previous study were chosen as the indicators of those same regulatory goals. This enhances the practical use of the chapter, because the regulatory goals of the concerned public can be roughly estimated from the severity and company responsibility of the crisis, diminishing the need for detailed questionnaires or stakeholder polling.

The results showed that promotion focus and disappointment would increase the perceived effectiveness of a Compensation strategy, while prevention focus would do the same for Corrective Action. The effects of fear on Corrective Action were originally insignificant, but a post-hoc analysis revealed a significant moderation effect: under conditions of high involvement, fear would have its theorized effect, but for low involvement, it would be reversed. Involvement would also moderate the effect of disappointment on its own matching strategy, but it would only diminish its effect, rather than reverse it. This is strikingly similar to research by Avnet, Laufer and Higgins (2013), which noted that the effects of regulatory fit based on prevention focus would be reversed by low involvement, but if they were based on promotion focus, low involvement would only diminish them. It is reasonable to conclude, therefore, that fear does generate

regulatory fit when exposed to a Corrective Action message, but the precise effects of that fit are conditional on involvement.

The impact of low involvement should not be underestimated, as the number of uninvolved audiences could be surprisingly large. As Austin, Liu and Jin (2012) note, a great deal of people rely on the internet and social media, in particular, for their information, so those are the mediums that often introduce them to a crisis event. Furthermore, the authors prove that most social media users are there primarily for entertainment and social purposes, which does not suggest a high level of involvement. As such, internet audiences could potentially have very different reactions to crisis restoration efforts, compared to the audiences of more traditional media. The conundrum is further exacerbated by the higher speed of discourse and the greater unpredictability (Gilpin 2010; Cheng 2018) that characterize crisis communication via social media. The use of regulatory fit could at least improve the situation, as it presents a very quick and easy way to decide on appropriate restoration strategies, which could help companies keep up with the breakneck speed of the internet. The model developed in Chapter 3 need not be constrained to SCCT alone. By identifying the regulatory needs of one's audience, it is possible to meet those needs through many other ways, or, indeed, for many different *types* of audience. For instance, the same principles could easily be applied to internal crisis communication efforts, and help predict employee response, which is a strain of research that Frandsen and Johansen (2011) call for. In fact, it may be reasonable to expect a fairly *high* level of involvement from employees, due to a shared organizational identity (Carrol 1995; Norman, Avney, Nimnicht & Pigeon 2010). As shown by the moderation effects highlighted in Chapter 3, as well as the work of Avnet, Laufer and Higgins (2013), a high degree of involvement is rather beneficial for the effects of regulatory fit. This would make the current model even more impactful. Given that Chapter 3 delivered a theoretically and empirically justified model that prescribes an optimized use of crisis communication through the use of regulatory fit, it should be fair to say that it achieved its overall goals.

Chapter 4 – Framing as a Source of Regulatory Fit for Crisis Communication

The fourth chapter aimed to test the usefulness of framing as a tool to enhance the effectiveness of crisis communication, by replicating the previously observed instances of regulatory fit. Framing-based regulatory fit was theorized to be a substantially cheaper alternative to fit generated by an SCCT strategy, although, in all likelihood, a less impactful one, as well. It was also important to establish whether adding one more source of regulatory fit (framing) might not interfere with the previous source of fit (the strategy's informational content) and create a poor message, due to conflicting signals (Herbig & Milewicz 1993; Herbig & Milewicz 1996). This final step deconstructs the crisis communication missive into multiple fragments, in order to better understand their effectiveness, as well as the way they interact with each other and with their recipient.

None of the original hypotheses were confirmed during the initial analysis: value and safety framing had no effect on post-crisis reputation, this relationship was not moderated by any of theorized variables and there was no interaction effect between strategy and framing types. A post-hoc analysis, however, showed that many of the hypothesized effects did take place, but for a slightly altered version of the model. Perceived Safety and Perceived Value were used as mediators of the hypothesized moderation effects, some of which proved to be of a higher order than first envisioned, but the ultimate dependent variable remained reputation. The post-hoc results showed that disappointment and responsibility would enhance the relative ability of a value-framed message to protect company reputation, while combinations of prevention focus, fear and severity would do the same for a safety-framed message. There was no noted interference between framing and strategy type, which *is* somewhat encouraging for the practical application of Chapter 4's topic.

In all likelihood, the inconsistencies of the results were caused by the small effect size of the studied relationships. This issue was anticipated in the planning stage and it is the primary reason why there are 56 participants per experimental condition – well above the norm for similar studies. This measure appears to have been insufficient, but it is difficult to find a theoretical reason why. As noted in the literature review of Chapter 4, it is possible for the effects of framing-based regulatory fit to be interrupted, if the positive feelings generated by the framing segment are considered irrelevant for the evaluation of the object (Higgins et al. 2003). The mediation analyses show that to be quite unlikely, because

perceived value and perceived safety actually mediate all of the effects of regulatory fit in the study. Therefore, value and safety seem to be quite pertinent for the evaluation of the message. Another potential issue could be the framing type used for the study. The experiment used a manipulation closer to emphasis framing rather than the equivalency framing used in other regulatory fit research (Higgins et al. 2003; Lee & Aaker 2004; Cesario, Higgins & Scholer 2007), but there is fairly little difference in informational content or length.

It is quite likely that the issues of effect size are actually related to the design of the overall model. In an attempt to improve the appeal and practical value of the regulatory fit effects studied in Chapter 3, Chapter 4 used a different dependent variable: reputation, instead of perceived message effectiveness. This proved to be both a problem for the study and a rather interesting contribution for regulatory fit study design. This is because post-crisis reputation is a more indirect measure of regulatory fit's impact, compared to message effectiveness. After all, the effectiveness of a restoration message *contributes* to a firm's post-crisis reputation (Martinko 2006; Coombs 2007). This extra step between the effects being studied and the dependent variable (which was not present in Study 2) was most likely detrimental to the significance of any results. However, the post-hoc analysis showed that conditions of regulatory fit *would* increase the perceived safety or perceived value of a given participant, which appear to be fairly adequate proxies for message effectiveness. That incremental effect was mediated by the aforementioned variables, indirectly improving reputation and giving full or partial confirmation to many of the chapter's hypotheses. The lesson to be learned here is not that reputation was a poor choice of dependent variable, but that there didn't need to be a choice at all. Both reputation and message effectiveness can easily fit into the same model, as each of them serves a unique and important function. Every bit of information and theoretical reasoning was already present, so that the same model used in the post-hoc analysis could have been constructed *a priori*. Therefore, future studies that deal with regulatory fit should be mindful that their chosen dependent variables reflect the effects that they aim to measure. At the same time, practically relevant variables can also be utilized though simple mediation.

In conclusion, the results of Chapter 4 are difficult to generalize for academic use, but at the same time, they provide ample considerations for study design. In order to confidently

confirm the theoretical reasoning behind the chapter, further empirical evidence will be required, but the already available data is fairly encouraging, if the problem of effect size can be eliminated. From a practitioner's perspective, however, it is somewhat easier to recommend the use of framing for crisis communication, because the matches between message and recipient produced consistently beneficial results in the post-hoc section. Taking into account the negligible cost of framing, along with the additional possibility of determining the mental state of their audience by examining the crisis's attributes (thanks to Chapter 2), there is little reason *not* to frame one's message in a manner that best fits the circumstance.

Despite the presence of a few empirical shortcomings, the thesis has successfully developed a series of tightly connected and mutually beneficial research topics. As originally intended, they provide clear and actionable suggestions for improving the overall understanding and effectiveness of modern crisis communication techniques. By integrating regulatory focus theory and crisis communication, it highlights new possibilities for both practical and academic needs. This new perspective most certainly warrants further examination, as its depth has not yet been fully explored.

5.2 Contributions and Implications

All the chapters in this dissertation are fundamentally linked. They explore a chain of events that start with the crisis and its predictable cognitive/emotional consequences on an individual, determine how these consequences impact the perceived effectiveness of specific strategies via regulatory fit and, finally, show that the message can be modified via framing, in order to further fit the needs of an individual. The examination of this process, from start to finish, is a fairly important contribution in its own right and provides a new perspective for the field of corporate communication. The development of a more comprehensive and predictive SCCT model is, of course, going to lead to an increase in effectiveness, but it must also change the way we view crisis communication, itself. For one, it highlights the role of crisis severity, which is often treated as a secondary factor, compared to responsibility (attribution). As the results imply, this is not merely a matter of

what factors feed into the potential reputational damage that a company might face, but how they completely change the type of response that should be deployed, beyond the scope of the defensive-accommodative spectrum. If severity leads to an increase in prevention focus and fear, then strategies like monetary compensation or apologies will lose their effectiveness, regardless of how accommodative they may be, simply because they do not address the needs created by the crisis event.

The dissertation also introduces a certain degree of nuance into the SCCT model, which can often function as a cost-benefit analysis, rather than a contingency model. The SCCT model takes the measure of the a crisis primarily in terms of attribution, but also takes severity and prior crisis history into account and, cumulatively, they determine the reputational damage that a company might expect to incur (Coombs & Holladay 2005; Martinko 2006; Coombs 2007). A suitable strategy is then selected, so that the damage is, ideally, negated, but without having to spend more resources than is absolutely necessary. The studies in this work, however, show that the effectiveness of a strategy is not set in stone - it shifts, depending on how congruent that strategy is with the cognitive and emotional state of the individual, as well as the needs they generate. This state is directly tied to the make-up of the crisis, in terms of severity and responsibility, which means that reputational damage is no longer the sole defining factor of strategic choice. Taking this into account will invariably create a better way of communicating with one's stakeholders, due to a better understanding of their needs.

From an academic perspective, the individual's preference for a specific type of message is also a denial of the notion that equally accommodative strategies have a very similar effectiveness. Study 2, in particular, provides evidence for this: it detailed how different the optimal conditions are for the Corrective Action and Compensation strategies, but it also showed a very significant gap between their performances. Even though the two strategies belong to the same highly accommodative cluster, Corrective Action was perceived to be substantially more effective. This finding is yet another factor that sets this thesis apart from the traditional SCCT model, which would predict parity between the two strategies. When applying the concept of regulatory fit, however, it becomes apparent that the nature of the crisis event (degradation of Groningen's waterways and potential E. coli contamination) is likely to trigger an increase in prevention focus within a participant and,

therefore, necessitate a prevention-focus-congruent response like Corrective Action. Overall, this integration between regulatory focus theory and corporate communication provides us with a more nuanced outlook of the factors, which influence reputational damage and the ways to mitigate that.

Communication Speed

Increased strategy effectiveness, due to regulatory fit, is not the only positive outcome that this research offers, however. The speed of the decision making process is an equally important factor – one that also benefits from the extra clarity provided by this dissertation. There are two ends of the spectrum when discussing *narrative* as a part of crisis communication. The classical view is that the narrative of events is shaped by an orderly and sequential dialogue between the media, on one hand, and the company, on the other (Venette, Sellnow & Lang 2003). A more post-modernist approach to narrative, however, implies a rather unwieldy configuration of multiple voices that involve internal and external stakeholders, each with their own set of priorities and their own version of the truth (Tyler 2005). Whatever the viewpoint, it seems that there is a distinct first mover advantage: whoever gets their message out first is the one that sets the narrative for further conversations, while delayed restoration strategies will usually be perceived as just *spin* (Seeger 2006; Austin, Liu & Jin 2012). This does not only apply to tone and direction, but perhaps more importantly for the topic of crisis communication, also to the main talking points of a restoration message. If a company can put forth their message faster, it will most likely generate greater message effectiveness, as well. For example, speed seems to be a commonly agreed upon element in one of the most famous examples of crisis restoration efforts, concerning the Tylenol poisoned capsules. Even though the cost of the product recall ($100-150 million) is usually the focus of the conversation, no description of the events fails to point out the “immediate” (Pauly & Hutchison 2005), “quick” (Simola 2005) and “unequivocal” (Mitroff, Shrivastava & Udwadia 1987) decision-making of the parent company Johnson & Johnson. Alacrity in communication probably provides more than a simple increase in effectiveness, however.

Because of the ever-shifting environment of a crisis situation, it is entirely possible that the same message can be received in an entirely different fashion, depending on whether is put forth during the initial stages of a crisis, or after facts and blame have already been established. The cognitive and emotional changes covered in Chapter 2 could have a substantial effect here, because it is virtually guaranteed that they do not occur instantaneously, but over a period of time. For one, information dissemination takes time, so the effects observed in Chapter 2 can only follow the spread of information. In addition to that, the news regarding any major crisis is subject to frequent repetition, so those same effects are likely to be reinforced over a period of time. The attitude of the general public will shift over time, and it is very unlikely to be in favour of the company. If a restoration strategy is delayed, it will probably be met with a more hostile and less trusting general public. This would be greatly exacerbated, if the crisis event is characterized by high severity, because according to Chapter 2, that would trigger changes in prevention and promotion focus, which would only magnify public discontent. In short, the speed of crisis communication is important, because the cognitive and emotional changes highlighted in this body of research need to be dealt with as soon as possible, lest they spiral out of control.

In fact, one of the major implications of this thesis is the development of a model of crisis communication that is clear, decisive and easily deployed. The very reason why the crisis attribute model from Chapter 2 was developed in the first place is its capability to reduce the need for information gathering. If managers are aware that the severity of a crisis event, coupled with the company's own responsibility, has a predictable impact on the mindset of an individual, then the crisis communication process can be significantly streamlined. First of all, if the attitude of the general public can be seen as a function of two easily measurable crisis attributes, this substantially diminishes the need to query the attitude of random stakeholders or try to gouge public feelings through the media. By eliminating this step, it is possible to produce a more agile company response, without sacrificing accuracy. Furthermore, an increased focus on the effects of severity can be very helpful in identifying the crises that require an immediate reaction, before they grow in magnitude.

While the integration between regulatory fit and SCCT in Chapters 3 and 4 was meant to empower practitioners and provide them with a straightforward set of effects that increase message effectiveness, it *can* be said that they produce a severely constrained outlook of crisis communication. The original SCCT model may propose comparatively similar effectiveness of strategies that occupy the same cluster, but once one takes into account their inherent compatibility with regulatory focus, the strategies become strikingly different. As regulatory fit increases the effectiveness of communication efforts, it seems counter-productive to use any strategy or framing that does not produce fit with one's audience. In turn, this eliminates a significant portion of the available SCCT strategies. If a crisis ranks high on severity, this eliminates almost every single option, aside from Corrective Action, due to the proven shift away from promotion focus and into prevention focus, caused by the aforementioned crisis attribute. In theory, none of the defensive strategies are a particularly good answer to a severe crisis, irrespective of company responsibility, because they run counter to prevention focused goals. This is a departure from conventional SCCT wisdom, which focuses primarily on attribution, but it also narrows down the list of strategies that managers can choose from.

Communication Routines

This limitation is hardly a problem, if it also comes with an increase in message effectiveness and perhaps even a quicker company response. The obvious benefit is that a limited set of strategies will make it easier to produce a consistent and timely restoration effort, by eliminating the incongruent strategies from the list of possible choices. The *bolder* application of this research would be the possibility of routinizing crisis communication and integrating these routines into company policy. Due to its reliance on simplicity and predictability, such routinization is inherently a difficult prospect. However, by using the increase of predictive power, afforded by the application of regulatory focus theory, alongside a pared down selection of strategies, standardizing crisis communication may become a perfectly viable option. After all, many resources advise practitioners to be prepared for the event of a crisis, but that is easier said than done. Aside from developing

and maintaining proper communication channels with one's stakeholders, the amount of preparation that a company can have for an unexpected crisis event is usually limited. This fundamentally changes, however, with the possible introduction of crisis communication routines, which can be employed with considerable speed and conviction. A standardized communication process would also make it easier to track key performance indicators like reputation or trust, exemplifying the contribution of communication professionals. It also allows practitioners to feel more confident about their choices, when all the incongruent message types are easy to identify, reducing the probability of a failed or backfiring restoration effort. In addition, Chapters 3 and 4 have gone a long way toward identifying the key components of a restoration message (informational content and framing, respectively), as well as their function and interaction with the mindset of the intended audience.

Armed with this information, practitioners can craft more consistent communication campaigns, because they know the functionality and importance of every message they present. A reduction in ambiguity is likely to create a more persuasive and impactful message. Over a long period of time, consistent and effective crisis communication could even contribute to organizational reputation. In fact, long-term communications are the ones most likely to benefit from the framing effects covered in Chapter 4. While the effects were shown to be quite small, that type of framing also held no inherent cost, so through repeat exposure over the course of years, the benefits would likely add up substantially. Ultimately, if a company is seen to be consistent and reliable even during times of crisis, then public trust will surely follow. From an academic perspective, the expansion of regulatory fit, in its relationship with fear, disappointment, severity and responsibility is certainly a noteworthy point. It suggests that regulatory fit has a significantly broader domain than current research would show. Of course, these four sources of fit are not unrelated to regulatory focus: they are, after all, either consequences or antecedents of promotion and prevention focus. They do, however, provide new ways of exploring how an individual processes information, by extending known regulatory fit effects to a wider pool of variables. This is exemplified by Study 2, where a very specific interaction was discovered between involvement, on one hand, and either disappointment or fear, on the other. Low involvement diminished the effect of disappointment on the perceived

effectiveness of its congruent strategy, but it completely *reversed* the same effect of fear. The reason why these moderations are important is that they completely mirror the relationship between involvement and regulatory fit/focus covered by Avnet, Laufer and Higgins (2013), in which low involvement diminishes the effects of regulatory fit on promotion focus, but reverses the effects of fit on prevention focus. The highly specific nature of these interaction effects lends further credence to the inclusion of these additional sources of regulatory fit.

5.3 Limitations and Notes for Future Studies

While the individual limitations of each study have been covered at the appropriate junctions, this segment allows for the discussion of several overarching issues. For example, one such problem that concerns both Studies 2 and 3 is the legitimacy of expanding the domain of regulatory fit. After all, up until this point, regulatory fit was deemed to be the result of two congruent regulatory foci, while the last two studies each add two new variables into the equation. Given this deviation, it is perfectly reasonable to question whether the effects observed in those studies should be called "regulatory fit", or perhaps something different, altogether. It is possible to argue, however, that this deviation is in no way abnormal, because the norm itself doesn't exist. If one looks at the different ways of measuring regulatory focus, the theoretical and empirical differences between them appear so vast, that perhaps they don't even measure the same thing (Summerville & Roese 2008). The Regulatory Focus Questionnaire (Higgins, Friedman, Harlow, Idson, Ayduk & Taylor 2001), for instance, has many items pertaining to an individual's past, their relationship with their parents and the overall evaluation of their own life. The scale is designed to measure a permanent aspect of personality and the items are decidedly rooted in the past. By contrast, the Lockwood et al. scale (2002) is a lot closer to studying goal orientation, with questions about achieving targets or avoiding negative events *in the future*. The differences are not only conceptual, as Summerville & Roese (2008) have shown that there is very little actual correlation between the two scales, as the Lockwood scale was more correlated to an approach/avoidance scale, than to the RFQ measures. The

authors, themselves, suggest that this might indicate two separate definitions of regulatory focus – a reference-point definition for the Lockwood scale and a self-guide definition for the RFQ scale. Both of these measures have been used in the examination of regulatory *fit*, and so has the Proverb scale for regulatory focus (van Stekelenburg 2006), which bears little conceptual resemblance to *either* of the earlier scales. As its name suggests, it measures respondent agreement with well-known proverbs and measures prevention and promotion focus, accordingly. With all these different sources of regulatory fit, it is difficult to claim that the additions of this thesis are particularly transgressive – after all, the field is quite diverse, already.

On the other hand, it must be said that some of the empirical results within this dissertation are rather ambiguous. For instance, in Study 1, the link between the severity manipulation and prevention focus was only shown to be significant by the discovery of a suppressor effect. By adding a *measure* of severity to the model, alongside the severity manipulation, itself, it was revealed that the severity manipulation had both a positive indirect (significant) effect on prevention focus, as well as a negative direct *(insignificant)* effect on the same. Of course, that doesn't mean that the suppression effect *caused* the significance (it only separated the positive and negative effects), but the presence of an unexpected artefact within the severity manipulation is still a problem most likely caused by a confounding element in the manipulation text. It is very likely, therefore, that the addition of the severity measure actually separated the genuine effects of severity from the effects of the confounding element. The most plausible cause for this is an issue with believability and informational asymmetry. Without the presence of a relevant confounding check, however, there is still no guarantee that this is the case. This is why the Severity manipulation of Study 2 was modified to be more subtle than its predecessor, which resulted in a confirmed significant relationship between severity and prevention focus.

There is also a degree of uncertainty in the results of Studies 2 and 3. For example, there is no guarantee that another dataset would be able to replicate the 3-way moderations from Study 3, between framing, prevention focus, fear and severity, such as Framing x Prevention Focus x Fear or Framing x Prevention Focus x Severity, because they were not theorized *a priori*. To a certain extent, that also applies to the Involvement moderations of fear and disappointment, in Study 2. Certain factors diminish the probability that these

effects are the results of a Type I error, such as the small likelihood of obtaining so many significant effects out of the two omnibus tests and or the fact that the Involvement moderation in Study 2 mirrors a previously established effect. Nevertheless, some degree of caution is warranted and the generalizability of these findings is diminished.

One common element across the studies in this thesis is that they all use scenario experiments. It was considered the best option, given the complex nature of a crisis event: in real life it can include multiple perspectives, conflicting narratives and even the influence of charismatic CEOs (Sohn & Lariscy 2014). In order to ameliorate the issue, the high levels of control over treatment variables in a lab experiment (Sansone, Morf & Panther 2003) were deemed necessary. This was especially pertinent for Study 3, where the effects of framing were expected to be rather small, so tight control over the study parameters was even more important. An additional merit to the chosen methodology is that it allows for the discussion of causal effects, in regards to treatment variables. As this thesis strives for practical utility, wherever possible, the experiments are designed with that goal in mind. They use realistic crisis scenarios, which reflect actual events.

It is, however, possible that the lab-based setting contributed to a lack of believability in Study 1, which is most likely the cause of the already discussed confounding element. As the test participants in Erasmus' behavioural lab are used to misleading manipulations, they tend to be quite wary. With this in mind, future research on the same topic could certainly make use of field experiments for the sake of greater external validity or longitudinal studies, in order to measure the effects of repeat crisis exposure. For example, the first study concluded that crisis severity leads to an increase in prevention focus and a decrease of promotion focus, which would lead to a more cautious audience that is sensitive to negative signals. A longitudinal study would provide an excellent way to see if these cognitive shifts can be activated through repeat crisis exposure, *or* if they have any impact on the evaluation of future crisis developments. Nevertheless, the papers in this thesis were made to integrate fairly disparate fields, so it is preferable that the initial studies use a transparent and easily replicable design.

Finally, the reliability of the scale, used to measure regulatory focus in all three studies, should also be mentioned here. The scale, itself, is new and it seems that the modifications

to the original Lockwood et al. scale have diminished its reliability. At the same time, though, reliability estimates are notoriously reliant on unidimensionality and when that assumption is violated, the score tends to go down. This possibility is supported by a series of Confirmatory Factor Analyses, which showed that in Studies 1 and 3, the prevention focus scale had a sizable second dimension, based on the relevant eigenvalue and scree plots. Those were also the studies where the prevention focus scale had its lowest reliability. Nevertheless, in the interest of future research, the regulatory focus scale that was used in this work could definitely use further scrutiny.

In terms of future research, the interconnected nature of the chapters means that many of the questions raised early on are answered by a subsequent study – that was, after all, the original goal of this thesis. Perhaps the most fundamental avenue of further development is putting this research into practice – not only in the form of organizational routines, but in other applications, as well. One possibility is the idea of crisis communication as an iterative process – one that treats crises as developing situations, rather than a one-off event. After all, such iterative systems already exist in the field of risk analysis, as exemplified by Strat (1990) and one of the most basic purposes of crisis communication is to deal with the risk of reputational damage. An iterative process would also address one of the conceptual gaps between SCCT and actual practitioners: the fact that crisis communication doesn't often rely on one monolithic message or strategy, but is often a combination of different signals and streams of information. However, that would once again raise the question of incongruent messaging that Chapter 4 could not conclusively settle – one that would have to be tackled in later research. If every strategy has its own relationship with regulatory focus, that implies that some strategies are going to be fundamentally incompatible with each other, due to issues of regulatory (mis)fit. The conclusion isn't that mismatched strategies should be avoided in the same restoration campaign – *it may well be necessary that they are avoided for the entire life cycle of the crisis event.* From the very moment that a company becomes aware of a given issue, they should be aware that some statements or actions will limit the effectiveness of future communication, should the crisis escalate. Of course, integrating something like this into a company's day-to-day activities would create a considerable burden in terms of information processing. This is where routinizing crisis communication comes in handy – it

allows for a quick response, based on a set of readily obtainable data, without the need for thorough consultation with high-ranking executives (at least for the more standard crises). At the same time, there is also a technological solution to the problem, in the face of software that can trawl through social media and relevant corners of the internet, looking for mentions of a given company and potential issues. These “crawlers” can be coded in such a way that quantifies negative sentiment even to the point where it is issue-specific. As such, this new combination between information gathering and processing can create a brand-new way of dealing with crisis events in a much more adaptive or even pre-emptive manner.

6. Appendix

Scales and Items

Participants were asked to indicate their agreement with the following statements (5 point scale):

Responsibility Measure:

The blame for the crisis lies in the CIRCUMSTANCES, not in Waterbedrijf Groningen.

The blame for the crisis lies in WATERBEDRIJF GRONINGEN.

Severity Measure:

It is likely that somebody will be HARMED by the water crisis in Groningen.

The water crisis in Groningen will get resolved WITHOUT severe health problems.

Emotions

This scale consists of a number of words that describe different feelings and emotions. Indicate to what extent you feel right now, at the present MOMENT, in regards to the situation in Groningen (7 point scale):

I feel ANXIOUSthat something similar may happen to me.

I feel DISAPPOINTED in the performance of Waterbedrijf Groningen.

Modified Lockwood Scale (Regulatory Focus 7 point scale)

(+) for Promotion (-) for Prevention

Waterbedrijf Groningen should be focused on preventing negative events. (-)

It is of chief importance that Waterbedrijf Groningen does not fall short of their responsibilities and obligations. (-)

Waterbedrijf Groningen should be focused on achieving future success. (+)

Waterbedrijf Groningen should make sure they do not fall short of consumer expectations. (-)

Waterbedrijf Groningen should make sure they do exceed consumer expectations. (+)

Right now, Waterbedrijf Groningen should be more orientated toward preventing losses than achieving gains. (-)

The major goal of Waterbedrijf Groningen right now should be to achieve their organizational targets. (+)

The major goal of Waterbedrijf Groningen right now should be to avoid failure. (-)

Waterbedrijf Groningen should be focused on achieving positive outcomes. (+)

Right now, Waterbedrijf Groningen should be more orientated toward achieving success, rather than preventing failure. (+)

Perceived Effectiveness of Corrective Action and Compensation (binary choice + 7 point scale)

Waterbedrijf Groningen has considered 2 separate options for addressing the situation in Groningen. The cost is equal for both options but only one can be implemented at a time. Please pick the one which you would like to see put into action.

1) *A complete reconstruction of the water system in Groningen, which will guarantee that no similar problems occur in the next 50 years. The construction will be carried out with minimal distress to the local populace. Cost = €5,00.000*
2) *Waterbedrijf Groningen will issue monetary refunds and compensations to those harmed in the Groningen incident, in order to properly move on past the unfortunate event. Cost = €5,00.000*

Please rate how effective you believe the previously discussed solutions are, on a scale of 1 to 7.

1) Complete reconstruction of the water system

2) Monetary refunds

Involvement (7 point scale)

How would you rate your own degree of concentration while you answered the questions in this study?

Manipulations Study 1 and Study 2

The story on the following page was recently published in a local Dutch newspaper. Please read the text carefully, after which you will be asked to share your opinion of the article in a brief questionnaire. The questions will only look at your personal feelings on the matter and not actual details of the text. Nevertheless, we ask that you go through the article with a certain degree of focus.

* The article contains two manipulations for severity and responsibility. The text is modular, which allows for different conditions to be inserted, without changing the size or nature of the article. The following is an example of a high severity/low responsibility condition. The modular segments are highlighted in red (severity) and yellow (responsibility).

The second article is from Study 2, high severity/high responsibility condition

Dutch Daily News

Groningen | YOUR LOCAL BUSINESS NEWS | Monday May 5th 2015

Trouble in Groningen

Recent events in Groningen have put Waterbedrijf Groningen, the local, highly trusted water supplier, in a spot of trouble. The company has ranked first in terms of Occupational Safety seven times out of the past decade and has frequently presented consumer safety as their #1 regard. Nevertheless, the situation in Groningen might just nullify this impressive record.

Residents across several areas of Groningen have experienced problems with their water supply in recent days with brown, dirty water coming from their taps. The problem occurred around 6pm last Sunday night and still persists. Large parts of the municipality experienced issues with northern segments being affected the most, whilst other postcodes suffered minor discoloration.

Tinted water may occur **because of sediment** in the pipes or rust which has built up on the inside walls of older water mains. The sediment can be disturbed and subsequently suspended in the water due to an increase or change in water flow. This may be caused by water main breaks, flow direction changes or the use and flushing of a nearby fire hydrant.

The incident has been caused by faulty maintenance on part of **Waterbedrijf Groningen**. It looks like the Dutch water supplier has neglected that region of the city for some time and without proper maintenance, several sections for the local pipe system have started to exhibit decay.

The smooth internal coating of the pipes has worn off and this has made it possible for sediments to begin forming on the inside. Once these sediments reach a certain mass, they break off and disperse within the water system, which caused the strange, although harmless color of Groningen's water.

However this might just be the beginning of Groningen's problems, a group of sanitary engineers have pointed out. According to Bart Jansen, the spokesperson for the group, the sediment may well be safe, but it is indicative of more serious problems down the line. He argues that these signs of wear and tear have manifested entirely too early, considering the expected lifespan of Groningen's infrastructure and they are simply early symptoms of an **upcoming failure of the water systems**. Whether this is due to errors during construction, or the low-level seismic activity that has become a sort of background noise to life in Groningen, the consequences can be severe.

Jansen's main concern is that structural vulnerabilities in the waterways create the possibility of **contamination** – not only from sediment, but bacterial and viral pathogens, as well. Bacterium, such as **E. coli** can easily find their way into a compromised water system, if animal or human waste were to leak inside. Individuals who drink contaminated water may display symptoms such as hemorrhagic (bloody) diarrhea and chest pains. Among children and the elderly, the possibility of kidney failure also exists, which can eventually lead to death. If this came to pass, today's tinted water incident would pale in comparison.

"There is no way I would ever drink that water," said local Evelyn Aakster about the water that flowed out of her faucet this weekend.

Residents of Groningen have expressed concern over how harmless the water really is. Local resident Alida Ambroos commented: *"This is the water that my family drinks and our children use to brush their teeth."*

Dutch Daily News

Groningen | YOUR LOCAL BUSINESS NEWS | Monday Feb 5th 2015

Trouble in Groningen

Recent events in Groningen have put Waterbedrijf Groningen, the local, highly trusted water supplier, in a spot of trouble. The company has ranked first in terms of Occupational Safety seven times out of the past decade and has frequently presented consumer safety as their #1 regard. Nevertheless, the trouble in Groningen might just nullify this impressive record.

Residents across several areas of Groningen have experienced problems with their water supply in recent days with brown, dirty water coming from their taps. The problem occurred around 6pm last Sunday night and still persists. Large parts of the municipality experienced issues with northern segments being affected the most, whilst other postcodes suffered minor discoloration.

It turned out, however, that the strange color of the local water was symptomatic of something far more dangerous. A particularly hazardous strain (O157:H7) of the ***Escherichia* coli** bacterium has managed to find its way inside Groningen's waterways. Although this variation of E. coli can be asymptomatic, the most common effects include hemorrhagic diarrhea and chest pains. Among children or the elderly, however, the possibility of kidney failure also exists, which can eventually lead to death.

The incident has been linked to the **gas drilling procedure**s, taking place in close proximity to Groningen and the small scale earthquakes caused by them. Local residents have been subjected to minor quakes ever since gas collection began. The miniature earthquakes have a magnitude between 2 and 3, but it seems that the frequent shaking has damaged several pipe installations and seals, making the otherwise sound water system susceptible to bacterial contamination.

The supplying company, **Waterbedrijf Groningen**, has issued a warning about the contaminated water, but locals fear that the infection may already have spread. The situation is expected to be resolved within a matter of days, after which citizens will be able to flush out their own pipes by running hot and cold water over the space of an hour. In the meantime, the firm assures everyone that its engineers are working round the clock to resolve the issue as soon as possible in the interest of public safety. Apologies have been issued for this regrettable accident.

"There is no way I would ever drink that water," said local Evelyn Aakster about water that flowed out of her faucet this weekend.

Residents of Groningen were shocked when they found out they may have been exposed to the dangerous bacteria. Local resident Alida Ambroos commented: *"This is the water that my family drinks and our children use to brush their teeth".*

Study 3 Crisis Article

Muzyka's massive invasion of privacy scandal makes sense in a twisted and cynical way. Here's why:

On September 21st Muzyka, the Polish commercial music and movie streaming service landed in hot water, after they were accused of invasive data gathering through their new mobile app.

Muzyka is a company that has been growing rapidly in the past year, mainly due to their extensive catalogue of independent labels and low prices. It originally started off as a small scale project, focused exclusively on Polish musicians and catering to Polish fans. Thanks to CEO Cyryl Sobkowiak's fierce networking, however, it rapidly accrued a wide selection of foreign indie artists, whose popularity exploded in Poland and launched the service worldwide. This turned Muzyka into the platform of choice for many up-and-coming musicians, unaffiliated with major publishing labels.

It has been incredibly satisfying to see our country embrace talent from all over the world and give so many amazing voices a chance to be heard. - Cyryl Sobkowiak in Muzyka's 2015 Annual Report

The massive influx of resources and influence allowed the company to experiment with streaming cheaper B-movies, in addition to their regular service. The financial success of this endeavour is credited mainly to the user community behind Muzyka. Members embraced the new feature and began actively curating the large selection of relatively unknown budget flicks, ensuring that the good ones would receive more attention and create small, vibrant fandoms for certain franchises and genres. In effect, the community created an extra layer of value for the offered product.

It does not come as a complete surprise, therefore that Muzyka would want to gather as much information about their customers as possible, in order to continue their streak of successful ventures. The way they went about it, on the other hand, has been seen as a complete betrayal of faith by some users and one can hardly

blame them for their disappointment. In late September, it was discovered that **Muzyka's mobile application was going through the contact lists and browsing histories, as well as photos and media files of its users' mobile devices and sending all of this information back to the company.** Not only was this seen as a massive invasion of privacy, but as a huge security risk, as well. While the data can certainly prove useful for the company, when it comes to refining their suggestion algorithms and measuring demographic-specific demand, many users are wary that their personal information could be sold to Muzyka's advertisement contractors.

This has been a blow to the image of the Polish company and many of the communities that helped develop this business have now become its most vocal detractors. Interestingly enough, the outcry was heard primarily from the international users of the application. The main reason for that can be found in Muzyka's Terms of Service (ToS) agreement, which holds **surprising differences** between the Polish and English versions of the text. The Polish ToS seems to disclose the data collecting function of the app, while the English version holds absolutely no mention of this. **In Polish, it is even stated that no personal data is to be relinquished to entities outside of the company.** This assurance actually covers quite a bit of text and takes a very prominent place in the document. Could this entire fiasco be just another case of shoddy translation? If so, Muzyka has lost a lot of revenue by skimping out on translators. Nevertheless, doubt still remains if the company is treating its international users the same way they do their Polish ones.
Company Response:

Compensation – Safety

Responding to recent events, Muzyka's CEO, Cyryl Sobkowiak, offered his customers a month of free service, as compensation, **citing the firm's commitment to a safe and reliable service**:

“As many have already noticed, there is a problem with the mobile version of Muzyka. Simply put, the English translation of Muzyka’s Terms of Service is sub-par: it does not mention our data collection policy or our commitment to keeping this data confidential. While there is no real danger to the privacy of our users, I understand that this lapse in oversight has caused our community a great deal of distress. This is why, starting tomorrow, every single Muzyka account will receive one month of free service.

Our company strives to be a leader in customer service and it is impossible to achieve this position if our customers do not feel safe. Despite the recent misunderstanding, we strive to keep personal information secure.

Compensation – Value

Responding to recent events, Muzyka’s CEO, Cyryl Sobkowiak, offered his customers a month of free service, **stating that customer value is the company’s main concern**:

“As many have already noticed, there is a problem with the mobile version of Muzyka. Simply put, the English translation of Muzyka’s Terms of Service is sub-par: it does not mention our data collection policy or our commitment to keeping this data confidential. While there is no real danger to the privacy of our users, I understand that this lapse in oversight has caused our community a great deal of distress. This is why, starting tomorrow, every single Muzyka account will receive one month of free service.

Our company strives to be a leader in customer service and the only way to achieve that position is by focusing on value. Despite the recent misunderstanding, we give our best to serve our customers. We hope that this shows the commitment we have made toward our users.

Correction – Value

Responding to recent events, Muzyka's CEO, Cyryl Sobkowiak, took it upon himself to address the problem and announce the firm's solution, **in an effort to continue providing value to their customers**

"As many have already noticed, there is a problem with the mobile version of Muzyka. Simply put, the English translation of Muzyka's Terms of Service is sub-par. There is no excuse for the fact that only the Polish version of the document mentions our data collection policy. I would like to make it perfectly clear that this was a mistake born entirely out of neglect rather than a wish to exploit our customers. As the Polish document states, we never allow any personal information to be spread outside of our own company. The advertisers who contract our services have no access to it, nor does anybody else outside of a select group of people within Muzyka. The English Terms of Service agreement for our mobile application will be updated immediately, informing users of the way Muzyka gathers data and giving them our guarantee that it will not be misused.

We hope that this brief lapse in oversight does not diminish the value we bring to our customers. **We understand their alarm, but even with this incident, our dedication to customer satisfaction has not diminished – as always, it is our prime concern.** We will continue to provide the same service that has brought fans and artists together, enriching the lives of everyone involved."

Correction – Safety

Responding to recent events, Muzyka's CEO, Cyryl Sobkowiak, took it upon himself to address the problem and announce the firm's solution, hopefully **ensuring that similar problems do not arise in the future.**

"As many have already noticed, there is a problem with the mobile version of Muzyka. Simply put, the English translation of Muzyka's Terms of Service is sub-par. There is no excuse for the fact that only the Polish version of the document mentions our data collection policy. I would like to make it perfectly clear that this was a mistake born entirely out of neglect rather than a wish to exploit our customers. As the Polish document states, we never allow any personal information to be spread outside of our own company. The advertisers who contract our services have no access to it, nor does anybody else outside of a select group of people within Muzyka. The English Terms of Service agreement for our mobile application will be updated immediately, informing users of the way Muzyka gathers data and giving them our guarantee that it will never be misused.

The issue of consumer privacy has become an important topic within Muzyka and both employees and management alike will be far more vigilant when it comes to protecting our users in the future. Security has always been a prime concern for us and, moving forward, we will not let customers down or jeopardize their safety."

Justification - Value

Responding to recent events, Muzyka's CEO, Cyryl Sobkowiak, took it upon himself address the situation and assure his customers that the problem is hardly that big **and that the service still provides great value:**

"As many have already noticed, there is a small issue with the mobile version of Muzyka. Simply put, the English translation of Muzyka's Terms of Service is sub-par: it does not mention our data collection policy or our commitment to keeping this data confidential. While there definitely is a slight discrepancy between the English and Polish versions of the document, I would like to put everyone's fears at rest. I can guarantee that there is no fault in our actual conduct, but rather, a somewhat embarrassing lapse of oversight. The issue has been blown out of proportion and should not be the cause of so much distress.

We hope that this misunderstanding does not distract our users from the immense value that Muzyka brings to the lives of artists and fans alike. The quality of our service has not diminished and customer satisfaction is, as always, our prime concern.

Justification - Safety

Responding to recent events, Muzyka's CEO, Cyryl Sobkowiak, took it upon himself address the situation and assure his customers that the problem is hardly that big **and that their private data is safe:**

"As many have already noticed, there is a small issue with the mobile version of Muzyka. Simply put, the English translation of Muzyka's Terms of Service is sub-par: it does not mention our data collection policy or our commitment to keeping this data confidential. While there definitely is a slight discrepancy between the English and Polish versions of the document, I would like to put everyone's fears at rest. I can guarantee that there is no fault in our actual conduct, but rather, a somewhat embarrassing lapse of oversight. The issue has been blown out of proportion and should not be the cause of so much distress.

We hope that this misunderstanding does not create an impression of insecurity. We are committed the safety of our customers. Even with the discrepancy in translation, the private information of Muzyka's users has always been secure.

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8. Summary

This thesis applies the lens of Regulatory Focus Theory to the field of crisis communication, in an effort to enhance our understanding of the latter's underlying processes, as well as improve its effectiveness. Chapter 1 functions as an overarching literature review. It introduces the relevant fields of research and identifies a noteworthy gap in crisis communication literature: the lack of both empirically driven and prescriptive literature that can guide practitioners in their use of specific communication strategies and techniques. Regulatory focus was selected as an optimal tool to address this gap, on the basis of a repeating pattern in reputation management and persuasion literature, in which the effects of information signals could be enhanced, if they were properly matched with the mindset of the target audience. The chapter concluded that such a match could be established between specific crisis communication strategies and the regulatory goals of the involved public, thereby improving the effectiveness of a restoration message via regulatory fit. This idea was the impetus behind all three papers within the thesis.

Chapter 2 was designed as a necessary foundation: its goal was to demonstrate that crisis attributes like severity and organizational responsibility have a distinct and predictable influence on the cognitive and emotional state of an individual. Results showed that organizational responsibility increased audience disappointment in the company, while severity decreased promotion focus and increased prevention focus (the latter, only in the post-hoc analysis). In turn, prevention focus led to an increase in fear. The changes in disappointment, promotion focus and prevention focus all had a negative impact on reputation, while fear did not. This link between crisis and an individual's mental state can not only improve our overall understanding of a crisis event, but also provide substantial benefits for a more precise and tailored restoration effort. By highlighting the cognitive and emotional changes that occur in the wake of a crisis event, the chapter makes it possible for future research to target these mental shifts and the regulatory needs associated with them.

Chapter 3 tests this exact proposition by matching the mental state of an individual exposed to the crisis event, with a restoration strategy that is congruent with their regulatory needs. The chapter proposed that Compensation is a strategy inherently

congruent with promotion goals, due to the gains and benefits it provides. Similarly, Corrective Action was deemed a match for prevention goals, as it provides safety from future incidents. By showing that a successful match between message and recipient could benefit message effectiveness via regulatory fit, this research can provide an empirically and theoretically grounded procedure for optimizing crisis communication. Results largely supported these claims, as the perceived effectiveness of Compensation was increased by promotion focus and disappointment. The perceived effectiveness of Corrective Action was increased by prevention focus and fear, but the latter effect only occurred under conditions of high involvement. The confirmed hypotheses can, therefore, be used as a very straightforward way to prescribe specific action, depending on the mental state of one's audience. This ties very well with the findings of Chapter 2, which showed that this mental state is dependent on the crisis, itself.

Finally, Chapter 4's purpose was to increase the practical value of the previous studies by replicating the effects of regulatory fit through the use of emphasis framing. Thanks to framing's negligible cost, it could provide a very cheap and flexible way for communication specialists to augment their message for the sake of greater effectiveness. The chapter theorized that severity, prevention focus and fear would enhance the effects of a safety-framed message on post-crisis reputation, while responsibility, promotion focus and disappointment would do the same for a value-framed message. The initial analysis did not confirm any hypotheses, but a post-hoc analysis showed that many of the relevant effects did take place for a slightly altered version of the model. Perceived safety and perceived value were used as mediators of the hypothesized moderation effects, some of which proved to be of a higher order than first envisioned, but the ultimate dependent variable remained reputation. Disappointment and responsibility would, indeed, enhance the impact of a value-framed message, while combinations of prevention focus, fear and severity would do the same for a safety-framed message. While the consistency of these results is less than ideal, they do suggest that the kind of "matching" this thesis is built upon, can have wide-spread and flexible application.

This thesis has developed a series of tightly connected and mutually beneficial research topics. As originally intended, they provide clear and actionable suggestions for improving the overall understanding and effectiveness of crisis communication techniques. By

integrating regulatory focus theory and crisis communication, it highlights new possibilities for both practical and academic needs. This new perspective most certainly warrants further examination, as its depth has not yet been fully explored.

Samenvatting

In dit proefschrift wordt de regulatory focus theory toegepast op het gebied van crisiscommunicatie, in een poging om ons begrip van de onderliggende processen van crisiscommunicatie te vergroten, alsmede om de effectiviteit ervan te verbeteren. Hoofdstuk 1 fungeert als een overkoepelend literatuuronderzoek. Het vormt een inleiding in de relevante onderzoeksgebieden waarbij een opmerkelijk hiaat in de literatuur over crisiscommunicatie wordt vastgesteld: het gebrek aan zowel empirisch onderbouwde als prescriptieve literatuur die mensen in de praktijk kan begeleiden bij het gebruik van specifieke communicatiestrategieën en -technieken. Er is gekozen voor regulatory focus als optimaal instrument om dit hiaat aan te pakken, op basis van een zich herhalend patroon in de literatuur over reputatiemanagement en overtuigingskracht, waarin wordt gesteld dat de effecten van informatiesignalen kunnen worden versterkt als ze goed zijn afgestemd op de mentaliteit van het doelpubliek. In het hoofdstuk wordt geconcludeerd dat een dergelijke match tot stand kan worden gebracht tussen specifieke crisiscommunicatiestrategieën en de reguleringsdoelen van het betrokken publiek, waardoor dan de doeltreffendheid van een herstelboodschap wordt verbeterd dankzij een regulatory fit. Dit idee is de drijvende kracht achter alle drie de artikelen in dit proefschrift.

Hoofdstuk 2 dient als noodzakelijke basis: het doel hiervan is aan te tonen dat crisiseigenschappen zoals ernst en organisatorische verantwoordelijkheid een afzonderlijke en voorspelbare invloed hebben op de cognitieve en emotionele toestand van een individu. Uit de resultaten blijkt dat organisatorische verantwoordelijkheid de teleurstelling van het publiek ten aanzien van het bedrijf doet toenemen, terwijl ernst de promotiefocus doet afnemen en de preventiefocus doet toenemen (dit laatste alleen in de post-hocanalyse). Preventiefocus leidde op zijn beurt tot een toename van angst. De veranderingen in teleurstelling, promotie- en preventiefocus hadden allen een negatief

effect op de reputatie, terwijl angst dat niet had. Dit verband tussen een crisis en de mentale toestand van een individu kan niet alleen ons algemeen begrip van een crisisgebeurtenis verbeteren, maar ook aanzienlijke voordelen opleveren voor een nauwkeuriger en meer op maat gesneden herstelinspanning. Door de aandacht te vestigen op de cognitieve en emotionele veranderingen die zich voordoen in de nasleep van een crisisgebeurtenis, maakt dit hoofdstuk het mogelijk dat toekomstig onderzoek zich richt op deze mentale verschuivingen en de daarmee samenhangende reguleringsbehoeften.

In hoofdstuk 3 wordt precies dit verband getest door de mentale toestand van een individu dat aan een crisissituatie is blootgesteld, te koppelen aan een herstelstrategie die overeenstemt met zijn reguleringsbehoeften. In het hoofdstuk wordt gesteld dat compensatie een strategie is die inherent overeenstemt met promotiedoelen, vanwege de baten en voordelen die zij oplevert. Evenzo wordt de strategie van corrigerende maatregelen geacht in overeenstemming te zijn met preventiedoelen, omdat deze veiligheid biedt ten aanzien van toekomstige incidenten. Door aan te tonen dat een succesvolle match tussen boodschap en ontvanger de effectiviteit van de boodschap ten goede kan komen via regulatory fit, kan dit onderzoek een empirisch en theoretisch onderbouwde procedure bieden voor het optimaliseren van crisiscommunicatie. De resultaten ondersteunen deze beweringen grotendeels,

aangezien de ervaren effectiviteit van compensatie toenam door promotiefocus en teleurstelling. De ervaren effectiviteit van corrigerende maatregelen nam toe door preventiefocus en angst, maar het laatste effect trad alleen op bij een hoge mate van betrokkenheid. De bevestigde hypothesen kunnen dus worden gebruikt als een zeer eenduidige manier om een specifieke maatregel voor te schrijven, afhankelijk van de mentale toestand van iemands publiek. Dit sluit zeer nauw aan bij de bevindingen van hoofdstuk 2, waaruit bleek dat deze mentale toestand afhankelijk is van de crisis zelf.

Ten slotte is het doel van hoofdstuk 4 om de praktische waarde van de eerdere onderzoeken te vergroten door de effecten van regulatory fit na te bootsen door het gebruik van ‘emphasis framing’. Dankzij de verwaarloosbare kosten van framing zou het voor communicatiespecialisten een zeer goedkope en flexibele manier kunnen zijn om hun boodschap kracht bij te zetten met het oog op grotere effectiviteit. In het hoofdstuk wordt

een theorie geformuleerd die stelt dat ernst, preventiefocus en angst de effecten van een op veiligheid gerichte boodschap op de post-crisis reputatie zouden versterken, terwijl verantwoordelijkheid, promotiefocus en teleurstelling hetzelfde zouden doen voor een op waarde gerichte boodschap. De aanvankelijke analyse bevestigt geen hypothesen, maar een post-hocanalyse toont aan dat veel van de relevante effecten wel optreden bij een licht gewijzigde versie van het model. De ervaren veiligheid en ervaren waarde werden gebruikt als mediatoren voor de veronderstelde matigingseffecten, waarvan sommige van een hogere orde bleken te zijn dan eerst werd gedacht, maar de uiteindelijke afhankelijke variabele bleef reputatie. Teleurstelling en verantwoordelijkheid zouden inderdaad het effect van een op waarde gerichte boodschap versterken, terwijl combinaties van preventiefocus, angst en ernst hetzelfde zouden doen voor een op veiligheid gerichte boodschap. Hoewel de consistentie van deze resultaten niet ideaal is, wijzen ze erop dat het soort 'matching' waarop dit proefschrift is gebaseerd, een wijdverbreide en flexibele toepasbaarheid kan hebben.

In dit proefschrift is een aantal nauw met elkaar verbonden en elkaar versterkende onderzoeksthema's ontwikkeld. Zoals oorspronkelijk de bedoeling was, bieden zij heldere en bruikbare suggesties om het algemene begrip en de effectiviteit van crisiscommunicatietechnieken te verbeteren. Door de regulatory focus theory toe te passen op crisiscommunicatie worden nieuwe mogelijkheden belicht in zowel praktische als academische zin. Dit nieuwe perspectief verdient zeker nader onderzoek, omdat de diepgang ervan nog niet volledig is verkend.

About the Author

Viktor Koritarov was born on the 11th of September 1989 in Plovdiv, Bulgaria. He received a BSc in Economics and Business from the University of Amsterdam, as well as a MSc in Strategic Management and MPhil in Business Research from Erasmus University Rotterdam. He started his PhD project with ERIM in 2013 and has since coached thesis projects for both bachelor and master students from Rotterdam School of Management, as well VU Amsterdam.

Portfolio

Teaching

2021	Thesis supervisor for the Communication Science MSc in Vrije Universiteit Amsterdam. Corporate Communication and Media Psychology tracks.
2018 - 2021	Grading final assignments for the Corporate Communication Foundations courses
2014 - 2016	Coaching and co-reading for master student theses at RSM.
2015 - 2016	Thesis instructor for the Bachelor Thesis course (30 students); includes developing course material

Conference Presentations

2014	Corporate Identity/Associations Research Group, Amsterdam, presenting "Interaction Between Regulatory Focus and Crisis Communication" (project proposal)
2015	American Marketing Association, Chicago, presenting "The Composition of a Crisis Event and its Impact on Consumer Mentality" (working paper)
2015	CSR Communication, Ljubljana, presenting "Matching Crisis and Communication: The Impact of Regulatory Fit on Preferences for the Corrective Action and Compensation Strategies" (working paper)

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This project deals with the integration of Regulatory Focus Theory into the Situational Crisis Communication Theory model (SCCT). Through three related papers, it deconstructed the basic principles SCCT and showed that they can be rearranged into a contingency model that can acknowledge and meet the regulatory goals of its target audience. The first paper established that the composition of a crisis event, in terms of perceived severity and organizational responsibility, has a predictable impact on the cognitive (prevention and promotion focus) and emotional (fear and disappointment) state of an individual All of these changes, save fear, would negatively impact company reputation. A second paper showed that the aforementioned variables would engender a higher appreciation for a matching restoration strategy, determined by the principle of regulatory fit. Prevention focus and fear (conditional on involvement, for the latter) would increase the perceived effectiveness of a Corrective Action strategy, while promotion focus and disappointment would do the same for a Compensation strategy. Therefore, the choice of restoration strategy goes beyond selecting a cluster on the defensive-accommodative spectrum: the informational content of the strategy is also a vital criterion. Finally, a third paper examined the viability of emphasis framing as an efficient and flexible source of regulatory fit in crisis communication. A value-framed message was shown to be more effective for participants who scored highly on disappointment and responsibility, while a safety-framed message was more effective for those with a combination of fear, perceived crisis severity or prevention focus. These effects were revealed in the post-hoc analysis, due to their small effect size.

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