

## Consumer Response to Transgression Relevance and Proactive Disclosure

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### **Abstract**

*When a transgression against consumers occur because of unprincipled management behavior, a brand's reputation and credibility can be negatively impacted; furthermore, marketers should expect that such transgressions will be judged by consumers unfavorably because attribution of fault lies squarely with the organization. Marketing managers and public relations professionals have a vested interest in understanding if consumers respond differently to transgressions that are relevant (vs. irrelevant) to the values espoused by the organization or brand. In addition, managers must also consider the timing of their response to such transgressions. Organizations should expect that information about unprincipled behavior will eventually surface and should thus, seize the opportunity to frame the message around the transgression. By proactively disclosing transgression information before a third party does, organizations can begin rebuilding trust with current and potential consumers. The current study examined the influence of transgression relevancy and disclosure tactic on attitude and consumer decisional behavior. A two-way ANOVA analysis revealed negative relationships between transgression relevance and attitude, willingness to purchase, and willingness to recommend. Additional analyses revealed positive relationships between proactive disclosure and attitude, willingness to purchase, and willingness to recommend. Organizations should first assess risk and take measures to protect the values and qualities espoused by their brands; organizations should also aim to proactively disclose transgression information in advance of third parties, even under conditions where management has behaved unscrupulously.*

**Keywords:** proactive disclosure, stealing thunder, transgression relevance

### **1. Introduction**

Today, there is no shortage of examples of organizations that have populated news feeds because of unprincipled management practices. Volkswagen (Hotten, 2015), Wells Fargo (Corkery, 2016), and Equifax (Andriotis, Rapoport, & McMillan, 2017) are just a handful of recent examples of organizations whose managers' unscrupulous behavior has not only cost their organizations hundreds of millions of dollars in settlements and fines, but has resulted in outcomes not so easily measured in dollars, such as the degradation of reputation, loss of consumer trust, and damage to the brand. The two research questions at the center of this research study seek to address whether and to what extent consumers respond more favorably when a company's transgressions are relevant (vs. irrelevant) to the values espoused by the organization; and furthermore, whether an organization's decision to take courage and proactively share transgression information in advance of third- parties influences consumers' evaluations and behavior of the organization. It is hypothesized that consumers will respond less favorably to brands that commit transgressions that are relevant (vs. irrelevant) to their values and more favorably to brands that proactively disclose transgression information.

The concept of transgression relevance, whereby the nature of the transgression is defined by how relevant (or irrelevant) it is to the values associated with the brand, has not been fully investigated in the literature. Much of the transgression literature focuses on values-based and performance-based transgressions and stakeholder response. Crisis relevance has been associated with influencing consumer evaluations in cases where the brand is familiar and unfamiliar to consumers (Dawar & Lei, 2009). In addition, the relevance of the transgression to the consumer's self and whether or not it has an ethical component influenced consumers evaluations (Trump, 2014). There is a call to continue to explore consumer responses to various types of transgressions and the present study answers this call.

Proactive disclosure, a tactic known as stealing thunder, relates to the timing of an organization's communication such that the organization is the first agency (vs. the second, the third, the fourth, etc.) to frame and reveal transgression-related information (Coombs, 2014).

Crisis communication researchers agree that a company's proactive self-disclosure of negative information results in more favorable stakeholder responses toward the company and its associations following a crisis (Arpan & Roskos-Ewoldsen, 2005; Fennis & Stroebe, 2014; Spence et al., 2014, Claeys, 2017). Consumers demonstrated improved perceptions of company credibility when a company proactively disclosed information about a transgression (Claeys, Cauberghe, & Leyson, 2013; Fennis & Stroebe, 2014). Organizations and brands that stole thunder, compared to those that did not steal thunder, had stronger credibility ratings (Arpan & Roskos-Ewoldsen, 2005; Claeys, Cauberghe & Leysen, 2013). Consumer response to brand transgressions and proactive disclosure, however, have not been investigated under circumstances where an organization has committed a transgression that involves deception and in which the values espoused by the organization have been violated. In addition, while purchase intention has been examined in the marketing literature, willingness to recommend and attitude have not been thoroughly investigated. This research study aims to examine differences in consumer responses (i.e. attitude, willingness to purchase, and willingness to recommend) to both transgression relevance and proactive disclosure (i.e. stealing thunder) under conditions where the organization has committed transgressions that are preventable and deceitful in nature.

### **1.1 Statement of the Problem**

Companies are not immune to the occurrence of transgressions that result because of the unprincipled or negligent behavior of managers within an organization (Tsarenko & Tojib, 2015). In addition, not all negative events or crises result in the same consumer response. Crisis communication managers, public relations managers, and brand managers would benefit from expanding their understanding of how consumers respond to transgressions or offenses that are relevant to the values espoused by their company or brand compared to transgressions that are irrelevant to such values.

### **1.2 Purpose and Significance of Study**

In this study, the relationship between transgression relevancy, attitude, and consumer behavior is investigated using the two-way ANOVA to: 1.) Determine whether consumers respond more favorably or less favorably to transgressions that are relevant to the values and associations espoused by an organization or brand and 2.) Determine whether consumers respond more favorably or less favorably to organizations that proactively reveal transgression information in advance of third-parties (i.e. the media, the government, a whistleblower, etc.).

Developing an understanding of how consumer decisional behavior (i.e. attitude, willingness to purchase, and willingness to recommend) is influenced under these conditions would expand the understanding of the impact of transgression relevancy and proactive disclosure on consumer evaluations in situations where an organization has committed a preventable transgression, an area not yet examined in the crisis communication, public relations, and brand management literatures.

## **2. Methodology**

This study employed a 2 (transgression relevance: relevant vs. irrelevant) X 2 (disclosure tactic: stealing thunder vs. thunder) between-subjects factorial experimental design to investigate the hypotheses. Participants were presented with a fictitious organization and hypothetical transgression scenarios. An ice cream manufacturer was selected as the focal organization in the scenarios because according to Simmons National Consumer Survey, 284.48 million U.S. consumers consumed ice cream in 2017. In addition, according to U.S International Dairy Food Association (2015), Americans consume more than 23 pounds of ice cream per year, making it the most popular dessert choices for consumers. The experiment was conducted online, and participants completed a self-administered survey using Qualtrics<sup>®</sup> which offers a number of features that protect against the survey being taken more than once.

### **2.1 Sample Population and Sampling Procedures**

The target population for this study is individuals between the ages of 25 and 45 who resided in one of the following states: Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, and Virginia.

This population is attractive because consumers in this region of the country spend more money per capita on ice cream each year compared to other regions of the country (Ellis, 2012). Participants were recruited from Amazon Mechanical Turk (MTurk), a virtual labor market that provides access to a large and diverse population of study participants for a monetary exchange. MTurk allows for the selection of participants with specific characteristics including geographic location and age. Crump, McDonnell, and Gureckis (2013) revealed that MTurk is an effective way to distribute research studies because of the large number of participants that can be reached. Using a 95% confidence interval, 5% margin of error, and a population size of 1,000, an ideal sample size was calculated at 280 participants (70 in each scenario). The actual size of the sample population was 307.

## 2.2 Data Instrumentation

A six-item 5-point Likert scale was used to measure attitude and a three-item 5-point Likert scale was used to measure willingness to purchase. These scales were adapted based on the work of Spears and Singh (2004) and asked participants to indicate the extent which they agree or disagree with statements related to attitude and willingness to purchase. A three-item 5-point Likert scale was used to measure participants' willingness to recommend the brand to friends, family, and colleagues. Figure 3 illustrates the survey instrument used in the study.

**Figure 1**

### *Brand Background*

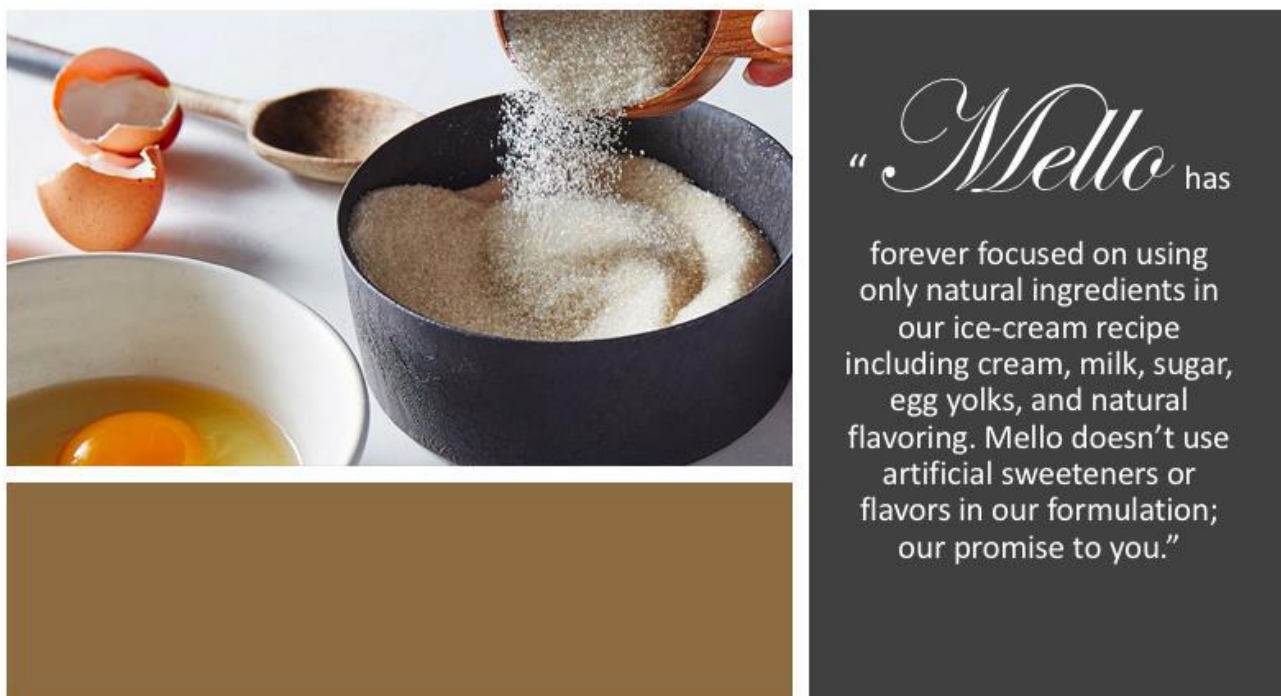
To get started, please read the following background information about Mello, a company who makes ice cream and promotes that it uses only all-natural ingredients in its ice cream formulation. Mello is passionate about offering customers a delicious and natural ice cream eating experience using the finest all-natural ingredients. Mello ice cream is made using cream, milk, sugar, egg yolks, and natural flavoring. The flavors that Mello offers include vanilla bean, chocolate, coastal strawberry, butter pecan, and coffee bean. Mello's core value is: To create with passion a simple, all-natural ice cream experience for consumers. Mello is priced at \$5.29 for a half-gallon and is available in popular grocery store chains across the Mid-Atlantic and New England areas.

## 2.3 Procedures

Participants began the survey by reading background information about the hypothetical ice cream brand at the center of the study. The background write-up describes the brand as only using all-natural ingredients in its ice cream formulation. Participants also reviewed a print advertisement heralding the brand's espoused values of only using natural ingredients and of specifically not using artificial sweeteners in its ice-cream recipe. Figures 1 and 2 illustrate the brand's background information and the print advertisement. Participants were then randomly assigned to one of four conditions. In condition one (i.e. relevant transgression and thunder scenario), participants read a newspaper article written by a journalist who described a relevant transgression committed by the brand in which the FDA found that they were using artificial sweetener instead of sugar as the brand had claimed on its packaging and in its messaging.

Figure 2

Advertisement



In condition two (i.e. irrelevant transgression and thunder scenario), participants read a newspaper article written by a journalist who described an irrelevant transgression in which the Federal Trade Commission found that the brand had been under filling its ice cream containers by 20%. In the condition three (i.e. relevant transgression and stealing thunder scenario) and condition four (i.e. irrelevant transgression and stealing thunder scenario), participants read the same set of brand transgressions as in conditions one and two, respectively; however, the details about the transgression were manipulated so that they were authored and revealed by the company in the form of a press release instead of a newspaper article. Participants in all conditions answered questions that aimed to measure their attitude, willingness to purchase, and willingness to recommend. In return for their participation, participants received \$0.75.

### 3.1 Results

The primary purpose of this study was to assess if and how transgression relevance and proactive disclosure tactic influence consumers' attitudes and decisional behavior. The secondary purpose was to assess if and to what extent there is a relationship between transgression relevance, disclosure tactic, attitudes, and decisional behavior. An examination of these relationships is significant as organizations seek to develop a deeper understanding of how different types of transgressions and communication tactics influence consumers' attitude and decisional reaction to such events. This study is worthwhile in that it contributes to the growing body of empirical research on consumer response to different crisis related events. It also adds to the limited but emerging body of empirical research on the effectiveness of stealing thunder on attitude and consumer decisional behavior. The data in this study were collected using three instruments that were combined into one, self-administered Likert questionnaire. Attitude was measured using a six-item scale aimed at measuring participants' thoughts and feelings. Willingness to purchase was measured using a three-item scale aimed at measuring the participants' inclination and disposition toward making an actual purchase. Both scales were adapted based on the work of Spears and Singh (2004). A three-item scale was developed to measure willingness to recommend that asked participants questions related to their propensity to say something positive about the organization. Figure 3 lists the survey questions. The survey was administered using Qualtrics<sup>®</sup>, a webbased survey and data collection tool. The data collection process included the recruitment of participants through Amazon Mechanical Turk.

**Figure 3**

*Instruments*

Attitude Instrument

Using 1 = Strongly Disagree, 2 = Disagree, 3 = Neither Disagree or Agree, 4 = Agree, 5 = Strongly Agree, please indicate to what extent you agree with the following statements. Selecting 6 will flag your answers for possible rejection. Given what I know about Mello, I think Mello is a company that does the right thing.	1 2 3 4 5 6
Given what I know about Mello, I have a favorable judgment of the organization.	1 2 3 4 5 6
When I think of Mello, the thoughts in my head are generally pleasant.	1 2 3 4 5 6
Given what I know about Mello, I find Mello to be an appealing organization.	1 2 3 4 5 6
When I reflect on how I feel about Mello, my feelings are generally positive about the company.	1 2 3 4 5 6
Given what I know about Mello, I feel that Mello is a likable company.	1 2 3 4 5 6

Willingness to Recommend Instrument

Using 1 = Strongly Disagree, 2 = Disagree, 3 = Neither Disagree or Agree, 4 = Agree, 5 = Strongly Agree, please indicate the likelihood that you would perform the following actions. Selecting 6 will flag your answers for possible rejection. Given what I know about Mello, I would recommend Mello to a friend, family member, or coworker.	1 2 3 4 5 6
Given what I know about Mello, I would feel comfortable saying something positive about Mello to a friend, family member, or coworker if they asked me about the brand.	1 2 3 4 5 6
I would feel comfortable endorsing Mello in front of people that I know.	1 2 3 4 5 6

Demographic Questions

1. Please select your gender.

- a.) Female
- b.) Male

2. What is the highest level of school you have completed?

- a.) High school graduate or GED (includes technical/vocational training that doesn't count towards college credit)
- b.) 2-year degree, Associate's degree
- c.) Four-year degree/bachelor's degree
- d.) Master's degree
- e.) Doctorate, medical, or law degree

Data were downloaded using Excel and imported into IBM's SPSS for statistical analyses.

**3.2 Descriptive Characteristics of Sample Population**

Three hundred seven people participated in the study by completing the survey instrument. As shown in Table 1 of the 307 participants, 55.7% were female (n = 171) and 44.3% were male (n = 136) indicating that more females participated in the study than males. Participants were between the ages of 25 and 45 with a mean age of 34 (SD = 5.91) with 35 – 39-year-olds representing the smallest age group (n = 66) and 40 – 45-year-olds (n = 76) representing the second smallest age group. Sixty-nine percent (n = 212) of the sample population had a bachelor's degree or higher indicating a highly educated sample population. Fifty-eight percent (n = 181) of the sample population resided in just three of the eight states sampled including New York (n = 64), Pennsylvania (n = 60), and Maryland (n = 57). Connecticut (n = 14) and Delaware (n = 21) represented just 11.4% of the sample population. The descriptive statistics of the sample population are summarized in Table 1.

**Table 1**

<i>Summary of Descriptive Statistics Variable</i>		n = 307 (%) Population	
Gender	Male	44.3	48.5
	Female	55.7	
Age	25 – 29 Years	26.1	
30 – 34 Years		27.7	
35 – 39 Years		21.5	
Education Level	40 – 45 Years	24.7	
State (as a % of the population)	High School/GED	18.2	25.3
	2-year Associates Degree/Some College	12.7	22.0
	4-year Bachelor's Degree	46.3	18.0
	Master's Degree	18.2	11.0
	Doctorate/Professional Degree	4.6	2.0
	CT	4.6	5.1
	DE	6.8	1.0
	MA	8.5	10.0
	MD	18.6	9.0
	NJ	10.4	13.0
	NY	20.8	29.0
	PA	19.5	19.0
	VA	10.7	13.0

### 3.3 Reliability Analysis 10

The reliability of the scales used to assess attitude, willingness to purchase, and willingness to recommend were tested using Cronbach's alpha. An acceptable level of reliability as measured by Cronbach's alpha is .70. Cronbach's alpha for all three scales indicates a high level of internal consistency (i.e. reliability) with the sample population. As summarized in Table 2, attitude had a Cronbach's alpha of .967, willingness to purchase has a Cronbach's alpha of .981, and willingness to recommend had a Cronbach's alpha of .933. Table 2 presents the scales and their relative reliability coefficients.

**Table 2**

<i>Reliability Coefficients Scale</i>	Cronbach's alpha
Attitude	.967
Willingness to Purchase	.981
Willingness to Recommend	.933

### 3.4 Hypotheses Testing

A two-way ANOVA was run to assess the relationship between the study's two factors, transgression relevance and proactive disclosure, and the study's three dependent variables, attitude, willingness to purchase, and willingness to recommend. Levene's test for homogeneity of variances indicated that attitude, willingness to purchase, and willingness to recommend had homogenous variances. Table 3 presents a summary of Levene's test results.

**Table 3**

<i>Levene's Test of Equality of Error Variances</i> Dependent Variable	<i>p value</i>
Attitude	.155
Willingness to Purchase	.288
Willingness to Recommend	.761

### 3.5 Research Question One

What is the relationship between transgression relevancy and consumer attitudes and decisional behavior?

H0: The null hypothesis states that there is no relationship or a positive relationship between transgression relevance and attitude in that consumer attitude toward an organization is the same for both relevant and irrelevant transgressions.

H1a: The alternative hypothesis is that there is a negative relationship between transgression relevance and attitude. H1a states that there is a negative relationship between transgression relevance and attitude in that consumers have a less favorable attitude toward an organization that commits a relevant transgression (vs. an irrelevant transgression). The unweighted marginal means for “Attitude” by transgression relevance are presented in Table 4.

**Table 4**

<i>Attitude Means by Transgression Relevance</i>	Transgression Relevancy	M	SE
Irrelevant		3.17	.08
Relevant		2.78	.08

An analysis of the interaction effect indicated that transgression relevance and disclosure tactic on “Attitude” was not statistically significant,  $F(1, 303) = 2.864, p = .092, \text{partial } \eta^2 = .009$ . Results revealed that the main effect for transgression relevance indicated a statistically significant difference in “Attitude” score for the irrelevant and relevant categories,  $F(303) = 11.762, p = .001, \eta^2 = .037$ . The unweighted marginal means of “Attitude” for irrelevant and relevant were 3.17 (SE = .08) and 2.78 (SE = .08). Irrelevant transgression was associated with a mean “Attitude” score .385, 95% CI [.164, .605] points higher than relevant transgression, a statistically significant difference,  $p < .001$ . The sample population had less favorable attitude toward organizations that committed a relevant transgression that toward an organization that committed an irrelevant transgression. The null hypothesis was rejected because there was significance. The two-way ANOVA Summary Table for “Attitude” is presented in Table 5.

**Table 5**

<i>ANOVA Summary Table for Attitude by Transgression Relevance</i>	Factor	Type III Sum of Squares	df	Mean Square	F	Partial $\eta^2$	<i>p</i>
Transgression Relevance		11.35	1	11.35	11.762	.037	.001

H0: The null hypothesis states that there is no relationship or a positive relationship between transgression relevance and willingness to purchase. H1b: The alternative hypothesis state that there is a negative relationship between transgression relevance and willingness to purchase. H1b states that there is a negative relationship between transgression relevance and willingness to purchase in that consumers have a lower willingness to purchase from an organization that commits a relevant (vs. irrelevant) transgression. An analysis of the interaction effect between transgression relevance and disclosure tactic on “Willingness to Purchase” was not statistically significant,  $F(1, 303) = 3.259, p = .072, \text{partial } \eta^2 = .011$ . An analysis of the main effect for transgression relevance on “Willingness to Purchase” indicated that there was a statistically significant difference in “Willingness to Purchase” score for the irrelevant and relevant categories,  $F(303) = 14.990, p < .001, \eta^2 = .047$ . The unweighted marginal means of “Willingness to Purchase” for irrelevant and relevant were 3.14 (SE = .09) and 2.69 (SE = .09) is presented in Table 6. Irrelevant transgression was associated with a mean “Willingness to Purchase” score .462, 95% CI [.227, .697] points higher than relevant transgression, a statistically significant difference,  $p < .001$ . Table 6

<i>Willingness to Purchase Means by Transgression Relevance</i>	Transgression Relevancy	M	SE
Irrelevant		3.14	.09
Relevant		2.69	.09

The sample population had a lower willingness to purchase in the case where the transgression was relevant versus irrelevant. The null hypothesis was rejected because there was significance. Table 7 presents an ANOVA summary for “Willingness to Purchase” by transgression relevance.

**Table 7**

<i>ANOVA Summary Table for Willingness to Purchase by Transgression Relevance</i>	Factor	Type III Sum of Squares	df	Mean Square	F	Partial $\eta^2$	<i>p</i>
Transgression Relevance		16.404	1	16.404	14.990	.047	< .001

H0: The null hypothesis states that there is no relationship or a positive relationship between transgression relevance and willingness to recommend H1c: The alternative hypothesis states that there is a negative relationship between transgression relevance and willingness to recommend H1c states that there is a negative relationship between transgression relevance and willingness to recommend in that consumers will have a lower willingness to recommend an organization who commits a relevant (vs. irrelevant) transgression. An analysis of the main effect indicated that there was a statistically significant difference in “Willingness to Recommend” score for irrelevant and relevant transgressions,  $F(303) = 22.704$ ,  $p < .001$ ,  $\eta^2 = .070$ . The unweighted marginal means for irrelevant and relevant were 3.028 (SE .063) and 2.423 (SE = .064) is presented in Table 8. Irrelevant transgression was associated with a mean “Willingness to Recommend” score .428, 95% CI [.251, .604] points higher than relevant, a statistically significant difference,  $p < .001$ . 13

**Table 8**

<i>Willingness to Recommend Means by Transgression Relevance</i>	Transgression Relevancy	M	SE
Irrelevant		3.03	.06
Relevant		2.42	.06

The sample population’s willingness to recommend was lower for the relevant transgression than for the irrelevant transgression. The null hypothesis was rejected because there is significance. Table 9 presents an ANOVA summary table for Willingness to Recommend by Transgression Relevance.

**Table 9**

<i>ANOVA Summary Table for Willingness to Recommend by Transgression Relevance</i>	Type III Sum of Square	df	Mean Square	F	Partial $\eta^2$	$p$
Transgression Relevance	14.026	1	14.026	22.70	.070	< .001

### 3.5 Research Question Two

What is the relationship between proactive disclosure and consumer attitudes and decisional behavior?

H0: The null hypothesis states that there is no relationship or a negative relationship between disclosure tactic and attitude. H2a: The alternative hypothesis states that there is a positive relationship between proactive disclosure (i.e. stealing thunder) and attitude H2a states that there is a positive relationship between disclosure tactic and attitude in that consumers have a more favorable attitude toward an organization when they employ the stealing thunder tactic vs. when a third-party discloses the negative information (i.e. thunder tactic). An analysis of the main effect for disclosure tactic on “Attitude” was performed. The results indicated that there was a statistically significant difference in “Attitude” score for stealing thunder and thunder,  $F(303) = 265.218$ ,  $p < .001$ ,  $\eta^2 = .467$ . Presented in Table 10 is the unweighted marginal means for “Attitude” for stealing thunder and thunder were 3.89 (SE = .08) and 2.06 (SE = .08).

**Table 10**

<i>Attitude Means by Disclosure Tactic</i>	Disclosure Tactic	M	SE
Stealing Thunder		3.89	.08
Thunder		2.06	.08

Stealing thunder was associated with a mean “Attitude” score 1.826, 95% [1.605, 2.047] points higher than thunder, a statistically significant,  $p < .001$ . The sample population’s attitude was more favorable for organizations that stole thunder than for organizations whose transgressions were revealed by a third-party (i.e. thunder tactic). Table 11 presents an ANOVA summary table for “Attitude” by disclosure tactic.

**Table 11**

<i>ANOVA Summary Table for Attitude by Disclosure Tactic</i>	Type III Sum of Squares	df	Mean Square	F	Partial $\eta^2$	$p$
Disclosure Tactic	255.933	1	255.933	265.218	.467	< .001

H0: The null hypothesis states that there is no relationship or a negative relationship between disclosure tactic and willingness to purchase.



H2b: The alternative hypothesis states that there is a positive relationship between proactive disclosure (i.e. stealing thunder) and willingness to purchase H2b states that there is a positive relationship between disclosure tactic and willingness to purchase in that consumers will have a higher willingness to purchase when an organization employs the stealing thunder tactic versus when a third-party reveals negative information about the organization. An analysis of the main effect showed that there was a statistically significant difference in “Willingness to Purchase” score for stealing thunder and thunder,  $F(303) = 169.200, p < .001, \eta^2 = .358$ .

**Table 12**

<i>Willingness to Purchase Means by Disclosure Tactic</i>	Disclosure Tactic	M	SE
Stealing Thunder		3.70	.08
Thunder		2.14	.09

Table 12 shows that the unweighted marginal means of “Willingness to Purchase” for stealing thunder and thunder were 3.70 (SE = .08) and 2.14 (SE = .09). Stealing thunder was associated with a mean “Willingness to Purchase” score 1.826, 95% [1.605, 2.047] points higher than thunder, a statistically significant,  $p < .001$ . The sample population’s willingness to purchase was higher for organizations who steal thunder versus organizations whose transgressions are revealed by a third-party (i.e. thunder tactic).

**Table 13**

<i>ANOVA Summary Table for Willingness to Purchase by Disclosure Tactic</i>	Factor	Type III Sum of Square	df	Mean Square	F	Partial $\eta^2$	<i>p</i>
Disclosure Tactic		185.155	1	185.155	169.200	.358	< .001

Table 13 presents an ANOVA summary table for “Willingness to Purchase” by disclosure tactic. tionship between proactive disclosure and willingness to recommend H2c: The alternative hypothesis states that there is a positive relationship between proactive disclosure (i.e. stealing thunder) and willingness to recommend. H2c states that there is a positive relationship between disclosure tactic and willingness to recommend in that consumers have a higher willingness to recommend when an organization employs the stealing thunder tactic vs. when a third-party reveals transgression information (i.e. thunder). An analysis of the main effect also indicated that there was a statistically significant difference in “Willingness to Recommend” score for stealing thunder and thunder,  $F(303) = 75.852, p < .001, \eta^2 = .200$ .

Disclosure Tactic	M	SE
Stealing Thunder	3.21	.06
Thunder	2.42	.06

Table 14 shows the unweighted marginal means of “Willingness to Recommend” for stealing thunder and thunder were 3.21 (SE = .06) and 2.42 (SE = .06). Stealing thunder was associated with a mean “Willingness to Recommend” score .781, 95% CI [.605, .958] points higher than thunder, a statistically significant difference,  $p < .001$

**Table 15**

<i>ANOVA Summary Table for Willingness to Recommend by Disclosure Tactic</i>	Factor	Type III Sum of Square	df	Mean Square	F	Partial $\eta^2$	<i>p</i>
Disclosure Tactic		48.861	1	48.861	75.852	.200	< .001

**Table 16**

<i>Summary of Hypotheses and Outcomes</i> Alternative Hypothesis	Statistical Test	Significance	Outcome
H1a: There is a negative relationship between transgression relevance and attitude.	Two-Way ANOVA	$p = .001$	Supported
H1b: There is a negative relationship between relevance and willingness to purchase.	Two-Way ANOVA	$p < .001$	Supported
H1c: There is a negative relationship between transgression relevance and willingness to recommend.	Two-Way ANOVA	$p < .001$	Supported
H2a: There is a positive relationship between proactive disclosure (i.e. stealing thunder) and attitude.	Two-Way ANOVA	$p < .001$	Supported
H2b: There is a positive relationship between proactive disclosure (i.e. stealing thunder) willingness to purchase.	Two-Way ANOVA	$p < .001$	Supported
H2c: There is a positive relationship between proactive disclosure (i.e. stealing thunder) and willingness to recommend.	Two-Way ANOVA	$p < .001$	Supported

**Table 17**

<i>Effect Sizes and Interpretation</i> Main Effect	Partial $\eta^2$	Effect Size
Transgression Relevance on Attitude	.037	Small
Transgression Relevance on Willingness to Purchase	.047	Small
Transgression Relevance on Willingness to Recommend	.070	Small
Disclosure Tactic on Attitude	.467	Large
Disclosure Tactic on Willingness to Purchase	.358	Medium
Disclosure Tactic on Willingness to Recommend	.200	Medium

In conclusion, the population's willingness to recommend is higher for organizations that employ the stealing thunder tactic than for organizations whose transgressions are revealed by a third-party (i.e. thunder tactic). Table 15 presents an ANOVA summary for "Willingness to Recommend" by disclosure tactic. Table 16 presents a summary of the proposed hypotheses, the outcomes, and the significance levels. The results of the present study allow us to infer that consumers have a significantly less favorable attitude, a lower willingness to purchase, and a lower willingness to recommend an organization or brand that commits a relevant transgression (vs. an irrelevant transgression). In addition, consumers favor organizations who proactively disclose transgression information (i.e. stealing thunder) versus organizations whose transgression information is revealed by a third-party (i.e. thunder). Consumer attitude, willingness to purchase, and willingness to recommend are all positively influenced when an organization proactively discloses transgression information compared to organizations whose transgression information is disclosed by a third-party (i.e. the media).

### 5.1 Discussion

The present study aimed to answer two research questions: (1) What is the relationship between transgression relevancy, attitude, and consumer behavior? (2) What is the relationship between proactive disclosure (i.e. stealing thunder), attitude, and consumer behavior? The findings indicate that H1a, H1b, and H1c are supported in that there is a negative relationship between transgression relevance and attitude, transgression relevance and willingness to purchase, and transgression relevance and willingness to recommend. The findings infer that consumers react less favorably to transgressions that are relevant (vs. irrelevant) to the values espoused by an organization or brand. This supports to some extent the research findings of Dawar and Lei (2009) who found that the relationship between transgression relevance and consumer behavior was moderated by brand familiarity and severity. Consumers, thus, are more critical of organizations that don't practice what they preach compared to organizations whose negative behavior is unrelated to the values it professes. Consumers' attitude (i.e. their feelings and thoughts) toward an organization are not only negatively influenced by such transgressions, but their willingness to make a purchase or say something positive about the transgressing organization is also negatively influenced in cases where an organization commits a relevant (vs. irrelevant transgression).

The present study also supports the extant literature that proactive disclosure (i.e. stealing thunder) is an effective tactic for positively influencing consumer attitude and behavior outcomes. This study contributes to the current body of work on proactive disclosure by revealing that 'willingness to recommend' is another positive outcome of this tactic.

Marketers can be confident that proactive disclosure not only protects reputational assets and purchase intentions, but that it also positively influences consumers' disposition toward saying something positive and recommending a brand when an organization steals thunders.

## **5.2 Effect Size**

In addition to analyzing significance results the two-way ANOVA, it is equally important to interpret effect size for the main effects. Table 17 summarizes the effect size of the relationships between the independent and dependent variables. The present study reported results of the main effects of transgression relevance on attitude, willingness to purchase, and willingness to recommend. In addition, the main effects of disclosure tactic on attitude, willingness to purchase, and willingness to recommend were also analyzed. A two-way ANOVA table shows partial  $\eta^2$ , which indicates the effect size of an independent variable (i.e. a factor) on a dependent variable. Cohen (1969) defined an effect size of 0.10 as a small, an effect size of 0.25 as medium, and an effect size of 0.40 as large. The main effects of the present study's factors on each of the dependent variables was analyzed using Cohen's (1969) guidelines.

In examining the effect size of transgression relevance on attitude, willingness to purchase, and willingness to recommend were all rather small at 3.7% , 4.7% , 7% respectively. The effect size of disclosure tactic on attitude, willingness to purchase, and willingness to recommend tells a more powerful story. The effect size of disclosure tactic on attitude indicates that 46.7% of the variance in mean attitude was attributable to disclosure tactic. It can be concluded that disclosure tactic had a large effect on consumer attitude toward an organization's transgression. The effect size of willingness to purchase indicates that 35.8% of the difference in mean willingness to purchase is attributable to disclosure tactic, a medium effect size. The effect size of disclosure tactic on willingness to recommend indicates that 20% of the difference in willingness to recommend means is attributable to disclosure tactic. The effect size indicates a medium effect on willingness to recommend. Table 17 provides a summary of the effect size for each main effect analyzed along with Cohen's (1969) definition of effect sizes.

The effect sizes of disclosure tactic on attitude, willingness to purchase, and willingness to recommend, are larger than the transgression relevance effects suggesting that consumers respond much more positively to the proactive disclosure tactic than they do to transgression relevancy. In examining the small effect size for transgression relevance on attitude, willingness to purchase, and willingness to recommend, there are conclusions that can be drawn. First, in examining the literature on the relationship between various transgressions and consumer behavior outcomes, there is a consistent call to researchers to continue to investigate how consumers respond to different types of transgressions (e.g. values-based vs. performance-based). Transgressions come in many different shapes and sizes and developing a greater understanding of how consumers react to these differences is an important research endeavor (Tsarenko & Tojib, 2015). Researchers have also examined the influence of a variety of modifier variables that influence consumers response to various transgressions including brand personality (Aaker, Fournier, & Brasel, 2004), corporate social responsibility reputation (Tsarenko & Tojib, 2015), attachment (Thomson, MacInnis, & Park, 2005; Schmalz & Orth, 2012), commitment (Ahluwalia, Burnkrant, & Unnava, 2000).

Marketing research has examined transgression committed by fictitious brands, unfamiliar brands, and familiar brands for the purpose of contributing and expanding knowledge about how consumers react in a variety of transgression situations. The examination transgression relevance and its relationship to consumer attitude, willingness to purchase, and willingness to recommend is relatively new and therefore, research in this area is just beginning to emerge. There are a number of reasons that may have resulted in a small effect size of transgression relevance on attitude and consumer decisional behavior in the present study

related. First, the nature of the transgression scenario was performance-related in nature. Some studies on consumer response to transgressions indicate that consumers are more critical of values-based transgressions compared to performance-based transgressions. As an example, consumers may evaluate more harshly companies that commit transgressions that violate human rights (i.e. child labor) than they would the falsification of an ingredient in an ice-cream formulation or the issue of under filling a container. Severity and harm to others, therefore, may have played a role in the small effect size between the relevant and irrelevant transgression groups. Furthermore, the use of a fictitious organization, one in which participants had no past experience or knowledge of, may have also impacted the effect size. Attitude develops over a period of time as consumers engage with a brand or organization. This study forced participants to develop an attitude very quickly, based on relatively little information, and no prior experience with the organization. Effect sizes are summarized in Table 18.

### 5.3 Limitations and Future Research

First, there was a greater representation of women (N = 171) than men (N = 136) in the sample population. In a meta-analysis on gender and forgiveness Miller, Worthington, and McDaniel (2008) analyzed 53 articles on over 70 studies and found that females are more forgiving than males ( $d = .28$ ). The marketing literature supports that notion that forgiveness mediates behavior following a transgression committed by an organization. Tsarenko & Tojib (2015) examined the relationship between transgression type, purchase intention, severity, and consumer forgiveness and found that forgiveness mediates consumer responses to brand transgressions. Other research in the area of consumer forgiveness support these findings that consumer forgiveness following a transgression or negative event mediates behavior (Beverland, Chung, & Kates 2009; Tsarenko & Tojib, 2012). It is possible that the differences in gender in this study may have had an influence on the results.

In addition to gender, other moderating variables that could potentially influence results include religiosity, political affiliation, and societal ideals. For example, Lawler-Row (2010) found that there was a relationship between tendency to forgive and religiosity in those individuals who are more forgiving have a tendency to identify as more religious. In examining other demographic characteristics of the sample population, including state of residence and education level of the sample population, there was an underrepresentation of New Yorkers and an overrepresentation of Marylanders and Delawareans compared to the general population, but there is no support that these imbalances would influence results. The sample population was highly educated and not representative of the actual population with approximately 70% of the sample population having a bachelor's degree or higher compared to just 31% have a bachelor's degree or higher in the population.

In analyzing the MTurk population it is important to discuss characteristics presented in the research as they pose a potential threat to internal validity. First, MTurk workers tend to be highly educated (Paolacci & Chandler, 2014) and less extraverted than the community and college sample populations (Goodman, Cryder, & Cheema, 2013) that are traditionally used to gather data for research studies. In addition, an important factor that influences task selection by an MTurk worker is compensation. Typically, the higher the level of compensation, the more attractive the task for an MTurk worker. It is possible that the compensation offered in the present study may not have been attractive enough that workers would approach the task with the highest level of thought, consideration, and effort (Chilton, Horton, Miller, & Azenkot, 2010). Although the qualifications of a 97% or higher approval rating and a HIT approval of greater than 500 was set, this does not guarantee a high level of thought and effort on the part of MTurk workers.

In analyzing the use of scenario-based experimental design, there are inherent limitations that could influence the results of the study. First, the experimental design used in this study, although commonly used in marketing and communication research, does not mirror the natural process that an individual undertakes when make consumer related decisions. Rarely, if ever, are consumers sequentially presented with transgression information and immediately asked to make decision about their attitude, willingness to purchase, and willingness to recommend. Future research might include an investigation into transgression relevance in companies with a socially driven mission, given that consumers tend to react more negatively to ethical transgressions that performance-based transgressions. In addition, an examination of the moderating effects of demographic variables, such as religiosity, gender, and income would reveal more about how different consumer segments respond to transgression relevance. Finally, very little has been researched in the area of consumer attitude and behavior to transgressions over time. An investigation into how attitudes and behavior change over time would provide greater insight into the longevity of such constructs. In the crisis communication realm, an investigation into the effectiveness of proactive disclosure employed by other types of organizations, such as universities, and people, such as professional athletes and other celebrities would help deepen understanding about the boundaries of the construct.

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