

The Effect of Brand Recovery Communications on Embarrassed Consumers' Cognitive Appraisal and Post-purchase Behavior

Authors : Kin Yan Ho

Abstract : Negative brand news (such as Volkswagen's faulty carbon emission reports, China's Luckin Coffee scandal, and bribery in reputable US universities) influence how people perceive a company. Germany's citizens claimed Volkswagen's scandal as a national embarrassment and cannot recover their psychological damages through monetary and non-monetary compensation. The main research question is to examine how consumers evaluate and respond to embarrassing brand publicity. The cognitive appraisal theory is used as a theoretical foundation. This study describes the use of scenario-based experiment. The findings suggest that consumers with different levels of embarrassment evaluate brand remedial offers from emotion-focused and task-focused restorative justice perspectives (newly derived from the well-established scales of perceived justice). When consumers face both negative and positive brand information (i.e., negative publicity news and a remedial offer), they change their appraisal criterion. The social situation in the cognitive reappraisal process influences the quality of the customer-brand relationship and the customer's recovery from brand embarrassment. The results also depict that the components of recovery compensation cause differences in emotion recovery, relationship quality, and repurchase intentions. This study extends embarrassment literature in an embarrassing brand publicity context. The emotional components of brand remedial tactics provide insights to brand managers on how to handle different consumers' emotions, consumer satisfaction, and foster positive future behavior.

Keywords : brand relationship quality, cognitive appraisal, crisis communications, emotion, justice, social presence

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