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CONVENTIONAL WISDOM VS MARKETING ACADEMIA: IS THERE SUCH A THING AS BAD PUBLICITY?

GELENEKSEL İRFAN PAZARLAMA AKADEMİSYENLERİNE KARŞI: REKLAMIN İYİSİ KÖTÜSÜ VAR MI?

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Abstract

Literature often assumes that publicity events are strictly positive or negative. However, instances exist where both positive and negative impacts on attitudes toward the brand occur simultaneously, such as when performance-related perceptions are positively influenced while value-related perceptions are negatively affected, or vice versa. The literature on negative publicity and brand extension is combined in this study to argue that purchase intent is decreased by negative publicity if only core brand associations are affected by the negative publicity and/or if the negative publicity results from managerial decisions. In Experiment I, participants were presented with a negative publicity incident that positively impacted performance-related perceptions while negatively affecting value-related perceptions. In this scenario, a significant reduction in purchase intention is observed if the incident results from managerial decisions, regardless of whether the negative publicity impacts core or peripheral associations. In Experiment II, participants were presented with a negative publicity incident that positively impacted value-related perceptions while negatively affecting performance-related perceptions. In this scenario, a significant reduction is observed if the incident impacts core associations but arises from external events. Married individuals are also found to be more sensitive to publicity incidents. Based on the findings, theoretical and managerial implications and directions for further research are also discussed.

Keywords: Negative publicity, brand association, multivalent publicity events, managerial control

JEL Classification: M31, M19

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Öz

Literatür genellikle halkla ilişkiler olaylarının sadece pozitif veya negatif olduğunu varsaymaktadır. Ancak, bir olayın marka algısına aynı anda hem olumlu hem de olumsuz etkisi olabilecek durumlar vardır; örneğin, bir vaka ürünün performansına dair algıları güçlendirirken markanın etik değerlerine dair algıları olumsuz yönde etkileyebilmektedir. Bu çalışma, olumsuz halkla ilişkiler vakaları ve marka genişlemesi literatürünü birleştirerek, olumsuz halkla ilişkiler vakalarının sadece çekirdek marka ilişkilendirmeleriyle ve/veya olumsuz halkla ilişkilerinin marka yönetiminin fiilleri sonucunda gerçekleştiğinde satın alma davranışlarını olumsuz yönde etkilediğini iddia etmektedir. Birinci deneyde, katılımcılara, performansla ilgili algıları olumlu etkilerken değerlerle ilgili algıları olumsuz etkileyen bir olumsuz halkla ilişkiler olayı sunuldu. Bu senaryoda, olumsuz halkla ilişkiler vakasının temel veya çevresel çağrışımları etkilemesinden bağımsız olarak, yönetsel kararlardan kaynaklanması durumunda satın alma niyetinde önemli bir azalma gözlemlendi. İkinci deneydeyse, katılımcılara, değerle ilgili algıları olumlu etkilerken performansla ilgili algıları olumsuz etkileyen bir olumsuz halkla ilişkiler vakası sunuldu. Bu senaryodaysa vakanın şirket dışı gelişmelerden kaynaklanması ve temel çağrışımları etkilemesi durumunda satın alma niyetinde önemli bir azalma gözlemlendi. Çalışma aynı zamanda evli bireylerin olumsuz halkla ilişkiler vakalarına daha hassas olduğunu ortaya koymuştur. Bulguların neticesinde teorik ve yönetimsel çıkarımlara ve potansiyel yeni araştırma konularına da değinilmiştir.

Anahtar Kelimeler: Olumsuz halkla ilişkiler vakaları, marka çağrışımı, çok yönlü halkla ilişkiler vakaları, yönetimsel kontrol

JEL Sınıflandırması: M31, M19

1. Introduction

In recent decades, an increase in the prevalence of negative publicity has been observed, affecting both profit and non-profit organizations (Griffin, Babin, & Attaway, 1991; Menon, Jewell, & Unnava, 1999; Wattegama & Qing, 2014). Negative publicity can stem from performance issues like product recalls or value-related problems such as environmental concerns or ethical violations (Marcus & Goodman, 1991; Pullig, Netemeyer, & Biswas, 2006). While the notion that "bad publicity doesn't exist" is often expressed, the literature overwhelmingly indicates that substantial non-financial and financial implications for businesses are caused by negative publicity. However, intriguingly, under specific circumstances, positive effects can be yielded by negative publicity (Chang, 2018; Palomina & Varma, 2020; Yang et al., 2020). For example, despite Sacha Baron Cohen's film "Borat" consistently ridiculing Kazakhstan, Hotels.com reported a 300% increase in inquiries about the country following the movie's release (Yabroff, 2006). Similarly, negative publicity has been shown to have positive effects on brands with low awareness. For instance, negative reviews in The New York Times have boosted sales for books by unknown authors (Berger et al., 2010).

Research on brand extension indicates that positive reviews of brand extensions do not consistently enhance the parent brand's reputation, nor do negative reviews always harm it (Michel & Donthu, 2014). Building on social representation theory (Moscovici, 1963), Michel & Donthu (2014) found that negative brand extension experiences matter when alignment with core brand associations occurs—those associations deemed indispensable by most consumers to express brand meaning.

However, what happens when the performance and value aspects of a brand are simultaneously impacted in opposite directions by an event? Certain semi-truck brands' popularity among armed

non-state actors exemplifies this scenario (Engel, 2015). Despite the company's managerial efforts to disassociate itself from associations with militant organizations, the toughness and low maintenance costs of some Japanese semi-trucks have led them to become synonymous with such groups. Referred to as the "vehicular equivalent of the AK-47" by military experts (Somaiya, 2010), extensive use of these semi-trucks in various armed conflicts in the Middle East and Africa has even led to wars being named after them. Negative publicity can stem from internal managerial decisions or external factors beyond a company's control (Chung & Jiang, 2017). For instance, while Toyota may not control who buys the Hilux, they can influence the occurrence of product defects (Vlasic & Apuzzo, 2014)

Drawing on insights from literature on negative publicity and brand extension, this study argues that purchase intent decreases when negative publicity impacts core brand associations or arises from managerial decisions. The research questions were investigated through four hypotheses. Two experiments using samples gathered from the Clickworker online panel system were conducted. A total of 201 participants took part in the experiments. The results were analyzed using two-way ANCOVAs. Theoretical and managerial implications, limitations, and directions for future research were also thoroughly discussed in subsequent sections.

2. Theoretical Development

Negative publicity is defined as derogatory or defamatory public information about a company (Henard, 2002) disseminated through print, broadcast media, or by word of mouth (Menon, Jewell, & Unnava, 1999; Van Hoye & Lievens, 2005; Monga & John, 2008). Negative publicity can manifest as either a single event or a continuous process (Basar, 2022). It can be classified as performance-related or value-related (Pullig, Netemeyer, & Biswas, 2006). Performance-related negative publicity pertains to expected benefits related to brand functionality, while value-related negative publicity concerns the symbolic and psychological benefits of the affected brand (Dutta & Pullig, 2011; Baghi & Gabrielli, 2021).

Negative publicity can arise from various sources such as negative celebrity publicity (Till & Shimp, 1998; Zhou & Whitla, 2013; Yoon & Shin, 2017), product recalls (Monga & John, 2008), CSR misconduct (Einwiller et al., 2019; Chung & Lee, 2022), and environmental disasters (Okada & Reibstein, 1998). Companies are impacted by negative publicity across multiple functions, from human resources to finance (Van Hoye & Lievens, 2005). Cognitive, emotional, and behavioral effects on consumers are caused by negative publicity (Liu, Lischka, & Kenning, 2018). Positive brand perceptions can be undermined by negative publicity (Monga & John, 2008; Yu et al., 2018) impacting associated brands (Dahlen & Lange, 2006) and the entire segment (Coombs & Holladay, 2001; Pullig et al., 2006; Zou & Li, 2016). Negative publicity exposes brands to competitive marketing strategies (Heerde et al., 2007; Xie & Peng, 2009).

Customer satisfaction, purchase intention, and the evaluation of the corporation as well as brand equity are weakened by negative publicity exposure (Pullig, Netemeyer, & Biswas, 2006; Xie & Peng, 2009; Um, 2013) because the social legitimacy of companies is undermined, leading people to perceive

them as insensitive to communities, dishonest, unlawful, untrustworthy, and irresponsible (Dean, 2004; Kim, Carvalho, & Cooksey, 2007). Negative publicity leads to negative corporate associations (Einwiller et al., 2006; Vanhamme & Grobben, 2009), potentially causing severe and enduring harm to the company (Hoeken & Renkema, 1998). Companies affected by negative publicity often experience reduced financial performance, including lower sales, diminished market share, and declining stock prices (Huang & Chen, 2006; Goldenberg et al., 2007). The harmful effects of negative publicity are more pronounced when threat severity is high, the product failure is performance-related, consumer health is at issue, the product is directly involved in the incident, and the crisis occurs in high power distance or high uncertainty avoidance cultures (Yu, Liu, & Lee, 2019; Yang et al., 2022)

Consumers commonly pay attention to negative publicity and adjust their attitudes accordingly (Monga & John, 2008). This assumption is well-founded, as publicity is often perceived as credible information, exerting greater influence than messages from the company itself (Ham et al., 2012; Stammerjohan et al., 2013). Furthermore, consumers tend to believe negative information more readily than positive information (Henard, 2002; Basuroy et al., 2003), viewing it as more informative or diagnostic (Maheswaran & Meyers-Levy, 1990; Griffin et al., 1991).

But how do consumers process the information conveyed in negative publicity? Brands are typically associated with various concepts, traits, and meanings (Gu & Sinha, 2013). Consumers' beliefs about brands can form through various mechanisms, including inference based on existing associations (Okada & Reibstein, 1998). Brand associations encompass all the information and beliefs that individuals hold about a specific brand (Broniarczyk & Alba, 1994; Brown & Dacin, 1997; Okada & Reibstein, 1998). Therefore, when negative publicity arises, it affects all brand and company associations to some extent (Einwiller et al., 2006). However, not all associations carry equal strength (Reder & Anderson, 1980; John et al., 2006). Michel and Donthu (2014) applied social representation theory (Moscovici, 1963) to explain why positive evaluations of brand extensions do not always enhance the parent brand, and negative evaluations of brand extensions can diminish it. Brand associations were categorized by them into two groups, namely core brand associations, associations that the majority of consumers perceive as indispensable to express the brand meaning, and peripheral brand associations, strong but not entirely inseparable from the core brand. It was found that although consistency with core brand associations and peripheral brand associations influences perceived extension fit, only consistency with core brand associations positively affects consumer brand extension evaluations. Similarly, only inconsistency with core brand associations negatively affects brand evaluations independent of inconsistency with peripheral brand associations. In this study, the same approach has been taken but in the context of negative publicity. Whether it is a performance-related or value-related publicity crisis, it will matter only if core brand associations are damaged.

H_{1a}: *When negative publicity is about the core brand association(s), there is a significant decrease in purchase intention.*

H_{1b}: *When negative publicity is about the peripheral brand association(s), there is no significant change in purchase intention.*

The origin of negative publicity can be categorized as either internal or external (Chung & Jiang, 2017). Typically, negative publicity stemming from internal factors correlates positively with executive access and control (Sherrell & Reidenbach, 1986). In contrast, negative publicity attributed to external reasons generally correlates negatively with managerial access and control (Sherrell & Reidenbach, 1986). The brand is less likely to be penalized by consumers if the cause of negative publicity is beyond the company's managerial control.

H_{2a}: *When the reason for negative publicity is within managerial control, there is a significant decrease in purchase intention.*

H_{2b}: *When negative publicity is beyond managerial control, there is no significant change in purchase intention.*

In summary, it is proposed by the hypotheses that consumer purchase intentions can be affected differently by multi-valent negative publicity depending on whether core brand associations are impacted or if it results from managerial decisions. These hypotheses are considered crucial as gaps in the existing literature on multi-valent negative publicity and brand management are addressed, offering new insights into how consumers' perceptions are shaped by different types of brand-related information simultaneously. To empirically test these hypotheses, a carefully designed research methodology is employed. This approach includes the conduction of two A/B experiments that capture all the scenarios. The following section will detail the methodology used in this study, including the experimental procedures, sample characteristics, and analytical techniques.

3. Methodology

3.1. Experiment I

3.1.1. Experimental Design

Experiment I was designed as a 2 (core vs. peripheral association) x 2 (internal vs. external cause) study to investigate the impact of negative publicity on purchase intention. In this experiment, a value-related negative but performance-related positive publicity scenario was examined. To simplify the experimental design and mitigate any legal concerns, a fictitious semi-truck brand name generated by AI, "Jocana," was used. Initially, participants were randomly assigned to either core or peripheral associations. In the subsequent stage, a brief paragraph detailing how "Jocana" trucks position themselves in the market was read by participants (See Appendix A1 and A2). Following that, another short paragraph explaining why "Jocana" trucks are the preferred brand among armed rebel groups was presented to them (See Appendix B). A third paragraph provided information about whether involvement by Jocana's executive team in this situation existed (See Appendix C1 and C2) To ensure thorough engagement, a minimum of 60 seconds was required to be spent

by participants on each paragraph before progressing to the next screen. In the final stage of the experiment, changes in purchase intention after reading the scenarios were indicated by participants. Responses were expressed on a 7-point Likert scale (-3 = Extremely decrease, 0 = No Change, +3 = Extremely increase).

3.1.2. Procedure and Sampling

97 participants were recruited through Click-Worker. Prior to the survey, participants were briefed on the academic nature of the study and the anticipated survey duration. Socio-demographic information was also collected from the participants. Of the participants, 34 were male, constituting 35% of the sample, while 65 were female, making up 65% of the sample. Regarding marital status, 52 participants were single (54%) and 45 were married (46%). The median age of the sample fell within the 35-44 range, the median education level was a 4-year university degree, and the median annual income ranged between $30,000 and $39,999.

3.1.3. Analysis

Descriptive statistics suggest that, in all scenarios, purchase intention has decreased.

Table 1: Descriptive Statistics (Purchase Intention – Experiment I)

Association	Managerial Control	Mean	SD	N
	Internal	-1,91	1,125	23
Peripheral	External	-0,13	1,872	24
	Total	-1	1,782	47
	Internal	-1.54	1,382	24
Core	External	-0,35	1,573	26
	Total	-0,92	1,589	50

To test the hypotheses, a two-way ANCOVA was conducted with the change in purchase intention as the dependent variable, association (core vs. peripheral) and managerial control (external vs. internal) as independent variables, and control variables as covariates. When the first ANCOVA was conducted, a significant result was shown by Levene's test (F (3,93) =2.815, p=0.043). A significant result in Levene's test indicates that the groups did not show homogeneity of variance on the dependent variable. To overcome this issue, the dependent variable was transformed using logarithms. Since negative numbers cannot have a logarithm, 4 was added to the purchase intention change score, and the scale was remade as 1-7. Each purchase intention change score was then transformed logarithmically. In the second ANCOVA, an insignificant result was shown by Levene's test (F (3,93) =0.089, p=0.966).

New ANCOVA results show that a significant effect on purchase intention is not had by association type (F=0.343; p=0.560). While these results do not support H_{1a}, H_{1b} is supported. When it comes to managerial control, ANCOVA suggests that a significant effect on purchase intention in negative publicity incidents is had by managerial control (F=22.439; p<0.001).

Table 2: Tests of Between Subject Effects (Experiment I)

Source	Type III SoS	Df	MS	F	Sig.	PES	NCP
Corrected Model	1,689	8	0,211	4,327	0,000	0,282	34,618
Intercept	0,934	1	0,934	19,150	0,000	0,179	19,150
Gender (Male)	0,027	1	0,027	0,555	0,458	0,006	0,555
Marital Status (Married)	0,324	1	0,324	6,630	0,012	0,070	6,630
Age	0,053	1	0,053	1,082	0,301	0,012	1,082
Education	0,017	1	0,017	0,341	0,561	0,004	0,341
Income	0,009	1	0,009	0,188	0,665	0,002	0,188
Association (Core)	0,017	1	0,017	0,343	0,560	0,004	0,343
Managerial Control (External)	1,095	1	1,095	22,439	0,000	0,203	22,439
Interaction	0,055	1	0,055	1,119	0,293	0,013	1,119
Error	4,294	88	0,049				
Total	22,734	97					
Corrected Total	5,983	96					

Table 3: Parameter Estimates (Experiment I)

Parameter	B	Std. Error	T	Sig.	PES	NCP
Intercept	0,485	0,099	4,875	0,000	0,213	4,875
Gender (Male)	-0,036	0,049	-0,745	0,458	0,006	0,745
Marital Status (Married)	0,125	0,049	2,575	0,012	0,070	2,575
Age	-0,027	0,026	-1,040	0,301	0,012	1,040
Education	0,010	0,017	0,584	0,561	0,004	0,584
Income	0,003	0,008	0,321	0,749	0,002	0,434
Association (Peripheral)	0,021	0,066	0,321	0,749	0,001	0,321
Association (Core)						
Managerial Control (Internal)	-0,171	0,064	-2,672	0,009	0,075	2,672
Managerial Control (External)						
Association (Peripheral) * Managerial Control (Internal)	-0,097	0,092	-1,058	0,293	0,013	1,058
Association (Peripheral) * Managerial Control (External)						
Association (Core) * Managerial Control (Internal)						
Association (Core) * Managerial Control (External)						

When pairwise comparisons were conducted, stronger purchase intentions were shown by consumers when negative publicity incidents were not the result of the brand's managerial decisions (MD=0.220; p<0.001). Thus, it can be said that H_{2a} is supported but not H_{2b}.

Table 4: Pairwise Comparisons (Experiment I)

(I) Managerial Control	(J) Managerial Control	Mean Difference (I-J)	Std. Error	Sig
Internal	External	-0,220	0,046	0,000
External	Internal	0.220	0,046	0,000

Although it was not hypothesized, the interaction between association type and the event's externality was also analyzed to gain a deeper understanding. ANCOVA suggests that the interaction

is not significant (F=1.119, p=0.293). When negative publicity surrounds the core association, a significantly larger negative change in purchase intention is observed if the negative publicity incident is the outcome of managerial decisions (MD=-0.171, p=0.009). When negative publicity surrounds the peripheral association, a significantly larger negative change in purchase intention is observed if the negative publicity incident is the outcome of managerial decisions (MD=-0.268; p<0.001).

Table 5: Pairwise Comparisons (Experiment I)

Association (Core)	(I) Managerial Control	(J) Managerial Control	Mean Difference (I-J)	Std. Error	Sig
Peripheral	Internal	External	-0,268	0,067	0,000
	External	Internal	0,268	0,067	0,000
Core	Internal	External	-0,171	0,064	0,009
	External	Internal	0,171	0,064	0,009

Among control variables, marital status is found to have a significant and positive effect on purchase intention (β=0.125, t=2.159; p=0.012), suggesting that married consumers are more sensitive to negative publicity incidents.

3.2. Experiment II

3.2.1. Experimental Design

Experiment II closely mirrors Experiment I, except that this time, a value-related positive but performance-related negative publicity scenario was investigated. Like Experiment I, Experiment II was structured as a 2 (core vs. peripheral association) x 2 (internal vs. external cause) study, focusing on examining the impact of negative publicity on purchase intention. To streamline the experimental design and preempt any potential legal concerns, a fictitious cosmetic brand name generated by AI, "Cosder," was utilized. Participants were initially assigned randomly to either the core or peripheral association. Subsequently, they read a concise paragraph detailing how Cosder, a dermo-cosmetic brand, positions itself in the market (See Appendix D1 and D2). Following that, they were presented with another short paragraph describing recent changes in Cosder products, specifically becoming more environmentally friendly but less effective in treating skin problems (See Appendix E). A third paragraph provided information about whether Cosder's executive team had any involvement in this situation (See Appendix F1 and F2). To ensure participant engagement, a minimum of 60 seconds was required on each paragraph before advancing to the next screen. In the final stage of the experiment, participants were asked to indicate changes in their purchase intention after reading the scenarios. Their responses were collected on a 7-point Likert scale (1 = Extremely decrease, 4= No Change, 7 = Extremely increase).

3.2.2. Procedure and Sampling

Through Click-Worker, 104 participants were recruited. Information about the academic nature of the study and the expected duration of the survey was provided to the participants before the survey. Additionally, socio-demographic information was collected from the participants. Among the participants, 66 were women, representing 63.5% of the sample, and 38 were male, constituting 36.5% of the sample. Concerning marital status, 59 participants were married, making up 57% of the sample, while 45 were unmarried, constituting 43% of the sample. The median age of the participants fell within the 35-44 range, the median education level indicated attending some college, and the median annual income ranged between $30,000 and $39,999.

3.2.3. Analysis

Descriptive statistics suggest that, in all scenarios, purchase intention has decreased.

Table 6: Descriptive Statistics (Purchase Intention – Experiment II)

Association	Managerial Control	Mean	SD	N
	Internal	-0,40	1,472	27
Peripheral	External	-0,28	1,699	29
	Total	-0,34	1,595	56
	Internal	-0,04	1,593	24
Core	External	-1.29	0,840	24
	Total	-0,66	1,419	48

To test the hypotheses, a two-way ANCOVA was conducted with the change in purchase intention as the dependent variable; association (core vs. peripheral) and managerial control (external vs. internal) as independent variables, and control variables as covariates. When the first ANCOVA was conducted, a significant result was shown by the Levene test ($F_{(3,100)} = 2.815$, $p = 0.024$). If Levene's test is significant, this means that homogeneity of variance on the dependent variable was not shown by the groups. To overcome this issue, the dependent variable was transformed by logarithm. Since logarithms cannot be applied to negative numbers, 4 was added to the purchase intention change score, and the scale was remade as 1-7. Then each purchase intention change score was transformed logarithmically. In the second ANCOVA, an insignificant result was shown by the Levene test ($F_{(3,100)} = 0.910$, $p = 0.439$).

The new ANCOVA results show that a significant effect on purchase intention was not found for association type ($F = 0.033$, $p = 0.857$). While these results do not support H_{1a}, support is provided for H_{1b}. However, the ANCOVA suggests that managerial control has a significant effect on purchase intention ($F = 5.381$, $p = 0.022$).

Table 7: Tests of Between Subject Effects (Experiment II)

Source	Type III SoS	Df	MS	F	Sig.	PES	NCP
Corrected Model	0,844	8	0,105	3,826	0,001	0,244	30,611
Intercept	1,545	1	1,545	56,051	0,000	0,371	56,051
Gender (Male)	0,013	1	0,013	0,483	0,489	0,005	0,483
Marital Status (Married)	0,352	1	0,352	12,775	0,001	0,119	12,775
Age	0,072	1	0,072	2,612	0,109	0,027	2,612
Education	0,017	1	0,017	0,341	0,561	0,004	0,341
Income	0,033	1	0,274	0,619	0,433	0,006	0,619
Association (Core)	0,001	1	0,001	0,033	0,857	0,000	0,033
Managerial Control (External)	0,148	1	0,148	5,381	0,022	0,054	5,381
Interaction	0,041	1	0,041	1,485	0,226	0,015	1,485
Error	2,619	95	0,028				
Total	30,135	104					
Corrected Total	3,462	103					

Table 8: Parameter Estimates (Experiment II)

Parameter	B	Std. Error	T	Sig.	PES	NCP
Intercept	0,426	0,067	6,373	0,000	0,300	6,373
Gender (Male)	0,025	0,036	0,695	0,489	0,005	0,695
Marital Status (Married)	0,127	0,035	3,574	0,001	0,119	3,574
Age	-0,028	0,017	-1,616	0,109	0,027	1,616
Education	0,015	0,014	1,101	0,274	0,013	1,101
Income	-0,005	0,050	-0,787	0,433	0,006	0,787
Association (Peripheral)	0,035	0,050	0,704	0,483	0,005	0,704
Association (Core)						
Managerial Control (Internal)	0,119	0,049	2,414	0,018	0,058	2,414
Managerial Control (External)						
Association (Peripheral) * Managerial Control (Internal)	-0,083	0,068	-1,219	0,226	0,015	1,219
Association (Peripheral) * Managerial Control (External)						
Association (Core) * Managerial Control (Internal)						
Association (Core) * Managerial Control (External)						

When conducting pairwise comparisons, consumers show stronger purchase intentions when negative publicity incidents are not due to the brand's managerial decisions (MD=0.078; p=0.022). This finding contradicts the proposed hypotheses. Therefore, the results do not support either H_{2a} or H_{2b}.

Table 9: Pairwise Comparisons (Experiment II)

(I) Managerial Control	(J) Managerial Control	Mean Difference (I-J)	Std. Error	Sig
Internal	External	0,078	0,033	0,022
External	Internal	-0,078	0,033	0,022

Although it is not hypothesized, the interaction between association type and event's externality was also analyzed to gain a deeper understanding. The ANCOVA suggests that the interaction is not significant (F = 1.485, p = 0.226). When negative publicity surrounds the core association, a significant decrease in purchase intention is found when the negative publicity is an external event rather than an internal one (MD = – 0.119, p = 0.018). However, when negative publicity surrounds a peripheral association, significant changes in the purchase intention of consumers are not found (MD = 0.036, p = 0.437). These results suggest that H1a can also be true under certain conditions, namely when the negative publicity incident is the outcome of external events.

Table 10: Pairwise Comparisons (Experiment II)

Association	(I) Managerial Control	(J) Managerial Control	Mean Difference (I-J)	Std. Error	Sig
Peripheral	Internal	External	0,036	0,046	0,437
	External	Internal	-0,036	0,046	0,437
Core	Internal	External	0,119	0,049	0,018
	External	Internal	-0,119	0,049	0,018

Among the control variables, marital status is found to have a significant and positive effect on purchase intention (β = 0.127, t = 3.380, p = 0.001), which suggests that married consumers are more sensitive to negative publicity incidents.

4. Conclusions and Discussions

Defined as derogatory or defamatory public information about a brand or firm, negative publicity has the potential to diminish positive customer perceptions toward a brand. While it is conventionally believed that negative publicity invariably decreases brand equity, the literature indicates that under specific circumstances, brands may not be significantly affected and, in some cases, may even experience positive effects. Past studies have often focused on univalent publicity cases, where events have either a positive or negative valence, impacting brand perceptions related to performance or ethical stances. However, there are instances where publicity events influence both aspects of the brand and are not unidimensional. Leveraging social representation theory, this study argues that negative publicity, whether performance-related or value-related, only becomes impactful when it pertains to the core brand associations. Additionally, the degree of managerial control over the negative publicity incident is crucial, and thus, the classification of the incident as internal or external is also examined.

In Experiment I, a publicity case that negatively impacts the brand's value-related image but positively influences the performance-related image is examined. The results indicate that whether a negative publicity incident pertains to core association or peripheral association does not significantly alter consumers' purchase intention. However, it is revealed that a significant reduction in purchase intention occurs when a negative publicity incident results from managerial decisions, irrespective of whether the incident is associated with core or peripheral associations. The impact of managerial control on the impacts of negative publicity is in line with previous findings. Yu et al. (2018) found that the extent to which consumer purchase intention decreases following negative brand information depends significantly on the level of blame attributed to the brand. Similarly, Jung & Seock (2016)

found that companies with negative corporate reputations are more vulnerable to negative publicity incidents, experiencing greater declines in purchase intention compared to companies with better reputations. Although both studies examined the long-term impact of managerial decisions, Experiment I confirms that similar effects can also be observed in the short term.

Experiment II focuses on a publicity case that negatively affects the brand's performance-related image but positively influences the value-related image. Experiment II also found managerial control to be a significant variable on purchase intention under negative publicity scenario. However, the results indicate a significant reduction in purchase intention only occurs when negative publicity impacts core associations and stems from external events. The impact of negative publicity incidents varies depending on how well the negative information aligns with the brand's image congruity (Tong, Feng & Liu, 2023). Since a brand's image is built on core associations, it is natural that negative publicity affecting these core elements has a significant impact on purchase intention. However, the finding that external events have a greater effect is unexpected and does not align with previous studies. This discrepancy could be due to potential shortcomings in the experimental design or because consumers may exhibit different buying behaviors when it comes to cosmetic products.

4.1. Theoretical Implications

This study contributes to existing theoretical frameworks in marketing and consumer behavior by providing nuanced insights into the impact of negative publicity on consumer purchase intention. Publicity events are often studied in univalent ways in the existing studies; however, publicity events can also be multi-dimensional. Thus, this study brings a fresh perspective to negative publicity studies. The differentiation between core and peripheral associations within a brand offers a novel perspective on the varying degrees of vulnerability to negative incidents. Although the findings of the study do not perfectly align with theories emphasizing the centrality of a brand's core identity in shaping consumer perceptions and behavior, both experiments partly shows that a brand's core associations matter in negative publicity incidents.

Furthermore, a contribution is made to crisis communication and reputation management literature by distinguishing between negative publicity resulting from managerial actions and external events. Although Experiment I and Experiment II found conflicting results, both experiments agree that the origin of negative publicity is influential on consumers' reactions to negative publicity incidents. The study's insights advance the understanding of the psychological mechanisms at play when consumers attribute responsibility for negative incidents.

Additionally, the research underscores the need for a more nuanced approach to studying consumer reactions to negative publicity. Future theoretical developments in this field could explore the interplay between core and peripheral brand associations, as well as the evolving nature of consumer-brand relationships in the context of crises. In conclusion, the theoretical implications of this study extend beyond the immediate focus on negative publicity, contributing to a deeper understanding of the intricate dynamics that shape consumer perceptions and reactions in the face of brand-related challenges.

4.2. Managerial Implications

Significant relevance for marketing practitioners is also held by this study. The need to comprehend how consumers react to negative brand information is shared by both practitioners and researchers (Yu et al., 2018). With the ease of accessing negative information about brands, particularly on social media, a profound understanding of this phenomenon becomes increasingly vital for top management (East, Hammond, & Wright, 2007). When faced with diverse challenges stemming from negative publicity, such as celebrity scandals or the spread of baseless rumors, large-scale advertising campaigns or corporate social responsibility projects are often used by companies as responses. However, the impact of such responses is often limited, particularly if a substantial history in this regard is lacking (Vanhamme & Grobben, 2009).

Valuable guidance for brand managers and marketing practitioners facing the challenges of negative publicity is offered by the findings of this study. One key takeaway is the importance of tailored communication strategies. When the core aspects of a brand are involved in negative incidents, a proactive and transparent communication approach becomes essential. This ensures that the brand's fundamental identity is preserved and communicated effectively. Moreover, recognizing the distinct effects of negative incidents resulting from managerial actions versus external events is crucial for crisis preparedness. Targeted strategies to address incidents within their control should be developed by brand managers, demonstrating accountability and responsiveness. In situations beyond their control, displaying empathy and a commitment to resolution can help maintain consumer trust.

Rebuilding trust emerges as a central theme in the aftermath of negative publicity, especially when core brand values are implicated. Brand managers should prioritize initiatives that reinforce the positive aspects of the brand's identity, assuring consumers of their commitment to these values over time. Continuous monitoring is recommended as a proactive measure to detect potential issues early on. By staying vigilant to both internal and external factors that may trigger negative publicity, brand managers can respond swiftly, minimizing the impact on consumer perceptions. Lastly, training and development programs for managerial staff should emphasize decision-making aligned with the brand's values. Proactive measures to prevent negative incidents resulting from managerial actions can significantly contribute to the long-term resilience of the brand.

Furthermore, the study reveals that individuals who are married exhibit heightened sensitivity to negative publicity incidents. These findings hold particular relevance for brands targeting married couples, especially those in the baby product sector or any products consumed by families. Whether the negative publicity is the outcome of their managerial decisions or not, married people will show more reactions to single individuals.

In summary, the insights from this study can be leveraged by brand managers to inform their decision-making processes. By understanding the differential impact of core versus peripheral associations and managerial actions versus external events, consumer perceptions can be proactively shaped, and the adverse effects of negative publicity can be mitigated.

4.3. Limitations and Future Research Directions

Several limitations that warrant consideration in future studies are present in this research. One primary limitation is the potential influence of respondents' thinking styles on the results. As evidenced by Monga and John (2008), the responses to negative publicity about a brand, such as Mercedes, can be moderated by consumers' processing styles, whether holistic or analytic. Contextual factors tend to be disregarded by analytical thinkers, who attribute negative information solely to the brand, while context-based explanations are considered by holistic thinkers, who maintain their beliefs about the brand.

The study also partly failed to find a significant relationship between the centrality of brand associations and negative publicity incidents. One possible explanation could be that online panels still tend to skew toward certain demographics, as also observed in the sample. Furthermore, this study assumes a relatively static relationship between negative publicity and consumer purchase intention. Future research could adopt a longitudinal approach to investigate how these dynamics evolve over time and whether the initial impact persists or diminishes. In terms of methodology, this study employed quantitative measures. Complementing these findings with qualitative approaches, such as in-depth interviews or focus groups, could capture the depth of consumer perceptions and offer richer insights into the underlying mechanisms.

Additionally, the use of an experimental design and fake brand names may introduce potential biases into the results. Existing literature suggests that the impact of negative publicity can be mitigated by consumer commitment to the brand or customer identification (Einwiller, Fedorikhin, Johnson, & Kamins, 2006). The research focused on two primary variables—the nature of negative publicity and its source. While these variables provide a comprehensive framework, other factors may contribute to the complexity of consumer responses. A more comprehensive understanding of the dynamics at play could be offered by exploring additional variables, such as consumer emotions, perceptions of crisis severity, and the role of social media. Therefore, careful consideration and addressing of these limitations should be undertaken by future research to enhance the robustness and generalizability of the findings.

Author Contribution

CONTRUBUTION RATE	EXPLANATION	CONTRIBUTORS
Idea or Notion	Form the research idea or hypothesis	Kemal Cem Söylemez
Literature Review	Review the literature required for the study	Kemal Cem Söylemez
Research Design	Designing method, scale, and pattern for the study	Kemal Cem Söylemez
Data Collecting and Processing	Collecting, organizing, and reporting data	Kemal Cem Söylemez, Mert Ersen, Semra Erpolat Taşabat
Discussion and Interpretation	Taking responsibility in evaluating and finalizing the findings	Kemal Cem Söylemez, Mert Ersen, Semra Erpolat Taşabat

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Appendix

Experiment 1 (Value Negative, Performance Positive)

A1 (Core Association)

Jocana is one of the largest automotive manufacturers in the world. Every year more than 10 million Jocana vehicles are sold across the globe. In the last 5 years, Jocana uses the world peace theme in their advertising. Jocana's CEO often tells that the company has a role in this world beyond selling cars and states that the company dedicates a certain percentage of its profits to peace-promoting charities. In the consumer surveys, peace-promoting activities come at the top when people are asked about the first thing they know about Jocana brand.

A2 (Peripheral Association)

Jocana is one of the largest automotive manufacturers in the world. Every year more than 10 million Jocana vehicles are sold across the globe. In the last 5 years, Jocana uses the sustainability theme in their advertising. Jocana's CEO often tells that the company has a role in this world beyond selling cars and states that the company dedicates a certain percentage of its profits to green charities. In the consumer surveys, being eco-friendly come at the top when people are asked about the first thing they know about Jocana brand.

B:

During the evening news, military experts argue about why many armed rebel groups across the world use Jocana trucks. A former Navy Seal officer says that Jocana cars have strong steel frames which makes them very tough and reliable in harsh environments. Their low fuel consumption and availability of spare parts make them the vehicular equivalent of AK-47.

C1 (External)

During a press conference, Jocano's CEO states that they have no idea why armed rebel groups overwhelmingly prefer their brand. CEO said, "As you can understand, we don't have any control over who is buying our trucks. But we won't sacrifice the quality of our vehicles just because someone abuses it".

C2 (Internal)

Department of Justice spokesperson announced that the department will sue Jacano for their activities in troublesome regions. The spokesman said government institutions found substantial evidence that Jocano's Agrabah and Wadiya distributors were supplying vehicles to armed rebel groups and Jocano's management team simply looked the other way to make more profit.

Experiment 2 (Value Positive, Performance Negative)

D1 (Core Association)

Cosder is one of the largest dermo-cosmetic manufacturers in the world. Every year more than 10 billion Cosder products are sold across the globe. In the last 5 years, Cosder emphasizes the skin hydration theme in their advertising. Cosder's CEO often tells that the company has specialized in cosmetic products that increase collagen production in the body. In the consumer surveys, moisturizing come at the top when people are asked about the first feature, they know about Cosder brand.

D2 (Peripheral)

Cosder is one of the largest dermo-cosmetic manufacturers in the world. Every year more than 10 billion Cosder products are sold across the globe. In the last 5 years, Cosder emphasizes the hair loss prevention theme in their advertising. Cosder's CEO often tells that the company has specialized in shampoos that regenerate hair. In the consumer surveys, hair regeneration comes at the top when people are asked about the first feature, they know about Cosder brand.

E:

During the evening news, cosmetic experts argue about why Cosder products started to get lower customer reviews in the last months. A respectable chemistry professor who works in a reputable research company says that there should be changes either in the integrident or manufacturing process of Cosder products. Lab results suggest that while Cosder products become less effective in skin moisturizing compared to their past performances, they also become more environmentally friendly.

F1 (External)

During a press conference, the CEO of Cosder states that they are aware of the lower performance of their products and their investigation shows that one of their raw material suppliers has been sending slightly different ingredients to them accidentally for some time which leads to changes in their cosmetics' performances. CEO continues that although the company cares about the environment, they won't let down any customers who trusted their brand in treating skin problems.

F2 (Internal)

During a press conference, the CEO of Cosder explained that Cosder has chosen to use more natural and environmentally friendly raw materials for a greener world, although the use of these raw materials leads to decrease performance in the treatment of skin problems. The CEO said, " We refuse to jeopardize our planet in exchange for a mere improvement in skin hydration efficacy."